





# Amplifying Our Vision

Kruger Products 2024 Sustainability Report



# Table of Contents

<b>About This Report</b>	<b>3</b>	<b>Our Progress</b>	<b>25</b>	<b>Our Performance</b>	<b>56</b>
<b>Message from Dino Bianco, Chief Executive Officer</b>	<b>4</b>	<b>Planet Conscious</b> —————>		Performance Data	57
<b>Executive Roundtable: Integrating Sustainability into Everything We Do</b>	<b>5</b>			SASB Index	64
<b>Our Impact: Year at a Glance</b>	<b>7</b>			GRI Index	67
				TNFD Index	79
				Climate-Related Disclosures (IFRS S2)	81
				Our Facilities	89
				PwC’s Limited Assurance Report	90
<b>About Us</b>	<b>9</b>	<b>Products Empower</b> —————>			
About Us	10				
Our Business	11				
Awards and Recognition	12				
How We Create Value	13				
Our Context	14				
<b>Our Strategy</b>	<b>16</b>	<b>Employee Impact</b> —————>			
Progress Against Our Commitments	18				
Listening to Our Stakeholders	19				
<b>Our Governance</b>	<b>20</b>	<b>Community Embrace</b> —————>			
Setting Ourselves Up for Success	21				
Acting with Integrity	22				
Data Privacy and Cyber Security	23				
Managing Risks and Opportunities	24				





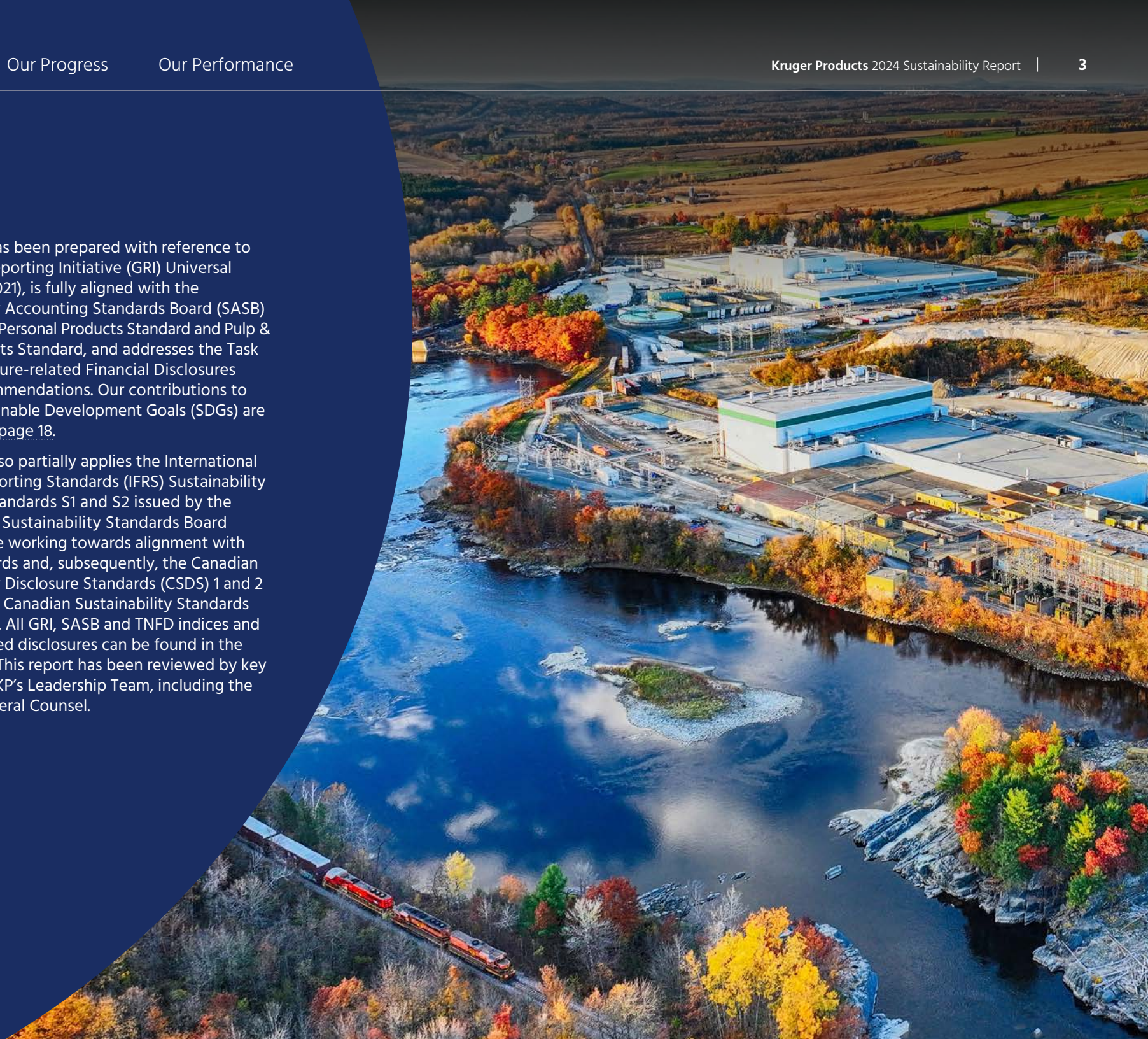
# About This Report

The 2024 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 2024 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 the 2023 report.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards (2021), is fully aligned with the Sustainability Accounting Standards Board (SASB) Household & Personal Products Standard and Pulp & Paper Products Standard, and addresses the Task Force for Nature-related Financial Disclosures (TNFD) recommendations. Our contributions to the UN Sustainable Development Goals (SDGs) are disclosed on page 18.

This report also partially applies the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2 issued by the International Sustainability Standards Board (ISSB). We are working towards alignment with these standards and, subsequently, the Canadian Sustainability Disclosure Standards (CSDS) 1 and 2 issued by the Canadian Sustainability Standards Board (CSSB). All GRI, SASB and TNFD indices and climate-related disclosures 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

At Kruger Products, sustainability is at the core of who we are and woven into every decision we make. We don't prioritize it because we have to, but because we believe that improving our social and environmental practices is integral to our business performance – and to realizing our mission of making everyday life more comfortable for our customers.

Fortunately, our primary shareholder is Kruger Inc., a family-owned company that has been around since 1904 and takes a long-term view. They understand that being a responsible business requires commitment and investment. With a vision to be the most trusted, best loved tissue company in North America, we also understand that our words matter – and our actions matter even more. This is reflected in Reimagine 2030, our ten-year sustainability strategy that guides every person in our company.

As a major North American tissue manufacturer, we have a responsibility to lead by example in our own operations – especially since we rely heavily on natural resources to make our products. Sourcing fibre responsibly, reducing our GHG emissions, adopting circular practices and optimizing our resources mitigate risks and save us money. Even more importantly, operating this way helps ensure that we can continue to make a product that millions of North Americans can rely on for many years to come.

We have an additional opportunity to have a positive impact beyond our own operations. We're driving change by supporting local communities, helping our suppliers create long-term value and making it easier for our customers to live more comfortably with high-quality, responsibly sourced products, such as our innovative and sustainability-focused Bonterra® products.

In 2024, I'm pleased to report that we made progress against our ten-year targets in several ways, such as:

- **Making significant investments** in our manufacturing facilities to reduce our energy use and lower emissions. Reaching over \$2 billion in revenues for the first time enabled us to continue to invest in our sites, and we're seeing the benefits.
- Improving how we **measure our environmental footprint** to help colleagues from across the business understand what they can do to make a difference and fuel our ability to make investments that will have the greatest positive impact.
- Taking an **innovative circular approach to capturing energy from waste streams**, such as reusing steam that is generated from our manufacturing processes to heat our own sites and external buildings.

- Offering diverse programs that **help our people realize their career potential and make a difference in communities** through volunteering, fundraising and donations.

While momentum has been building on our sustainability journey, we've also experienced some bumps in the road. For example, we are still not where we want to be when it comes to reducing plastic packaging. Finding the right technology that works for our business has been harder than we thought, and the technology hasn't improved as quickly as we had anticipated. This challenge is shared across our industry, and in 2025, we'll work with our suppliers and partners to advance solutions.

Ultimately, Kruger Products is not just a tissue company; we're a people company. We can only achieve our ambitious goals with the help of our dedicated, incredibly skilled employees from across North America. I want to thank them for the things they do every day that make a difference.

Operating sustainably and offering responsibly produced products will enable us to attract the right talent and investment now and in the future. However, the stakes are even bigger than that for us. We will continue to do things that secure a more comfortable and sustainable future so that we can live up to the promise we make every day to our customers, our employees and the communities in which we operate. Sustainability is a long game, and I look forward to keeping you updated on our progress.

**Dino Bianco**  
Chief Executive Officer  
Kruger Products Inc.

“Ultimately, Kruger Products is not just a tissue company; we're a people company.”







# Executive Roundtable: Integrating Sustainability into Everything We Do

Q&A with Michael Keays, Chief Financial Officer; Rob Martin, Senior Vice President, Operations; and Steven Sage, Vice President, Sustainability

**Q: How did KP better integrate and embed sustainability across teams and across the Company in 2024?**

**Michael Keays (MK):** We've added multiple sustainability metrics into our process for assessing the value of and making decisions about capital projects. This will help our leadership better understand how our decisions impact our sustainability goals as we continue to grow our business.

**Steven Sage (SS):** We added sustainability risks into our Enterprise Risk Management initiative, which was approved by the Board of Directors. The Board reviews these risks on an annual basis to ensure we're mitigating them effectively.

**Rob Martin (RM):** Sustainability targets were incorporated into our variable pay objectives, including the objectives for the Senior Leadership Team, the Manufacturing Leadership Team and the Individual Site Team. For example, energy consumption and water consumption were built into the Manufacturing Leadership and Site Team objectives.

**Q: In 2024, what was the primary sustainability achievement that brought KP closer to achieving its vision, "To be the most trusted, best loved tissue company in North America"?**

**RM:** We achieved the lowest Occupational Safety and Health Administration (OSHA) total incident rate (TIR) in the history of the Company at 0.82. There are also many examples of our employees supporting and giving back to community organizations and making a difference in the places where they live and work.

**SS:** We started trialling packaging with post-consumer recycled (PCR) material, which reduces waste and energy consumption, lowers GHG emissions and promotes a circular economy. We also continued to make progress on achieving our Reimagine 2030 targets for GHG emissions reductions (26%) and water consumption (35%) while maintaining our use of 100% third-party certified fibres.

Although KP is a private company, we voluntarily report on our sustainability performance utilizing a variety of reporting standards, including GRI, TCFD and SASB. We also publicly report to the CDP climate and forestry questionnaire.

**MK:** We've made improvements in the way we utilize our water in our manufacturing process, reusing water and/or reducing our freshwater intake at many of our manufacturing locations. While water is generally not a major expense item, we know that the proper stewardship of this essential resource is important to our continued success as a business and partner in the communities we operate in and serve.



**MICHAEL KEAYS**  
CFO



**ROB MARTIN**  
SVP, OPERATIONS



**STEVEN SAGE**  
VP, SUSTAINABILITY





**Q: Investing in sustainability and climate activities and initiatives often has longer-term payoffs. How do you balance this with the need to grow and operate profitably in the short term?**

**MK:** We balance the investments we're making in these longer-term initiatives by driving for higher returns on the other projects we have in our portfolio. We have a robust process for identifying cost-reduction opportunities that also contribute to positive sustainability outcomes, and that often generate very reasonable return on investment when we factor in partnerships with other stakeholders, such as local energy distributors or governments.

**SS:** Much of KP's sustainability efforts and progress over the past 15 years have focused on retrofitting our equipment and machinery to reduce energy, water and GHG emissions, which in turn reduces our costs. We've seen these investments pay off in our newest Through-Air Dried (TAD) and Light Dry Creped (LDC) papermaking machines, which are deployed at our Sherbrooke, QC plant. As we continue to grow our business and acquire new assets – particularly in papermaking – there's an opportunity to work with Original Equipment Manufacturers (OEMs) to make decisions about the design and capital investment with sustainable benefits from the project's inception.

**RM:** Strong profitability is an important foundation for any business. Investing in sustainability and climate activities is not only part of our duty as a good corporate citizen, it's critical to our long-term success.

**Q: What are KP's biggest sustainability challenges and how are you working to overcome them?**

**SS:** The greatest sustainability challenge we have currently is achieving our target to reduce virgin plastic in our packaging. When the Reimagine 2030 target was set in 2021, we believed that innovation and market factors would align more quickly than they have to help us achieve our ambitious goals. While we've initiated PCR trials, there are challenges with respect to PCR availability, cost and quality. We're working closely with our suppliers to evaluate PCR options available and will continue to launch many of our consumer trademark brands and professional product offerings with PCR packaging beginning in 2025.

**Q: What opportunities are you most excited about looking ahead to 2025 and beyond?**

**RM:** We have significantly expanded the use of electric trucks to transport our products to our distribution centres. Continuing this initiative and utilizing more electric vehicles inside our manufacturing sites is exciting and will have a positive impact on our transportation-related footprint.

**SS:** To embed sustainability throughout the organization, in 2025 KP will launch a series of online training tools for our employees that provide a common view of what sustainability is and reinforce what KP's responsibilities and efforts are to reduce its impacts. These resources will also encourage our staff to consider the difference they can make in their personal lives. We hear from our current and perspective employees that they are interested in working for an organization that not only embraces sustainability principles but is actively engaged in improving its impacts.

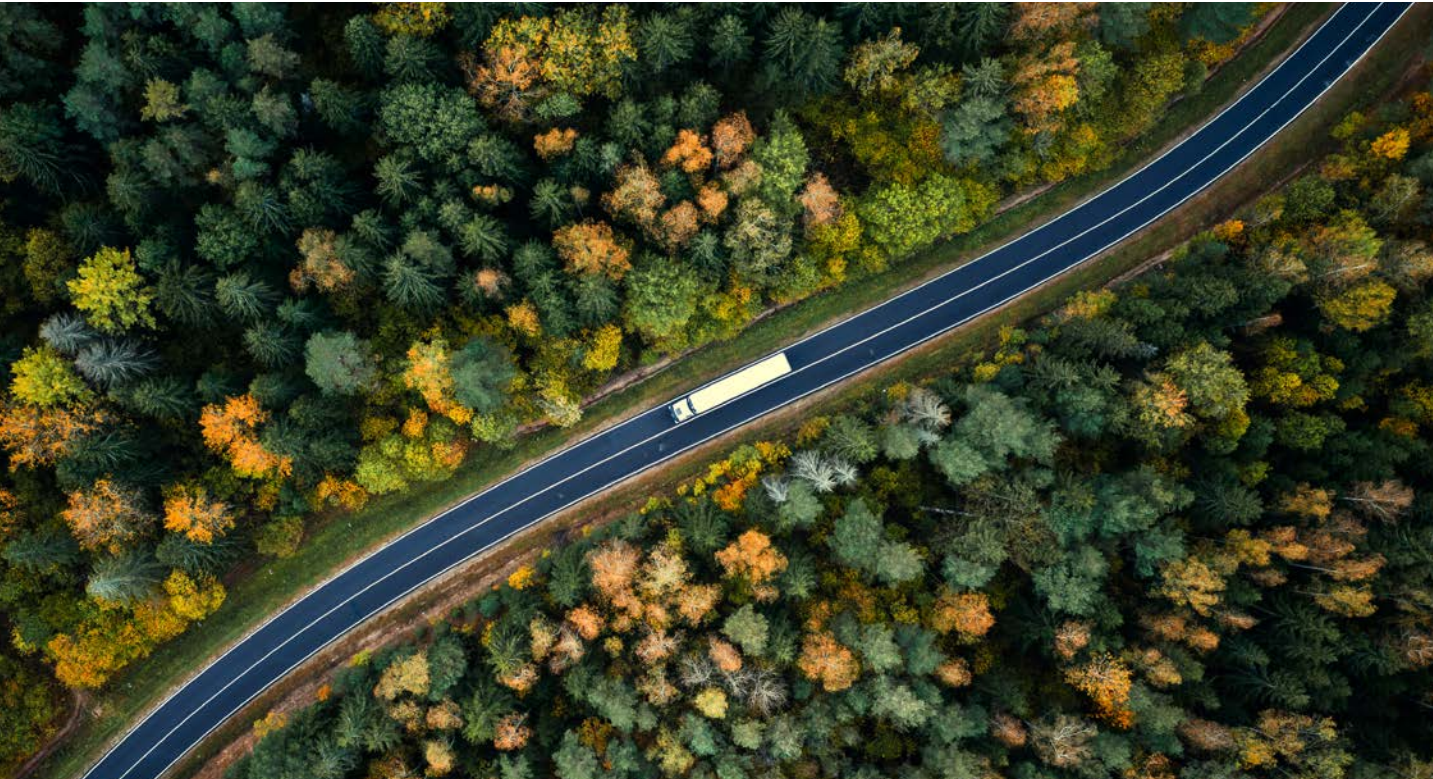
**MK:** It's important to stay on the right trajectory when it comes to the usage of poly film in our packaging. We'll continue to research ways to package our products utilizing sustainable materials that satisfy our customers' expectations and drive us towards our Reimagine 2030 targets.







# Our Impact: Year at a Glance



## Reducing emissions from transporting our products

We've expanded our use of electric vehicles and continue to explore opportunities to increase lower carbon-emitting modes of transportation, such as rail.

[Read more on page 32](#)

## Offering responsibly sourced products

Scotties® and Purex® products became FSC® certified in 2024, joining previously certified Bonterra® and White Cloud® and adding to one of the largest portfolios of certified tissue products in North America.

[Read more on page 39](#)







### Keeping our employees safe

KP achieved a 0.82 OSHA TIR – our lowest to date – while our Sherbrooke, QC plant achieved 1 million hours without a recordable incident and the Crabtree, QC plant achieved 750,000 hours without a recordable incident.

[Read more on page 46](#)



### Helping our communities

KP employees volunteered at community events as diverse as tree planting, local food banks, Ronald McDonald House charities, as well as local United Way programs.

[Read more on page 52](#)

### Taking our reporting to the next level

KP engaged an external consulting agency to identify opportunities to enhance sustainability-related disclosures and move towards aligning with new reporting standards and frameworks such as the IFRS S1 and S2 and TNFD.

[Read more on page 56](#)







ABOUT US

# Getting to Know Kruger Products

Kruger Products Inc. is Canada's – and one of North America's – leading manufacturer of quality tissue products for household, industrial and commercial use. Our mission is to *make everyday life more comfortable* for our consumers, customers, colleagues and communities.

IN THIS SECTION:

- About Us >
- Our Business >
- Awards and Recognition >
- How We Create Value >
- Our Context >





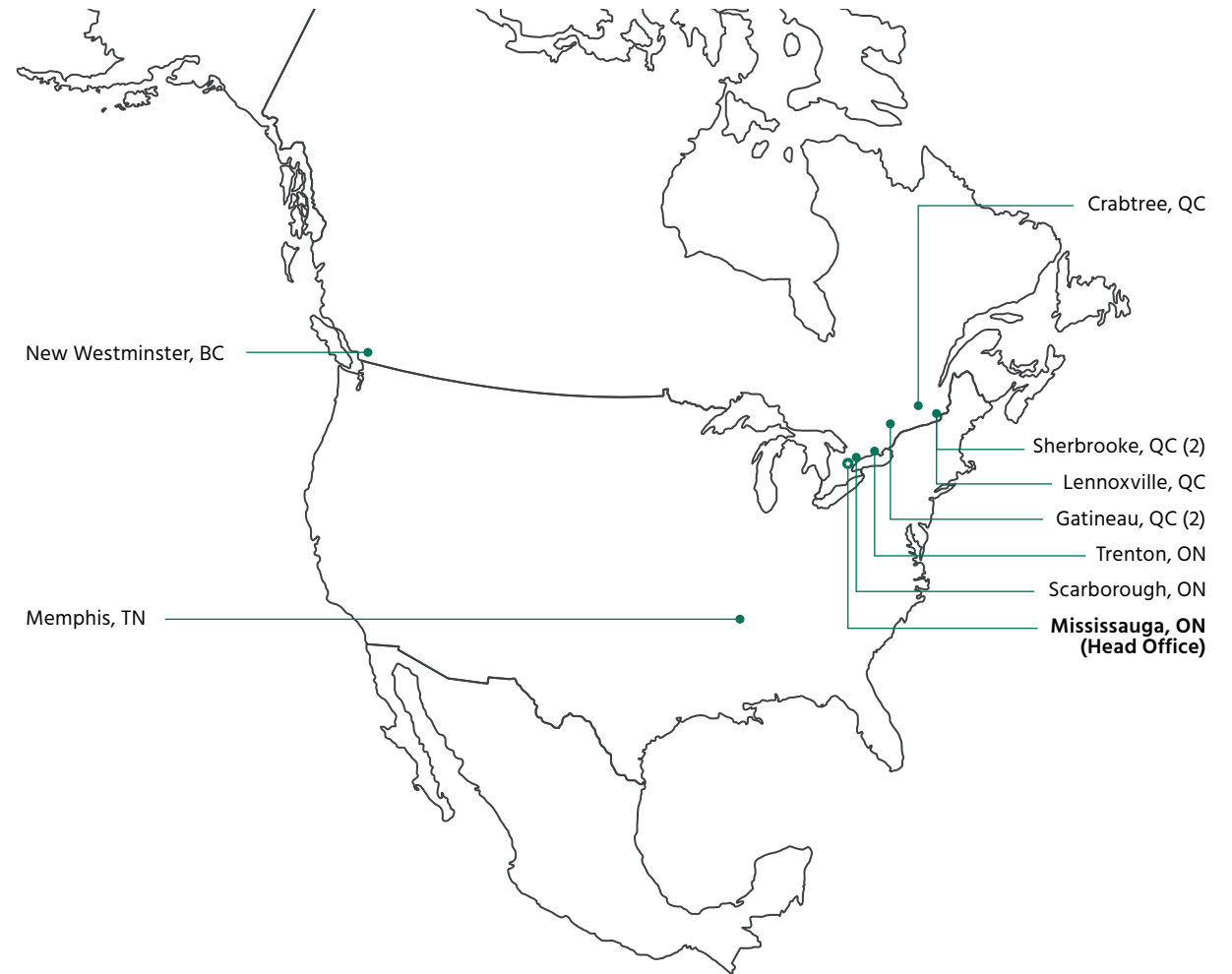


# About Us

Headquartered in Mississauga, Ontario, KP serves the Canadian and U.S. consumer market with well-known tissue brands such as Cashmere<sup>®</sup>, Purex<sup>®</sup>, SpongeTowels<sup>®</sup>, Scotties<sup>®</sup>, Bonterra<sup>®</sup> and White Cloud<sup>®</sup>. Our Kruger PRO division (formerly referred to as the Away From Home division) distributes a wide range of tissue products and solutions to diverse industries, including food service, hospitality and healthcare. These essential products are used by millions of people every day.

With over 2,800 employees across North America and operations representing nearly half of Canada's total tissue manufacturing capacity, we have a unique opportunity to make a difference. Our legacy of progress is important, but we recognize that we need to go further, do better and have an even greater impact. Our vision, mission and values keep us focused on delivering positive outcomes for our customers, our people, the environment and the communities in which we operate.

Learn more about [Kruger Products](#).



# Our Business

## BRAND HIGHLIGHTS

- Cashmere®

#1 Bath Tissue in Canada<sup>1</sup>
- Purex®

#1 Bath Tissue in Western Canada<sup>1</sup>
- Scotties®<sup>2</sup>

#1 Facial Tissue in Canada<sup>2</sup>
- SpongeTowels®

#1 Canadian Made Paper Towel Brand<sup>3</sup>

## 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®<sup>2</sup> 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, convenience stores and online retailers.

## UNITED STATES CONSUMER PRODUCTS

- Products:

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

White Cloud® bathroom tissue, facial tissue, paper towels and diapers are sold at retailer locations and online retailers in the United States.
- Retail Customers:

Grocery, mass merchandisers, club stores and online retailers.

## KRUGER PRO

- 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®, Chalet®, White Swan®, Metro and White Cloud®.
- Segments:

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



<sup>1</sup> KP calculation based on MarketTrack database for the Bathroom Tissues category for the latest 52 weeks ending December 31, 2024 time period. Copyright © 2025, Nielsen Consumer LLC.

<sup>2</sup> KP calculation based on MarketTrack database for the Facial Tissues category for the latest 52 weeks ending December 31, 2024 time period. Copyright © 2025, Nielsen Consumer LLC.

<sup>3</sup> KP calculation based on MarketTrack database for the Paper Towels category for the latest 52 weeks ending December 31, 2024 time period. Copyright © 2025, Nielsen Consumer LLC.





# Awards and Recognition

## Corporate

- [Canada's Best Managed Companies](#) Platinum Club designation (representing 7th consecutive year)
- [Greater Toronto Area Top Employer](#) for 12th consecutive year
- [Women in Governance](#) Parity Certification – Bronze for a 5th consecutive year

## Individual

- [Canadian Grocer Star Women in Grocery, Shining-Level Star](#): Andrea Olave, CHRL, Director, Human Resources
- [Retail Council of Canada \(RCC\) and Food, Health & Consumer Products of Canada \(FHCP\) 2024 Canadian Grand Prix Lifetime Achievement Award](#): Dino Bianco, Chief Executive Officer
- [OnCon Icon Awards, Top 50 CFO Award](#): Michael Keays, Chief Financial Officer
- [Pulp and Paper Canada Top 10 Under 40](#): Mathieu Bilodeau, Manufacturing Director, Sherbrooke, QC plant, and Kasra Rayani, Millwright Apprentice, New Westminster, BC plant
- [Campaign Canada Top 30 Under 30](#): Natasha Ramsignhani, Marketing Manager, Sponsorships & Partnerships
- [Canadian Grocer GenNext Award](#): Ryan Mallany, Corporate Sustainability Manager

## Marketing

- [Brand of the Year](#), Kruger Products Inc., *Strategy Magazine*
- [Canadian Marketing Association](#), Brand Building Gold: "Love is Messy"; Business/Brand Impact Silver: "Cashmere UltraLuxe Bathroom Guide"; Customer Experience & Shopper Marketing Gold: "Cashmere UltraLuxe Bathroom Guide"
- [The Advertising & Design Club of Canada \(ADCC\), Print & Out of Home Silver](#): "Cashmere UltraLuxe Bathroom Guide"
- [Marketing Awards](#), Television Single – Over 30 Seconds/Long-Form Gold, Craft Cinematography Gold, Craft Editing Gold, Craft Direction Gold, Craft Music Gold: "Love is Messy"
- [Cannes Lions, Film Craft Editing Silver](#): "Love is Messy"
- [ADC Annual Awards, Advertising – Craft in Video/Editing Merit Award](#): "Love is Messy"
- [AToMiC Awards, AToMiC Video Silver](#): "Love is Messy"
- [D&AD Awards, Wood Pencil Editing Short Form](#): "Love is Messy"
- [The Clios, Direction – Film Craft Silver Award](#): "Love is Messy"
- [Canadian Grocer Impact Award, Community Service](#): Kruger Big Assist

## Sustainability

- [Corporate Knights Best 50 Corporate Citizens in Canada](#) for 7th consecutive year
- [CN EcoConnexions Partnership Program](#), Silver partner
- [FSC® Leadership Award](#): Bonterra® household paper products

## Manufacturing

- Prix Excelor Gatineau Chamber of Commerce, Large Business of the Year: Gatineau, QC plant

## Customer

- Ranked #1 Consumer Packaged Goods Supplier in the Advantage Report by Canadian retailers for 5th consecutive year
- United Grocers Incorporated (UGI) Best Grocery Supplier
- RJ Schinner Vendor of the Year



Platinum member







# How We Create Value

With some of North America’s favourite tissue brands in our portfolio and a long-term view built into our business model, we have the opportunity to make life more comfortable for our customers for many years to come.

UNIQUE COMBINATION OF STRENGTHS

Unique Ownership Structure

Our unique ownership structure<sup>1</sup> enables us to foster a long-term view of the business and scale our impact by collaborating with Kruger Inc.

Trusted Brands

We produce iconic brands such as Cashmere®, Purex®, Scotties®, SpongeTowels®, Bonterra® and White Cloud®. Additionally, KP manufactures and distributes a wide range of tissue products for the commercial and industrial market.

Scale and Reach

Being the largest tissue manufacturer in Canada, and one of the largest in North America, enables us to have a positive impact on the environment and society.

Employees

We have more than 2,800 employees across North America who share our vision and live by our values.

Investing in Innovation

We invest in innovation in our manufacturing facilities to drive greater efficiency and higher-quality outcomes for our people, consumers and customers.

Strong Supplier Relationships

Our excellent links with suppliers help drive greater quality and sustainability.

BUSINESS MODEL

● Products

Manufacture quality tissue products to meet the needs of our consumers and customers with the mission to make everyday life more comfortable.

● Channels

Ensure our products are available when and where our consumers and customers expect them to be.

● Reinvest

Grow our business by opening new facilities, while driving continuous improvement at our manufacturing sites to enhance product quality and reduce costs and environmental impacts.

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graph TD; Products --> Channels; Channels --> Reinvest; Reinvest --> Products; Consumers[Consumers & Customers];
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CREATING VALUE FOR ALL

Customers

We provide our customers with responsibly produced products at the competitive prices that make their lives more comfortable every day.

Recognized as Canada’s  
**#1 CPG Supplier**  
by Canadian retailers since 2019

Current and Prospective Employees

We cultivate a workplace that enables employees to reach their full potential, celebrates diversity of thought, and where safety is an everyday priority.

**82%**  
response rate to Salaried Employee Engagement Survey

Suppliers

We build long-term relationships with suppliers who share our values, generating sustainable benefits for them and for KP.

**100%**  
of our fibre is responsibly sourced

Communities

We support the health and well-being of our neighbours and partners through local philanthropy and community-building activities.

We support  
**50+**  
community organizations

Planet

We are working to reduce our impact on the planet and to help our customers and suppliers do the same.

**26%**  
reduction in emissions intensity (Scope 1 and 2) since 2015

Stakeholders

We are transparent in our voluntary disclosures and provide interested parties with timely information on our annual performance.

We report in accordance with  
**5**  
globally recognized standards and frameworks

Consumers

We offer North American consumers a wide variety of third-party certified products.

**300+**  
products certified to FSC®, SFI or UL ECOLOGO®

<sup>1</sup> KP is a private company whose primary shareholder is Kruger Inc., a family-owned company founded in 1904. The remaining ownership is [KP Tissue](#), a publicly traded stock (KPT on TSX) created to acquire KP, and its business is limited to holding an interest in Kruger Products Inc.





# Our Context

## Geopolitical Uncertainty

The geopolitical landscape in 2024 was characterized by volatility, which is expected to continue into 2025 and beyond. Global conflicts and trade wars, especially when combined with economic fluctuations like inflation and exchange-rate volatility, are not only affecting people's daily lives but also impacting supply chains and creating a challenging business environment.

KP is building resilience in the face of this uncertainty by continuing to make progress on the long-term priorities laid out in the Reimagine 2030 strategy.

## Advances in Artificial Intelligence (AI)

Artificial intelligence is transforming the way people live, work and conduct business. In 2024, many organizations adopted and deployed generative AI, with the expectation that it will lead to significant or disruptive change in many industries in the years ahead.

KP is embracing new technologies: our state-of-the-art Sherbrooke, QC manufacturing facility is supported by AI-ready systems and infrastructure. The AI digital twin of our supply chain uses real-time data augmented with AI capabilities to improve product quality, boost operational efficiency and reduce waste, contributing to our environmental goals. KP is expanding this AI capability to additional manufacturing sites. Contributing to the development of skills, knowledge and expertise in the field will benefit the entire industry as we move towards digital transformation.



## Growing Population Diversity in Canada

Between 2001 and 2021, Canada saw a 130% increase in new Canadians and immigrants. KP has sought to create new lifelong customers by engaging with ethnically diverse groups. This includes adapting the “Unapologetically Human” and “Love is Messy” brand campaigns for Southeast Asian and Chinese communities and introducing other brand marketing efforts targeting new Canadians.

## Climate Action

The international scientific consensus is that we need to reach net-zero GHG emissions by 2050 to prevent the most catastrophic impacts of climate change. Changing federal governments in the U.S. and potentially in Canada are expected to be less supportive of direct climate action, leaving citizens, communities and businesses to continue to focus on continuing progress and long-term planning. However, other countries as well as states, cities and corporations around the world continue to support urgent climate action, setting net-zero targets and investing in initiatives and activities that decarbonize their operations and supply chains.

We continuously monitor trends, regulations and technological improvements to help map out how we could operate in a low-carbon or net-zero economy. This includes projecting how KP could achieve carbon neutrality by 2050. Our newest facilities in Sherbrooke have been built with energy efficiency in mind and are located in Québec, which has near net-zero electricity emissions. We are also exploring alternative renewable energy sources and are looking to improve brand attractiveness by responsibly marketing products with sustainability offerings, such as our Bonterra® line. These products prioritize sustainable practices such as responsible sourcing and plastic-free packaging, supporting tree planting and ocean plastic removal, and offsetting the emissions associated with manufacturing.

For more information, see [our approach to climate change](#).



## Circular Economy

Governments, businesses and consumers are increasingly concerned about reducing waste and retaining the highest value from our natural resources for as long as possible. The “circular economy” shifts away from our current “take, make, dispose” linear model to focus on optimal material use, reuse, repair, refurbishment, recycling and nature regeneration. Incorporating circular practices across industries – whether by reducing waste, extending product lifespans or supporting renewable energy – can also help achieve global GHG targets.

KP aims to reduce virgin plastic packaging in branded products by 50% by 2030. We recognize that there are industry challenges and we are working with others to eliminate unnecessary or problematic plastic packaging and safely reuse or recycle the plastic we need. For example, we are a member of the Canada Plastics Pact (CPP) and an active participant in its Flexible Working Group. In addition, in 2024 we trialled PCR plastic in select product packaging and will launch products wrapped in PCR packaging in 2025.

For more information, see [our approach to packaging](#).

## Sustainable Procurement

The focus on sustainability and environmental responsibility is also a growing trend in procurement. This includes selecting suppliers based on their environmental impact and incorporating sustainable practices into procurement processes and operations.

To qualify as a potential supplier to KP, they must undergo a rigorous qualification process that considers various factors beyond cost and quality, including responsible governance practices, sustainable practices, and health and safety track record. In addition, KP only works with pulp suppliers who comply with best practices in forest management and who provide third-party certified wood fibre.

For more information, see [our approach to sustainable procurement](#).





## OUR STRATEGY

# Reimagining 2030

We believe that sustainability is the key to making everyday life more comfortable, now and in the future. Our Reimagine 2030 strategy was launched in 2021 and prioritizes actions across four key pillars: Planet Conscious, Products Empower, Employee Impact and Community Embrace. It includes four targets to be achieved by the end of the decade.

We are focused on doing things that will make the biggest difference for our customers, people, the planet and our communities. Our decisions and actions today will shape the world of tomorrow, so Reimagine 2030 is built into our DNA and guides every person in our company.

In 2023, KP conducted its most recent materiality assessment, which identified and prioritized the environmental, social and governance (ESG) issues that significantly impact our business and matter most to our interested parties. The results help us identify risks and opportunities, inform our Reimagine 2030 strategy, and decide where to invest so we can have the most impact and generate long-term value for our customers, employees, the planet and communities. More information on our materiality assessment process can be found on page 16 of our [2023 Sustainability Report](#).

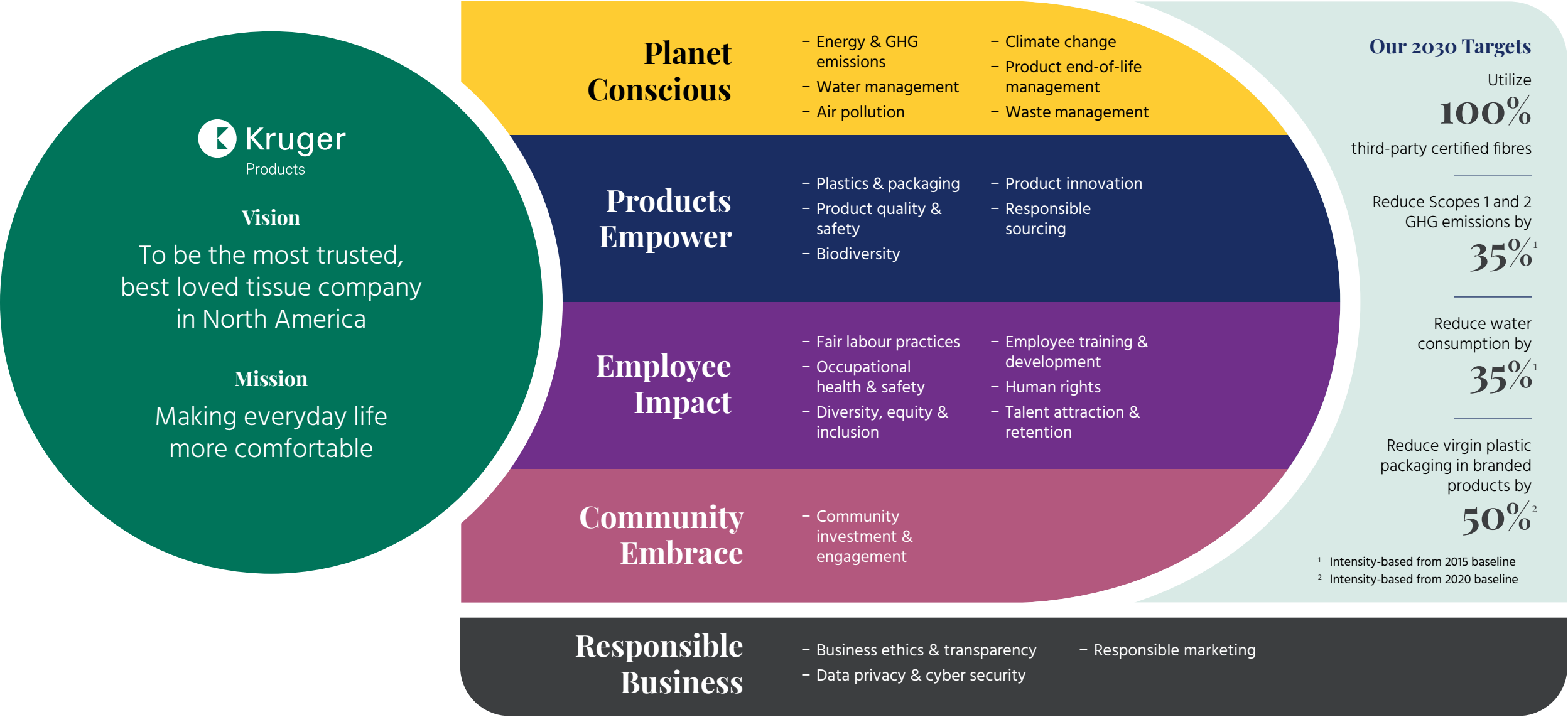
## IN THIS SECTION:

[Progress Against Our  
Commitments](#)[Listening to Our Stakeholders](#)

REIMAGINE  
2030 



Reimagine 2030







# Progress Against Our Commitments

Strategic Pillars	Focus Areas	Commitments and Targets	Progress in 2024	2024 Target Status	United Nations SDG Alignment
Planet Conscious	Climate Change and GHG Emissions	35% reduction in Scope 1 and Scope 2 emissions intensity by 2030	26% reduction in Scope 1 and Scope 2 emissions intensity since 2015	On Track	13
	Water Management	35% reduction in water usage intensity by 2030	35% reduction in water usage intensity since 2015	Achieved	6
	Waste Management	Reduce waste to landfill and improve circularity	84% diversion rate (across manufacturing sites)	No Target	12
Products Empower	Plastics & Packaging	50% reduction in virgin plastic packaging in branded products by 2030	2% decrease in virgin plastic packaging in branded products since 2020	Needs Improvement	8 12
	Product Innovation	Invest in new facilities and innovative, resource-efficient technologies to enhance product sustainability and quality for our consumers	Over \$120M invested in 2024	No Target	9
	Responsible Sourcing	100% of fibre procured annually is third-party certified	100% of fibre procured was third-party certified	Achieved	15
		Expand our sustainably focused product offerings	249 FSC®-certified products in our portfolio	No Target	15
Employee Impact	Occupational Health & Safety	0.86 total incident rate (TIR) target for 2024	0.82 TIR	Achieved	8
	Fair Labour Practices	Promote respect for workers’ rights	Zero non-conformances in our recent human rights assessment	No Target	8
	Diversity, Equity & Inclusion	Create an inclusive and empowering environment for all employees	14% of senior leadership is comprised of women	No Target	5
	Talent Attraction & Retention and Employee Training & Development	Invest in training and development opportunities for all employees	Nearly 240,000 hours of training across all sites in 2024	No Target	8
Community Embrace	Community Engagement & Investment	Invest in our communities through partnerships with local and national charities and employee volunteering	Nearly \$1.4M donated to more than 70 organizations	No Target	11



# Listening to Our Stakeholders

KP aims to be the most trusted, best loved tissue company in North America, so we take listening to our interested parties very seriously. In addition to inviting external parties to participate in our materiality assessment process, we engage with our employees, customers and other partners on a regular basis through a variety of channels. Their feedback allows us to stay on track and continue improving our progress towards Reimagine 2030.

<div><div>Current and Prospective Employees</div><div>HOW WE ENGAGED</div><div>Annual Sustainability Report; corporate website and social media; town hall meetings; intranet</div><div>WHAT WE HEARD</div><div>Working for a “good/responsible” company is important to them</div><div>WHAT WE DID</div><div>In recruitment efforts, used videos that showcase KP’s commitment to sustainability; updated intranet content; linked employee community events to sustainability initiatives</div></div>	<div><div>Customers</div><div>HOW WE ENGAGED</div><div>Customer survey questionnaires; marketing initiatives (print, digital, TV); Annual Sustainability Report; social media</div><div>WHAT WE HEARD</div><div>Interested in more disclosure</div><div>WHAT WE DID</div><div>Incorporated sustainability into trade shows and customer presentations; have a dedicated resource to reach out to niche and green consumers and retailers; highlighted activities on social media and in Annual Sustainability Report</div></div>	<div><div>Investors and Financial Parties</div><div>HOW WE ENGAGED</div><div>CDP questionnaires; Annual Information Forms; Annual Sustainability Report; corporate website; investor presentations</div><div>WHAT WE HEARD</div><div>Interested in more disclosure and specific information</div><div>WHAT WE DID</div><div>Added CDP results to our sustainability website; added sustainability risks to the KP Tissue Enterprise Risk Management (ERM)</div></div>	<div><div>Regulators and Governments</div><div>HOW WE ENGAGED</div><div>Engaged with industry associations such as Food, Health &amp; Consumer Products of Canada (FHCP), Circular Materials, Circular Action Alliance</div><div>WHAT WE HEARD</div><div>Focused on extended producer responsibility (EPR) and plastic regulations</div><div>WHAT WE DID</div><div>Working with industry groups to ensure KP’s perspective is included/heard during policy development process</div></div>	<div><div>Environmental Non-Governmental Organizations (ENGOS)</div><div>HOW WE ENGAGED</div><div>Engaged with Canada Plastics Pact (CPP), Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative (SFI), Programme for the Endorsement of Forest Certification (PEFC), UL ECOLOGO®, 4ocean and One Tree Planted</div><div>WHAT WE HEARD</div><div>Focused on plastics, fibre chain of custody and product certifications</div><div>WHAT WE DID</div><div>Working with ENGOS to ensure KP’s perspective is included/heard during policy development process</div></div>
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OUR GOVERNANCE

# Acting with Integrity and Accountability

Sound governance and operating with integrity underpin our ability to build trust with the people who matter most to us, make critical business decisions and create long-term value. KP is proud to be recognized by Canada's Best Managed Companies as a Platinum Club member in 2024, given its seventh consecutive year on this prestigious list of private Canadian companies.

IN THIS SECTION:

- Setting Ourselves Up for Success >
- Acting with Integrity >
- Data Privacy and Cyber Security >
- Managing Risks and Opportunities >

# Setting Ourselves Up for Success

## Our Vision, Mission and Values

KP’s vision, mission and values are the foundation of who we are. Our vision is *to be the most trusted, best loved tissue company in North America*, and we understand that trust is earned over time. This inspires us not only to make sustainability commitments, but to act on them. Our mission is *to make everyday life more comfortable*, which is the impetus for improving our customers’ lives now and into the future.

Our values of entrepreneurship, family spirit, commitment, integrity and customer focus guide our actions and decisions and foster alignment and consistency in how we do business, even though our employees are spread across North America.



## Our Board of Directors

KP is a private company, with Kruger Inc. as our majority shareholder (87.5%) and the remaining shares (12.5%) held by KP Tissue Inc., a TSX publicly traded corporation, as of January 21, 2025. KP’s Board of Directors has oversight of most primary material ESG topics – including risks, strategy and disclosure – and approves KP’s sustainability strategy.

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 2024, the Board approved integrating climate risks and opportunities into its risk oversight responsibilities and began developing a climate mitigation strategy in alignment with the organization’s risks.

KP’s nine-member Board includes four external directors – including three independent directors and KP’s CEO, Dino Bianco – and five members from parent company Kruger Inc.’s management team. Kruger Inc.’s EVP and Vice Chairman, David Spraley, serves as 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.

## Our Leadership Team

KP’s CEO is responsible for climate-related issues, approves sustainability targets, and reports to the Board on risks, objectives and performance. KP’s CEO and Leadership Team are responsible for executing the Company’s ESG strategy, which includes making progress against our Reimagine 2030 targets. KP’s Vice President of Sustainability leads the development of the strategy, which is supported by cross-functional teams across the organization. The Leadership Team reviews key environmental and social performance progress quarterly and engages in the development, execution and support of various sustainable development activities across the Company. 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 Kruger PRO, SVP General Counsel & Corporate Affairs, SVP Operations, SVP Human Resources, Corporate VP Technology & Product Development, VP Information Technology, VP Supply Chain, and VP Sales & Corporate Strategy.

Our Leadership Team’s Short-term Incentive Plan includes sustainability goals. It ensures that environmental and social outcomes are strongly considered throughout the year, including during the budget-setting process.

## Our Governance Structure







# Acting with Integrity

Our integrity has allowed us to stand the test of time and build rewarding and collaborative relationships with our employees, consumers, customers, business partners and the community. It's also foundational to realizing our vision of being the most trusted, best loved tissue company in North America.

Our commitment to integrity is enshrined in our values and is supported by our [Code of Ethics](#). This policy applies to everyone within the organization, including all our affiliates, the Board of Directors, management and all KP employees. By clearly establishing the standards of behaviour and values encouraged or prohibited within KP, we strive to conduct business interactions responsibly, respectfully and ethically. The General Counsel & Corporate Secretary is responsible for maintaining and enforcing the policy, and 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.

In 2024, we introduced an additional confidential reporting hotline, managed by a third party, as part of our "Respect Works Here" program, that allows employees to report anonymously if they have experienced or witnessed harassment, bullying or other types of unethical behaviour. All HR staff have been trained to manage this process, and any serious accusations are investigated by a third party.

We also have a partnership with an ombudsman in cases where it is more appropriate to have an independent person conduct an investigation.

All KP employees (executive, salaried and hourly) also participated in "Respect Works Here," an in-person training workshop that brought KP's Workplace Policy, introduced in 2024, to life. The training establishes expectations for how employees should behave and aims to create a work environment where everyone is treated with dignity and respect. It is being integrated into onboarding as an e-learning module.

We also set clear expectations for our suppliers (and their subcontractors) in our [Supplier Code of Conduct](#). The Code includes performance standards relating to environmental responsibility, human rights, health and safety, ethics, legal compliance and product safety. We also strongly prefer EcoVadis-certified suppliers.

Kruger Inc., KP's major shareholder, is a signatory to the UN Global Compact, the world's largest corporate sustainability initiative, and KP follows their guiding principles. The UN Global Compact provides a framework for universal, voluntary commitment based on ten principles relating to human rights, international labour standards, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, the Declaration of the International Labour Organization, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.





# Data Privacy and Cyber Security

Our commitment to data privacy is another important component of earning and retaining our customers' trust. Our cyber security strategy is informed by regulatory requirements and our risk management program and is focused on ensuring the safety and security of confidential and private information as well as intellectual property linked to KP, our people and our brands. 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 our networks. Additionally, we conduct quarterly mandatory online training covering all relevant cyber security topics, such as phishing and password protection, and protecting private information. These efforts have enhanced KP's cyber security posture, protecting our critical business information and systems.

**99%+**  
of employees  
completed quarterly  
cyber security training







# Managing Risks and Opportunities

KP's Enterprise Risk Management (ERM) framework is designed to identify, assess and mitigate risks that impact our ability to achieve our mission and drive value for our interested parties. Environmental and climate risks are integrated into our ERM framework.

KP's CEO is provided information on environmental and climate impacts, risks and dependencies, including future trends and management of these impacts, as well as quarterly updates on progress towards our environmental commitments and targets. Risks relating to the environmental and social impact of the supply chain are reviewed by the Leadership Team, and the CEO signs off on all policies related to environmental and climate outcomes. The Board reviews our ERM framework

on a regular basis and incorporates our sustainability risks and opportunities into its overall strategic decision-making as appropriate.

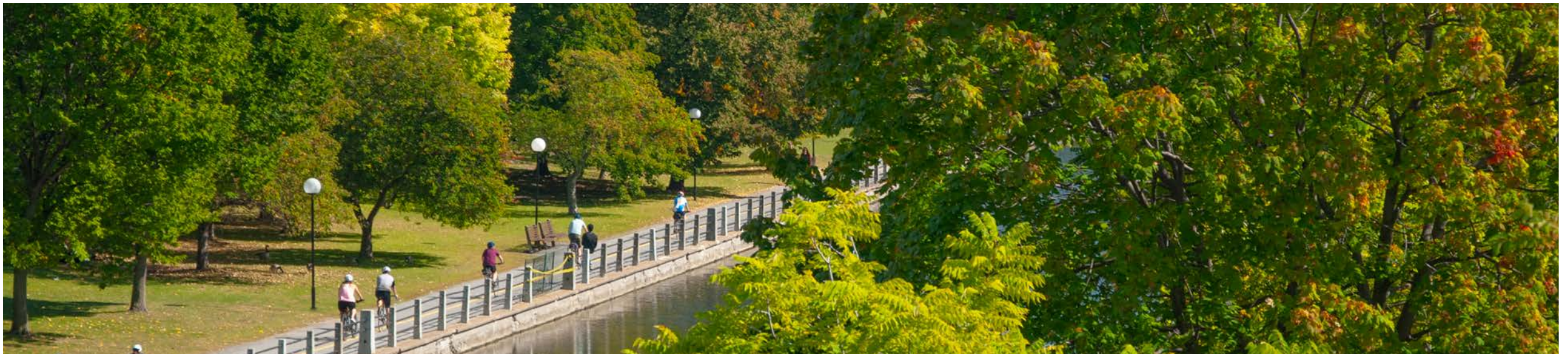
KP's process for identifying and prioritizing sustainability-related risks and opportunities includes assessing a range of information, such as benchmarking against peers, risk profiles from insurance companies, regulatory updates and consumer research, and periodically conducting ESG materiality assessments. We regularly monitor identified risks and opportunities and update the executive team and Board, developing mitigation strategies as relevant.

Sustainability risk areas for the Company include shifting customer and consumer preferences

towards sustainable products, increasing regulation and mandates related to single-use plastics and GHG emissions, supply chain risks related to water security and deforestation, as well as the cost of the commodities and natural resources required to make and market our products.

We are in the process of conducting a climate scenario risk analysis and have begun working on a climate transition plan, which will bolster our operational resilience. In addition, our ERM system incorporates an internal price of \$55.15 per metric ton of carbon, which will increase as the price of carbon increases in Québec's cap-and-trade system. The price is meant to allow decision-makers to understand the climate-related impact of their decisions.

When it comes to health and safety risks, KP sites use an occupational health and safety (OHS) risk analysis process and an IT system called Conformit. The control measures are based on a hierarchy of control logic ranging from eliminating risk to administrative measures and personal protective equipment. The raw risk is calculated based on the frequency of exposure and potential severity. The residual risk also considers the measures in place. Following the calculation of each risk, they are prioritized using a matrix and managed according to criticality while implementing mitigation measures. Risks are reviewed following an accidental event during an audit or according to the annual review plan.







OUR PROGRESS

# Making Progress by Taking Action

We are embedding sustainability in every decision we make and every action we take so it becomes an even stronger part of our corporate DNA. Our decisions and actions today will shape the world of tomorrow.



## Planet Conscious



## Products Empower



## Employee Impact



## Community Embrace







# Planet Conscious

We recognize the urgent need to reduce our impact on the natural world. This is the only planet we have, and we all have a responsibility to protect it. We are taking action in the areas where we can have the most impact: addressing climate change, protecting water and forest resources, and reducing waste to landfill.

- How We're Protecting Our Planet >
- Building Climate Resilience >
- Managing Our Energy Use and Emissions >
- Managing Our Resources >
- Sustainability in Action >

**SUSTAINABILITY CHAMPION**



**BRIAN SOOKHAI**  
DIRECTOR OF TRANSPORTATION  
AND LOGISTICS

“Electrifying our new fleet is exciting. We’re lucky to be a healthy organization that can make these investments and it’s great to be able to make a difference.”

**Read more on page 36**





# How We're Protecting Our Planet

## Why It Matters

As the provider of essential products, we want to build on our legacy of being a responsible corporate citizen so that we are around for many more years to come. Climate change is one of our biggest threats, and it's already severely affecting people, communities and businesses worldwide. We depend on wood fibre to make our products, and our production processes rely on energy and water, so climate change could also have long-term impacts on our operational costs and the supply of raw materials we need. We're committed to addressing climate change and preserving our natural resources not only to protect the viability of our business, but to protect our collective future.

## Our Approach

We monitor climate-related risks and opportunities within our business strategy and regularly assess what actions we need to take to address them. In addition, our [Environmental Policy](#) lays out the specific actions that every employee must take to continually improve our management practices. Reducing GHG emissions in our operations has been a top priority for KP since we launched our first sustainability initiative in 2010, and our

Reimagine 2030 goal is to reduce our Scopes 1 and 2 GHG emission intensities by 35% by 2030 from a 2015 baseline. To expand our impact, we are also engaging with our suppliers to reduce emissions across our value chain.

We are investing in technologies and practices that help us conserve energy and reduce waste, and we aim to reduce our water consumption intensities by 35% by 2030 from a 2015 baseline. When we establish our annual targets for water-usage intensity, and when planning capital investments such as new manufacturing sites, we always calculate the impact on water usage. In addition, we are conducting water-usage studies at our top two water-intensive facilities to identify additional water-reduction projects.

Since 2015, our climate-related investments combined with government grants total almost \$28 million, resulting in projects that reduced approximately 30,000 MT GHG emissions from our sites.

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**\$28M**

resulting in projects that reduced approximately 30,000 MT GHG emissions from our sites



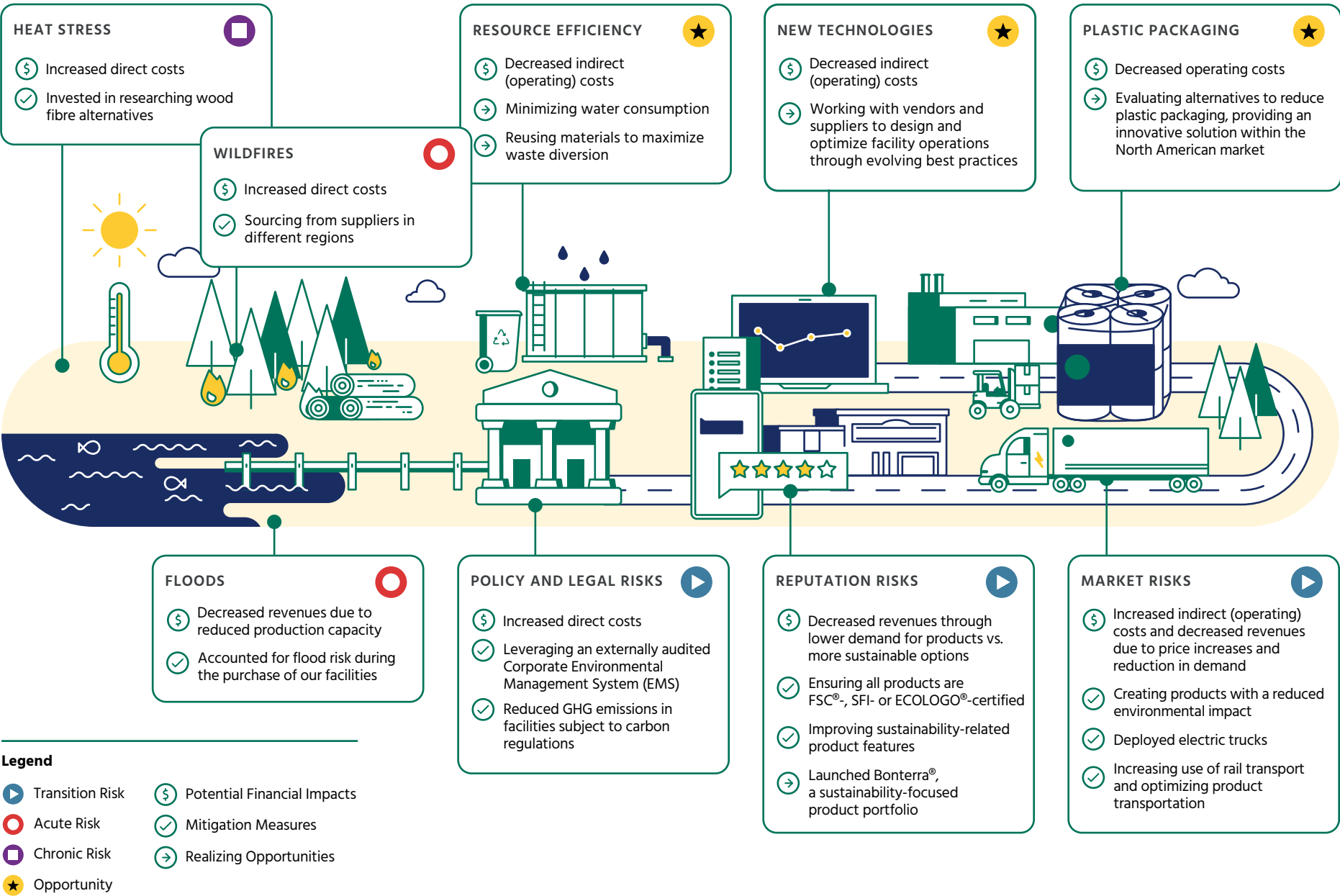




# Building Climate Resilience

KP actively monitors and manages the current and anticipated transition and physical risks resulting from climate change. This is made possible through our long-term Reimagine 2030 sustainability strategy and our commitment to improve climate-related disclosures. Please see [page 81](#) for more information on our IFRS S2 (climate-related) disclosures.

This infographic summarizes the climate-related risks, their potential financial impacts and risk mitigation measures, and opportunities available to KP.





# Managing Our Energy Use and Emissions

## In Our Operations

KP operates facilities ranging from new state-of-the-art manufacturing hubs to 100-year-old plants, each with its own set of opportunities and challenges. As we strive to reach our Reimagine 2030 goals and reduce our environmental footprint, we are looking to capitalize on each plant’s unique strengths while finding creative solutions to address the challenges they face.

2024 was a significant year for KP in terms of energy efficiency improvements: we achieved a 26% reduction from our baseline, which means we are three quarters of the way to achieving our 2030 target.

Our energy stewardship is reflected by the fact that four of our manufacturing sites are ISO 50001 certified, with our Sherbrooke, QC facility gaining certification in 2024. The certification includes three components: our energy management information system, which includes real-time indicators that guide how and when we adjust our papermaking machines; our energy management system, which specifies objectives, roles and responsibilities; and third-party verification readiness. We intend to continue certifying the sites in our portfolio as a means to achieve our Reimagine 2030 carbon-reduction target.

## Manufacturing

Within our manufacturing operations, our climate change mitigation efforts have historically focused 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.

### SHERBROOKE, QC

KP installed a Light Dry Creped (LDC) tissue machine to double production capacity at our Sherbrooke facility. This technology requires less water and significantly less electricity during the tissue-making process. Since most of the electricity in Québec is generated from hydropower, there is not a significant impact on GHGs; however, the reduced electricity use at the plant frees up power in the grid so that the community can use it.

### NEW WESTMINSTER, BC

Our New Westminster site replaced its aging hoods and ducts with a new generation of equipment, which is projected to reduce the site’s operating

emissions by nearly 2,400 MT. The upgrades were completed in partnership with the federal government and local BC utilities.

### CRABTREE, QC

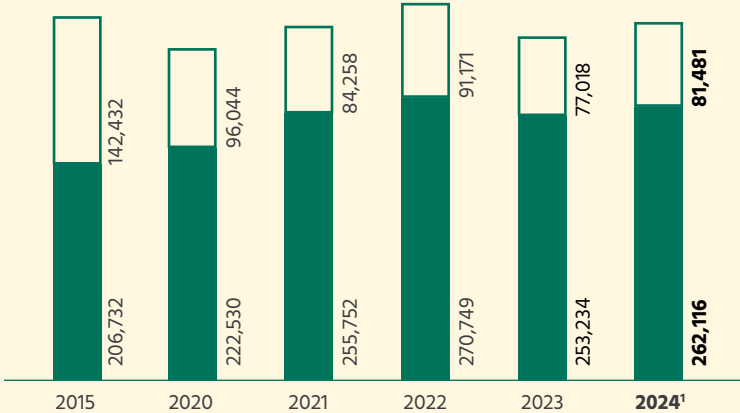
The Crabtree site centralized and automated the heat recovery systems associated with its tissue papermaking machines, pushing them beyond heat recovery to recover waste heat.

### LAURIER, QC

In partnership with Hydro Québec, our Laurier site upgraded its freshwater filtration system to be more energy efficient, resulting in over 10,000 GJ of electricity savings.

### OUR PERFORMANCE

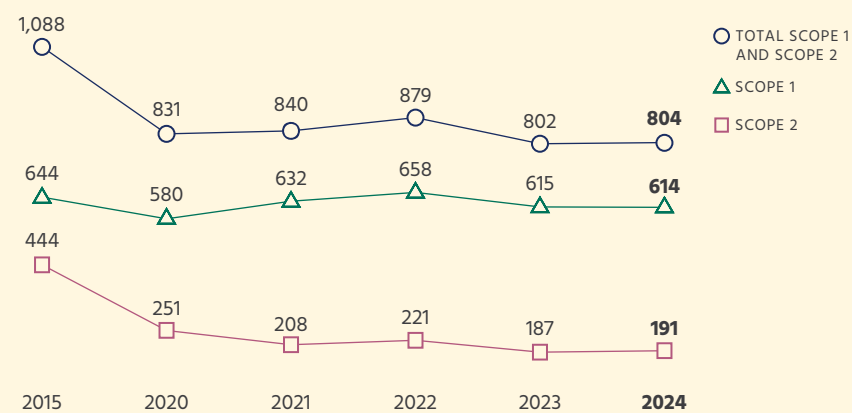
#### ABSOLUTE GHG EMISSIONS (MT CO<sub>2</sub>e)



<sup>1</sup> Absolute Scope 1 GHG emissions increased by 8,882 MTCO<sub>2</sub>e year-over-year, equal to 3.51% more in 2024 vs. 2023. Absolute Location-Based Scope 2 GHG emissions increased by 4,463 MTCO<sub>2</sub>e year-over-year, equal to 5.79% more in 2024 vs. 2023. PwC provided limited assurance over Scope 1, Scope 2 emissions and year-over-year variances. See PwC’s [Limited Assurance Report](#).

<sup>2</sup> MDMT = machine dried metric tonnes

#### INTENSITY-BASED GHG EMISSIONS (kg CO<sub>2</sub>e/MDMT)<sup>2</sup>







In Our Supply Chain

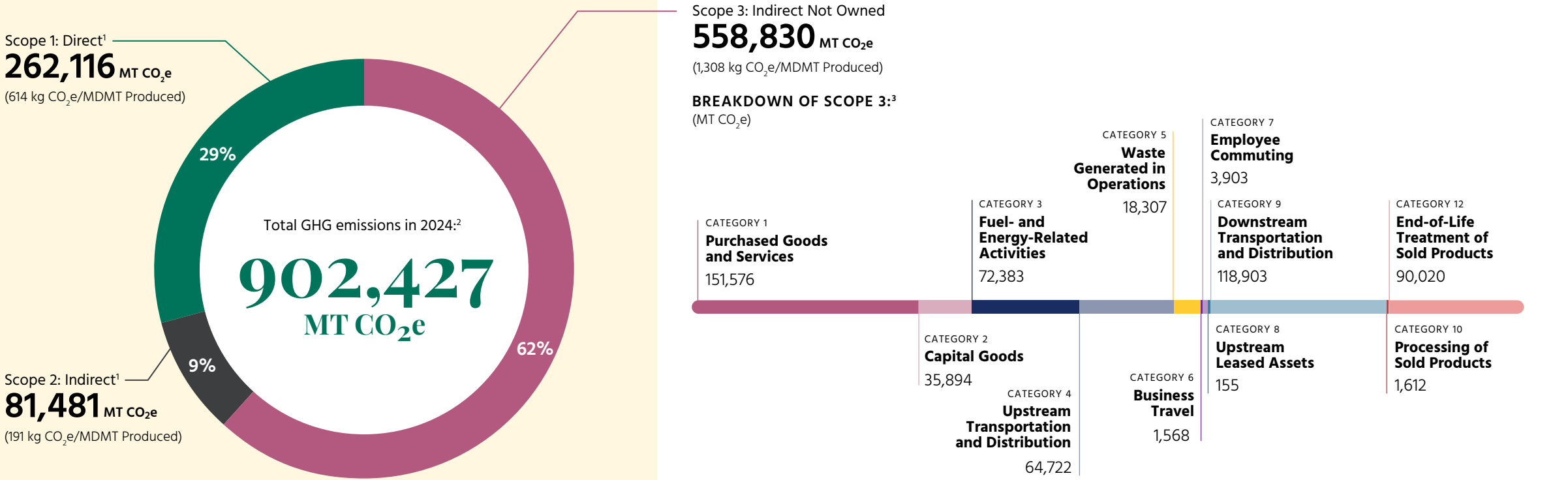
In 2024, we tracked Scope 3 emissions from 11 sources, including purchased goods and services, all forms of transportation and waste. Scope 3 emissions account for roughly 62% of our total emissions. The three categories comprising the largest share of Scope 3 emissions were purchased goods and services at 27%; end-of-life treatment of our sold products at 16%; and transportation and distribution at 33%. 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.





OUR PERFORMANCE

GHG EMISSIONS BREAKDOWN



<sup>1</sup> PwC provided limited assurance over this indicator. See PwC's [Limited Assurance Report](#).  
<sup>2</sup> Numbers may not add up due to rounding.  
<sup>3</sup> Reasons for exclusions of immaterial Scope 3 categories are provided on [page 59](#) and Scope 3 calculation methodology is provided on [page 87](#).



[PLANET CONSCIOUS](#)[PRODUCTS EMPOWER](#)[EMPLOYEE IMPACT](#)[COMMUNITY EMBRACE](#)

### Bonterra® Carbon Footprint

From product development to manufacturing, packaging, design and partnership, our Bonterra® paper products are designed with sustainability in mind. This includes measuring Bonterra®’s product carbon footprint (PCF), which is independently verified by the Carbon Trust, assured against ISO 14067: 2018. The PCF considers the cradle-to-grave life-cycle emissions of the product. Based on these calculations, we offset the emissions associated with manufacturing Bonterra® by retiring third-party verified carbon credits. The verified carbon credits we purchased from Ostrom Climate are from the Great Bear Forest Carbon Project, an Improved Forest Management project located on the Pacific coast of British Columbia. The project is owned and developed by First Nations living within the project area, represented by the Coastal First Nations and the Nanwakolas Council. They, in collaboration with the British Columbia government, worked together to create a balanced system that sustains biodiversity and an enriched community via carbon finance.

### Transportation

As a major tissue supplier in North America, transporting our products from our manufacturing facilities to our customers in Canada and the U.S. is an essential part of our business. It’s also a significant contributor to our GHG emissions. In 2024, our upstream and downstream transportation and distribution emissions comprised approximately 31% of our total emissions.

While we primarily use third-party carriers, our plan is to improve our transportation-related GHG emissions includes electrifying our fleet. Through a partnership with Kruger Energy, we’ve expanded our use of electric vehicles (EVs) and now have eight electric trucks on the road. We expect these EV trucks to reduce our GHG emissions by nearly 2,600 MT CO<sub>2</sub>e annually.

We also continue to explore opportunities to increase lower carbon-emitting modes of transportation, such as rail. In 2024, 72% of our inbound pulp used rail as part of its transportation to our manufacturing sites. 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.





# Managing Our Resources

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 35% from 2015 through 2024. We also take a circular approach to waste management, capitalizing on opportunities to maximize waste reduction and the reuse of materials.

## Using AI to Reduce Waste, Drive Efficiency and Improve GHG Reductions

KP created a digital twin of our supply chain to boost operational efficiency and agility at our Sherbrooke, QC plant. The digital twin project consists of developing a virtual model of the plant's entire supply chain. Real-time data, augmented with predictive and prescription AI capabilities, is then used to optimize all touchpoints within KP's supply chain – from the procurement of raw materials all the way to customer delivery.

The result is a better environmental footprint thanks to lower GHG emissions and increased energy efficiency. The digital twin project also reduces waste, with its capacity to better predict product demand. Leveraging AI will also benefit suppliers, partners and customers by improving our product quality, availability and competitiveness in the market. Based on these initial successes, the digital twin is now being expanded to 70% of our sites.

35%

reduction in water  
consumption from  
2015–2024







## Water Use and Quality

Our operations depend on shared water resources with nearby communities, and we are dedicated to protecting the health and sustainability of the rivers, streams and lakes surrounding our facilities. Over the past eight years, we have made significant strides in water conservation, reducing our water consumption intensity by 35% between 2015 and 2024. This progress has been driven by enhanced process efficiencies and innovative technologies, including the adoption of advanced Through-Air Dried (TAD) machines at our Sherbrooke, QC and Memphis, TN facilities. These machines consume considerably less water than traditional tissue-production methods. Additionally, our cutting-edge, double-width LDC tissue machine at Sherbrooke further enhances our water-saving efforts. Since papermaking commenced at the new Sherbrooke LDC site in September 2024, initial data indicates it is using, on average, over 70% less water compared to our existing LDC assets.

Beyond reducing our water usage, we ensure that nearly all (89%) of the water we utilize is returned to the local environment after undergoing treatment. Each of our facilities operates water treatment systems, where we diligently monitor effluent discharges and provide performance reports to meet regulatory standards. Our goal is to

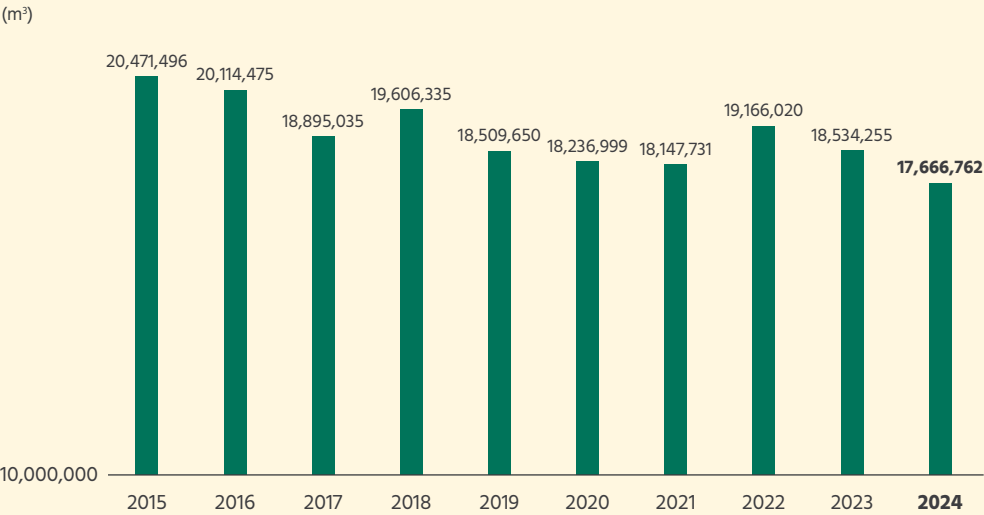
exceed these regulatory requirements whenever possible. We are closely observing developments regarding potential amendments to Canada’s Federal Pulp and Paper Effluent Regulations, which aim to establish stricter limits on contaminants in pulp plant wastewater. While we remain fully compliant with the current regulations, we are proactively preparing to adapt to any new requirements.

Showcasing the distinctive capabilities of our individual manufacturing facilities, the Crabtree, QC plant provides water-treatment services to the City of Crabtree. In addition, in 2024 we:

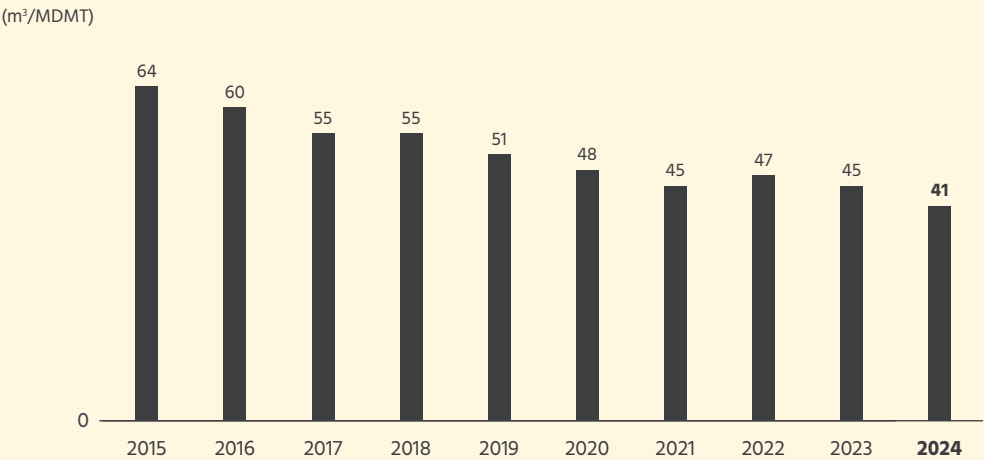
- Installed a new water filtration system at our Gatineau, QC plant, with support from a Hydro-Québec grant. This project has expected energy savings of over 2.3 million kWh – enough energy to power nearly 100 detached homes in Gatineau for a year.
- Established a cross-functional team to identify opportunities across our sites and standardize how we measure and manage water usage.
- Introduced new water-efficient papermaking capacity, resulting in increased production and therefore total water withdrawal, but reducing our water use intensity.

### OUR PERFORMANCE

#### ABSOLUTE EFFLUENT HYDRAULIC FLOW



#### TOTAL WATER EFFLUENT INTENSITY





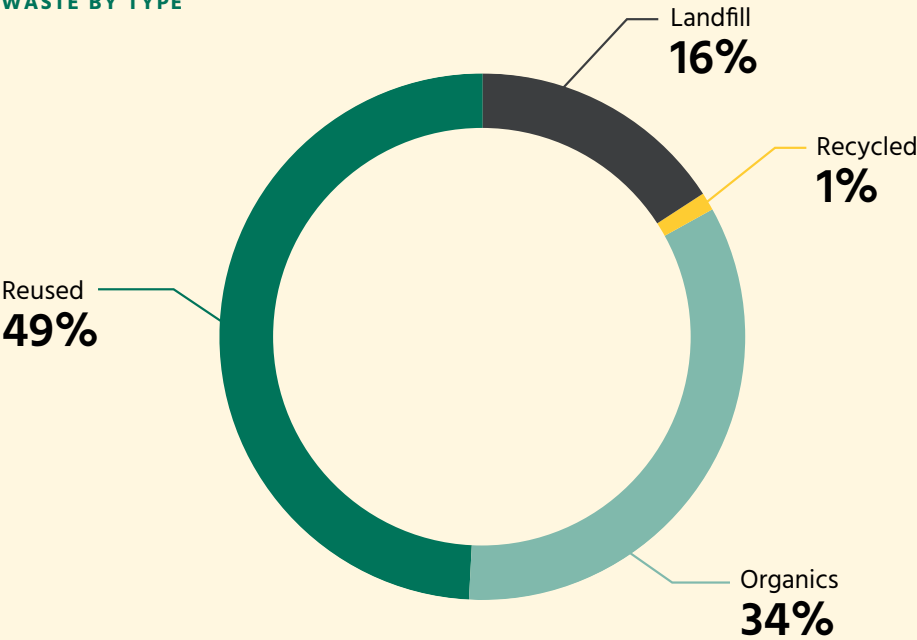
## Waste Management

Our waste management strategy revolves around minimizing waste and maximizing material reuse. We recover and repurpose nearly all our “broke” waste, including the excess pulp and scraps from the paper manufacturing and converting processes. This type of waste accounts for the largest portion of our overall waste. In 2024, we managed to reuse close to 85% of our waste instead of sending it to landfills. Our manufacturing facilities in Crabtree, QC, Gatineau, QC and New Westminster, BC contributed to improvements by securing agreements for their brown fibre waste slurry to be collected for composting and soil amendment in local areas, which will then be utilized on local farms.

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 2024, for example, our Memphis, TN plant launched K-ROC (Kruger Products Recycling Operation Center). K-ROC has helped divert waste like poly, core stock, stretch wrap, cardboard, banding, metal and more from landfills. Over 150 tons of waste have already been recycled and, since the installation of water dispensers across the plant, they’ve saved 15,000 water bottles.

We are also compliant with extended producer responsibility (EPR) regulations in the areas where we operate. These programs support consumer recycling systems to ensure materials are recycled or disposed of correctly.

OUR PERFORMANCE  
WASTE BY TYPE



WASTE MANAGEMENT DIVERSION

WASTE	UNIT	2024
Total Generated	Metric Tonnes	107,936
Recovered or Recycled <sup>1</sup>	Metric Tonnes	90,878
	% of Total	84.2%
To Landfill	Metric Tonnes	17,059
	% of Total	15.8%

<sup>1</sup> Includes organic, recycled and reused materials diverted from landfill.





SUSTAINABILITY IN ACTION

# Going on an Electric Journey



**BRIAN SOOKHAI**  
DIRECTOR OF TRANSPORTATION  
AND LOGISTICS

“While we primarily utilize third-party carriers, we now have an all-electric fleet, with eight EV trucks shipping our product between our manufacturing facilities and distribution centres. We’re always looking for ways to reduce our GHG emissions, and using EV trucks really drives down our transportation footprint. Plus, the drivers really enjoy them because there’s less noise and less vibration when being driven.

“A lot of the third-party carriers we work with are also making investments in EVs and using more fuel-efficient equipment, and that’s factoring into the criteria we use for choosing our transportation partners.

“Electrifying our new fleet is exciting. We’re lucky to be a healthy organization that can make these investments and it’s great to be able to make a difference.”







# Products Empower

We aim to offer products that inspire and empower people to live comfortably and sustainably. Through innovation, R&D and partnerships, we're exploring how we can enhance the sustainability of our products while always ensuring the high quality and comfort that our customers expect from us.

- How We're Making Everyday Lives More Comfortable >
- Responsible Sourcing >
- Safe and Sustainable Products >
- Sustainable Packaging >
- Sustainability in Action >



**SUSTAINABILITY CHAMPION**



**ASHLEY FACCENDA**  
MARKETING MANAGER –  
ENVIRONMENTAL BRANDS (ON  
THE “OH CRAP! RETHINKING  
HUMAN WASTE” EXHIBIT)

“Being able to work on a brand that is aligned with my personal values is very important, and it is exciting to be part of an initiative that shows people how the decisions they make can contribute towards a better future.”

[Read more on page 43](#)





# How We're Making Everyday Lives More Comfortable

## Why It Matters

Our mission to make everyday life more comfortable starts with delivering high-quality, sustainable products to our customers. In fact, focusing on our customers is embedded in our values, and we want to earn their trust by meeting their expectations when it comes to environmentally conscious offerings and product performance. Because we rely on natural resources to make our products, we also feel a responsibility to protect our ecosystems and minimize the impact of our packaging on the environment. This is important to our customers as well, and sustainability considerations are increasingly being incorporated into their decision-making.

## Our Approach

Producing high-quality and sustainable products starts with our suppliers. We only work with suppliers whose values are aligned with ours, and with fibre suppliers whose materials have been third-party certified. Our Reimagine 2030 target is to utilize 100% third-party certified fibres in the manufacturing of our products. We also offer our customers a range of sustainable products and are exploring alternative, non-wood fibres. When it comes to our packaging, we have a Reimagine 2030 goal of reducing virgin plastic packaging intensities in our branded products by 50% by 2030 from a 2020 baseline. While our progress against this target has been slower than we'd like, we continue to look into more sustainable materials and work with industry groups to advance solutions.

Each manufacturing site has designated quality managers who work with cross-functional departments to establish product quality targets across a variety of dimensions. Production is monitored regularly to ensure products meet our standards. Our products are regulated by packaging and labelling acts in both Canada and the U.S.





# Responsible Sourcing

Beginning in May 2024, KP started submitting annual public reports with Canada’s Ministers 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. Our 2024 report can be found [here](#).

We also believe we have an obligation to be a responsible steward of the environment and the natural resources that go into making our products. Sourcing sustainable fibre has long been essential to our sustainability effort.

## Ensuring Our Products Are Third-Party Certified

In 2024, we sourced 68% of our fibre from Canada, 29% from Brazil, 3% from Uruguay and less than 1% from Finland. We source 100% of the fibre used in our products from suppliers that are third-party certified to [Forest Stewardship Council® \(FSC®\) Canada](#), [Sustainable Forestry Initiative \(SFI\)](#) or [Programme for the Endorsement of Forest Certification \(PEFC\)](#). In 2024, almost 90% of our fibre was certified by FSC®, the most trusted responsible forest certification in Canada.

KP offers more than 300 third-party certified products, representing one of the largest portfolios of certified tissue products in North America. In 2024, we began to FSC® certify our Scotties® and

Purex® products, joining our already certified White Cloud® and Bonterra® products. In 2025, we intend to certify Cashmere® and SpongeTowels® to FSC®.

Our third-party forest certification programs are overseen by Preferred by Nature, a certification body that holds, manages and annually audits our certifications to ensure we comply with the stated standards.

Third-party certifications confirm that our suppliers are committed to protecting forests and meeting consumer expectations for responsible forest management. We also verify that our suppliers are maintaining their certifications on a regular basis, and we track all incoming pulp shipments on a monthly and annual basis to understand where our materials are coming from.

Our suppliers must also comply with our [Supplier Code of Conduct](#), [Environmental Policy](#) and, where applicable, our [Fibre Procurement Policy](#).

Also, in 2024, we achieved a “B” grade on our CDP Forestry assessment for the third year in a row, along with high marks for traceability and consumption/production data. The “B” grade matches the paper products & 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. In addition, 49 of our Kruger PRO products are certified by ECOLOGO®, globally recognized as North America’s most respected environmental standard and multi-attribute certification.

## Our Partners in Sustainable Forest Management



### 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 2024, 90% of our fibre was FSC®-certified, an increase from roughly 60% in 2020. The FSC® chain of custody (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.



### 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.



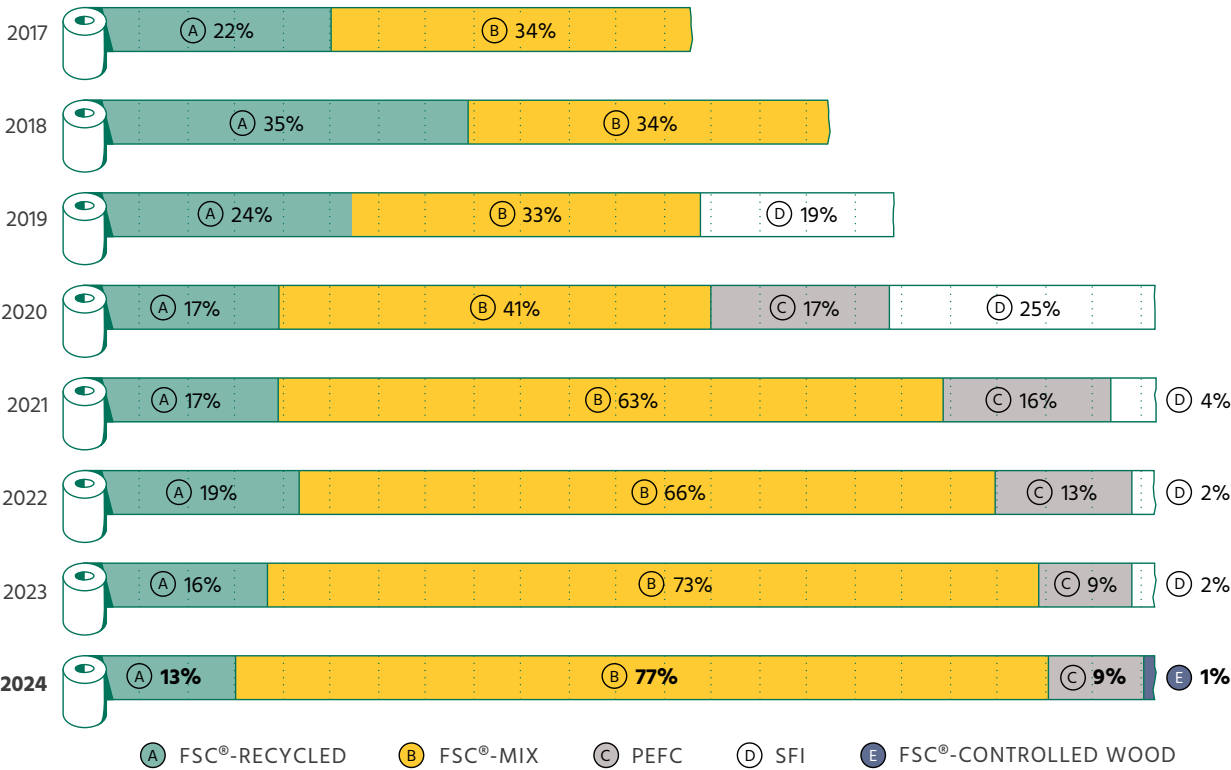
### Sustainable Forestry Initiative

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.





SUSTAINABLE FIBRE CONSUMPTION IN OUR PRODUCTS



Auditing Our Suppliers

In 2023, we took the first steps towards developing an ESG-based dashboard for procurement using the EcoVadis platform, which allows 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.

In 2024, we started monitoring our suppliers using the dashboard and initiated an annual supplier audit. The audit is an opportunity for KP to collaborate with our suppliers on closing any performance gaps and improving the quality and sustainability of our products. We also completed the first-ever fibre sourcing questionnaire for our major pulp suppliers to better understand the sustainability of our pulp supply chain.







# Safe and Sustainable Products

KP wants to empower Canadians to make small changes for a better planet by offering products that prioritize responsible practices. We are investing in product development and infrastructure improvements that deliver greater quality plus positive sustainability outcomes.

## Offering Sustainably Focused Products

In February of 2022, KP introduced the Bonterra® brand, which includes bath tissue, paper towel and facial tissue and incorporates several of our Reimagine 2030 commitments: the products are made in Canada with domestic and imported responsibly sourced certified recycled materials and are wrapped in plastic-free packaging. We also offset the emissions associated with manufacturing the products by purchasing verified carbon offsets. For the past three years, Bonterra® has partnered with 4ocean, a public benefit corporation committed to ending the ocean plastic crisis, to fund the removal of 210,000 pounds of plastic from the ocean – equivalent to 9.9 million single-use water bottles – as well as with One Tree Planted to plant 100,000 trees throughout North America.

In addition, our Kruger PRO division produces a suite of recycled tissue products for use in the food service, property management, healthcare, manufacturing, education and lodging segments across North America.

Led by our Research & Development team, we are assessing the use of non-tree fibres in our products to see how closely we can match the quality of our current offerings.

## Improving Efficiency and Quality Control in Our Operations

In 2024 we introduced new state-of-the-art technology in our Sherbrooke, QC manufacturing facility, including one of Canada's most modern Light Dry Creped (LDC) tissue machines. As a result, we significantly reduced our water usage and decreased our transportation-related GHG emissions because the machines increased our production capacity and efficiency so there was less need to transfer product to other sites. The new technology has also enabled us to introduce a new high-quality facial line to produce Scotties® Ultra Soft and Ultra Soft with Lotion, which are made with premium three-ply layers.

We also have standardized quality assurance and control processes to ensure consistency across our manufacturing facilities. All of our manufacturing facilities are certified to ISO 90001, the internationally recognized standard for quality management systems. They are also Good Manufacturing Practices (GMP)-certified, validating that our products are consistently produced and meet quality and safety standards.







# Sustainable Packaging

Packaging protects our products and ensures they reach their final destinations with their quality intact. We are working to reduce the amount of virgin plastic in our packaging and set an ambitious goal of reducing virgin plastic packaging intensities in our branded products by 50% by 2030 from a 2020 baseline.

In 2024 we began to trial post-consumer recycled (PCR) plastic in select product packaging. Using PCR contributes to a circular economy by diverting waste from landfills, reducing the need for virgin materials, and reuses recycled materials to minimize the environmental impact of resource

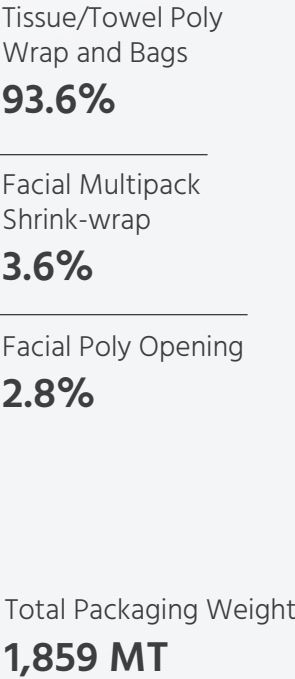
extraction and production. We are working towards launching products wrapped in PCR packaging in 2025.

The primary barriers to reaching our packaging target are cost increases due to PCR being more expensive compared to traditional packaging, reduced print quality that does not meet our current standards, and some operational challenges related to how PCR interacts with our current equipment. This is an industry challenge, so we're looking forward to working with partners in 2025 to advance solutions, such as our peers in the Canada Plastics Pact (CPP).

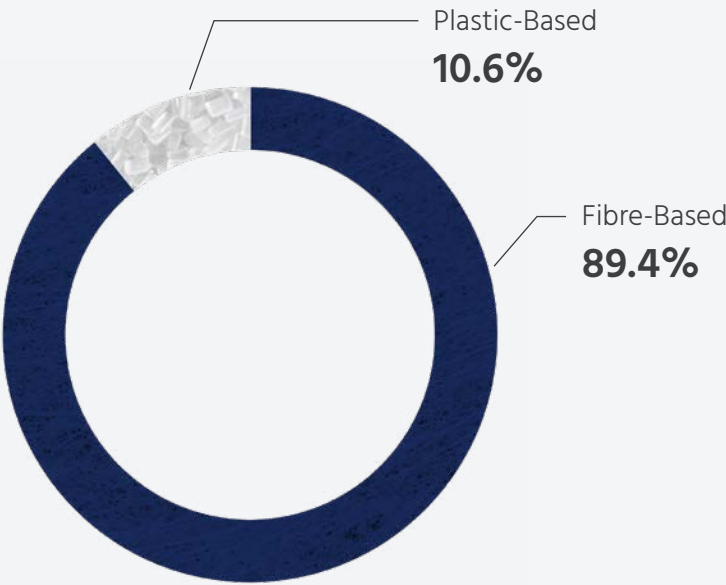
In 2024, roughly 89% of KP's packaging material by weight was fibre-based and fully recyclable, including our bath tissue and paper towel cores, facial tissue cartons, shipping cases and select Kruger PRO commercial products packaging. The remaining 11% – approximately 7,900 MT – was made primarily from 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 4% as shrink-wrap film for multiple packs of facial tissue.<sup>1</sup>

## OUR PERFORMANCE

### TRADEMARK BRAND PLASTIC PACKAGING



### TOTAL PACKAGING MATERIAL DISTRIBUTION BY TYPE



<sup>1</sup> Numbers may not add up to 100 due to rounding.

[About Us](#)[Our Strategy](#)[Our Governance](#)[Our Progress](#)[Our Performance](#)[PLANET CONSCIOUS](#)[PRODUCTS EMPOWER](#)[EMPLOYEE IMPACT](#)[COMMUNITY EMBRACE](#)

## SUSTAINABILITY IN ACTION

# Educating Canadians About Their Impact



**ASHLEY FACCENDA**  
MARKETING MANAGER –  
ENVIRONMENTAL BRANDS

“Our ‘Oh Crap! Rethinking Human Waste’ exhibit at the Canadian Science and Technology Museum in Ottawa was a really fun way to connect with people of all ages on the impact of the products they use every day.

“It was a great place to build awareness of the environmental impact of our Bonterra® paper products, as well as our partnerships with organizations like 4ocean. Through the partnership, 4ocean removes 100,000 pounds of plastic – the equivalent of 4.5 million plastic water bottles – out of the ocean every year.

“Being able to work on a brand that is aligned with my personal values is very important, and it is exciting to be part of an initiative that shows people how the decisions they make can contribute towards a better future.”







# Employee Impact

We are building a workplace that empowers people to reach their full potential, encourages creative thinking and celebrates diversity of thought. We want our employees to feel inspired and to feel like they can make a difference in consumers’ and customers’ lives and in the communities in which they live and work.



## SUSTAINABILITY CHAMPION



**MICHELLE  
STOBBART-CORNELL**  
TRAINING COORDINATOR –  
TRENTON, ON PLANT

“It’s really important to me that Kruger Products is putting so much time and effort into the Women’s Network, and that we continue to recognize and celebrate the women in our manufacturing facilities.”

[Read more on page 49](#)

- How We’re Helping Our People Reach Their Potential >
- Health and Safety >
- Training and Development >
- Diversity, Equity & Inclusion >
- Sustainability in Action >



# How We're Helping Our People Reach Their Potential

## Why It Matters

Our people are our greatest strength. They fuel the innovation that drives our business growth and our sustainability progress. Creating an inclusive environment makes people feel valued, strengthens “sense of belonging” and enables them to reach their full potential. It ensures we can attract and retain a diverse range of skilled employees, deliver on our promise to our customers and build a better future.

## Our Approach

Our mission is to make everyday life more comfortable for all interested parties, including our employees, including psychological safety and feeling safe in all aspects: emotional and physical. We deliver on this in several ways, including protecting and supporting their health and well-being; fostering a sense of inclusion and belonging, and supporting diversity of thought and perspective; and providing an environment where they can learn, grow and achieve their career aspirations. Our commitment to our people is reflected in our stellar health and safety record, our low voluntary turnover rate and in the recognition we have received as an employer. In 2024, KP was named as one of the Greater Toronto Area's Top Employers for the 12th consecutive year and received the Women in Governance Parity Certification for the fifth straight year.

88%

of employees feel  
“I can be myself at work  
and be accepted”<sup>1</sup>



<sup>1</sup> Employee Engagement Survey





# Health and Safety

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 2024, KP achieved a new record milestone of 0.82 Occupational Safety and Health Administration (OSHA) total incident rate (TIR) against a target of 0.86, an 80% improvement over our 2015 baseline. Looking ahead, the objective is to reach zero recordable incidents, and we are committed to making KP a place where our employees know their safety and well-being are our top priority.

Guided by our corporate safety standards, we aim to:

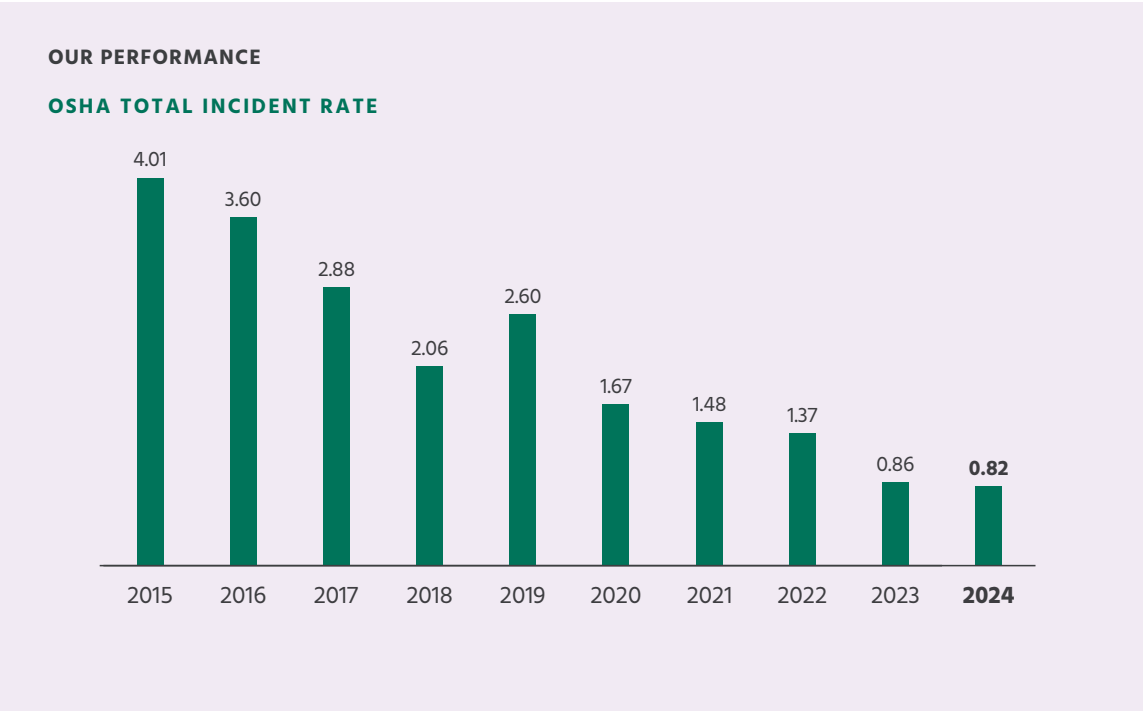
- Lead by example and have clearly defined roles, responsibilities and expectations for everyone.
- Establish relevant tools and processes to support compliance with regulations and obligations.

- 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 Health and Safety (H&S) Management System covers full-time employees, temporary employees and contract workers at our manufacturing sites and offices. It requires sites to comply with local legal and regulatory expectations and established KP best practices where those may be greater. Our H&S Management System is structured in alignment with recognized management system standards, such as ISO 45000. Our employees receive health and safety training that is relevant to their respective roles, and they have access to non-occupational medical and healthcare services.

## Good for our Employees and the Community

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. Thanks to their commitment and participation in occupational health and safety, our colleagues in Sherbrooke, QC, Crabtree, QC, Scarborough, ON and Gatineau, QC, achieved, respectively, 1 million hours worked, 750,000 hours worked, 500,000 hours worked and 250,000 hours worked without a recordable incident. Altogether, the plants were able to donate more than \$17,500 to local charities.





# Training and Development

Our learning programs and development offerings strike a balance between supporting our team members' interests and what the organization needs from a skills or capabilities perspective. Our priority is to provide our people with opportunities to grow professionally and personally so they can reach their full potential.

## Leadership Forum

In 2024 we convened our very first Leadership Forum, which brought together 75 leaders from across all functions of the business for a two-day event in Ontario. This was a tremendous opportunity to build community and leadership capacity, and drive alignment in terms of strategy and culture.

## Coaching for Growth

Since 2022, anyone who joined KP as a people leader or was promoted to one has participated in Coaching for Growth. This training program provides managers with a consistent model for coaching their employees. The program creates a common language for coaching in the organization and allows cross-functional teams to explore how human connections and collaboration can be strengthened in person and remotely.

## Business Acumen Program

In March 2024, Kruger Products introduced its inaugural "Developing Financial Acumen" training cohort. Designed under the guidance of the VP of Sales and Corporate Strategy, this program was tailored to meet the specific needs of our company's leaders to operations. The purpose of the training was to enhance participants' understanding of financial calculations, empower them to positively

impact financial outcomes, and encourage them to share this knowledge throughout their teams and the broader organization, promoting a culture of financial literacy.

## Leadership Mentoring Program

With an eye to the future, we are focused on successfully recruiting youth and helping them build their careers with us. In November 2024, we introduced a new program that pairs our emerging talent with an experienced mentor within the organization. The program also includes extensive workshops, training and conferences related to developing leadership abilities. A second cohort is expected to be nominated in 2025.

## Providing Scholarships to the Next Generation

Since 2002, Kruger Inc. has awarded over one million dollars in scholarships to students at various educational institutions in administration, science, engineering, pulp and paper, and management studies.

In 2024, scholarships were offered to Kruger Inc. employees' children through the Joseph Kruger II Scholarship Program, which is available to students enrolled in post-secondary college, university or vocational program. Due to overwhelming demand,

the number of scholarships offered increased from 40 to 100. Scholarship recipients were recognized at award ceremonies in a number of our facilities.

## Living and Working Well

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 provide our employees with the flexibility to live a balanced life and do great things. To support overall health and wellness, we provide salaried and some hourly employees with a Personal Wellness Account that they can use towards various health and wellness initiatives, such as fitness, nutrition, mental health, and sporting activities and equipment. In 2024, we

expanded our mental health offering under the Employee Family Assistance program, in partnership with TELUS Health. Two workshops on mental health awareness were offered to employees with the goal of normalizing discussions about the challenges of work-life balance and other important topics.

## Development Month

At KP we are committed to the development of our employees. Each year April is designated as Development Month, when employees create and implement Personal Development Plans with the support of their manager. Employees are encouraged to learn new skills and continuous learning while fostering a culture of growth and development. Throughout the month, employees are offered resources designed to support their development journey, including news articles, engaging videos, helpful links, skills building workshop and coaching.







# Diversity, Equity & Inclusion

Our company is a great place to work because of the variety of skills, backgrounds, perspectives and talent across our workforce. Our 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 and customers we are privileged to serve.

## Building Capacity in DE&I

In 2024, we provided two DE&I-focused trainings to our employees: (1) Power of Differences, a compulsory onboarding program for all new employees that provides a foundational understanding of DE&I and an awareness of unconscious biases; and (2) Conscious Inclusion, a mandatory training for all people leaders that builds capacity in creating an inclusive workplace, being an inclusive and empathetic leader and understanding more about our unconscious biases. In 2024, all plant management teams participated in in-person Conscious Inclusion training.

## Creating Opportunities for Important Conversations

KP’s Women’s Network helps women grow, connect and thrive by celebrating their accomplishments and career aspirations. Focused on women’s issues in the workplace and beyond, the Women’s Network expanded to the manufacturing plants in 2024 and organized several very successful activities and initiatives. These included the second annual Summer Event, where corporate office employees attended an insightful “Courageous Conversations” workshop and the Lean In Circle Sessions, which centres around “what works for women at work” and provides an opportunity to share thoughts, feelings and opinions.

To celebrate 2024 International Women’s Day, employees attended an event featuring notable female leaders who shared personal insights on the power of showcasing vulnerability, how leadership is both learned and earned, and why inclusivity is a shared responsibility.







## SUSTAINABILITY IN ACTION

# Celebrating Empowered Women



**MICHELLE STOBART-CORNELL**  
TRAINING COORDINATOR –  
TRENTON, ON PLANT

Supporting and encouraging the careers of women in manufacturing – which has been a traditionally male-dominated, highly technical environment – creates a sense of belonging.

“We launched the Women’s Network in the manufacturing sites this year, including our Trenton, ON site. For International Women’s Day, we designed and ordered T-shirts around the theme of ‘Empowered Women.’ We ended up having to order more because the men in the plant wanted to be involved and show their support as allies.

“The women then decided that they would nominate their male colleagues for things they did throughout the year to support them, such as making them feel valued or listening to their opinions and asking questions. Nominated men were awarded T-shirts; to this day I have people asking me how they can get one!

“It’s really important to me that Kruger Products is putting so much time and effort into the Women’s Network, and that we continue to recognize and celebrate the women in our manufacturing facilities.”







# Community Embrace

We believe that we should always be making a difference in the lives of our employees, customers and community members. We support and invest in activities that contribute to the health, welfare and social well-being of neighbours and community partners across Canada and in the U.S.

- How We're Giving Back to Our Communities >
- Employee Volunteering and Fundraising >
- Community Partnerships >
- Sustainability in Action >

## SUSTAINABILITY CHAMPION



**RITA HDAKI**  
HR COORDINATOR –  
EMPLOYEE EXPERIENCE  
(ON THE FIRST KRUGER  
COMMUNITY DAY OF THE YEAR)

“To be able to focus on a volunteer tree planting activity for a whole day shows how much KP is committed to actually doing what we say we’re going to do. It’s a great feeling being part of a company that truly cares about the community and about what’s most important.”

[Read more on page 55](#)





# How We're Giving Back to Our Communities

## Why It Matters

With ties to our communities that span more than 100 years, we are committed to giving back where we work and live and bringing comfort and care to Canadian communities when they need it most. Delivering on this commitment is part of how we build long-term trust and is a tremendous source of pride for our employees. Giving back to our communities is as much about who we are as anything else we do.

## Our Approach

Through our financial contributions and volunteer efforts, we support organizations at the national and local levels, creating value in communities across Canada and the U.S. We focus our community and philanthropic endeavours on three areas that are aligned with our values: improving healthcare, providing access to fitness and sports, and conserving the environment. We give back on a corporate level to several well-established partnerships and team up with our employees to support important causes for them and their neighbours. In 2024, our people contributed to their local communities by donating their time and raising funds for more than 50 local organizations.







# Employee Volunteering and Fundraising

Throughout the year, KP's manufacturing facilities positively impact their local communities by donating their time and raising funds through annual charity fundraisers and food drives, supporting sports teams and individual athletes, and participating in volunteer events such as blood drives and food preparation. We are very proud of all our KP locations and the role they play as positive stewards and ambassadors in our communities. Together, their small acts add up.

## 2024 Highlights

### November

Several teams across KP came together to raise funds and awareness for men's health during November. Our Mississauga head office surpassed their fundraising goal by hosting a number of fundraising events, including the annual MoBreakfast, complete with mustache pancakes.

### Run for the Cure

In October, the KP team joined over 55,000 participants across Canada for the [Canadian Cancer Society's](#) Run for the Cure. This event supports vital research and support programs that provide comfort, care and connection to those living with breast cancer. As one of the top five Canadian Cancer Society partners, the KP team was thrilled to show our support.



### Back to School Backpacks

In August, KP supported [Big Brothers Big Sisters, Serving Grand Erie, Halton and Hamilton](#) by donating backpacks filled with essential school and tissue supplies for students in need.

### Food Drives

KP has a partnership with the Mississauga Food Bank, and employees have the opportunity to donate to them financially or through donations during KP Food Drives, which happen three times a year. Over 100 employees also volunteered at the Food Bank over a two-week period in October 2024, helping to pack about 5,000 pounds of meals and donated products and food equivalent to 44,488 meals.



### United Way Period Promise Campaign

In May, KP's New Westminster, BC facility ran the Period Promise campaign with United Way BC. Following a discussion about period poverty, the team collected 1,084 tampons, 955 pads, 564 liners, and raised \$850 for the campaign. They were matched with a local shelter and delivered the items directly to them. In addition, free period products are now available in the staff washrooms.





# Community Partnerships

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.

## Making Hockey More Accessible for Canadian Kids: Kruger Big Assist

Hockey is woven into the fabric of Canada, but the cost to participate and lack of diversity are deterrents for families across the country. The Kruger Big Assist (KBA) program helps to remove those barriers. Developed in 2021, the program has donated \$800,000 to help Canadian minor hockey associations cover registration costs for hockey families in need of an off-ice assist.

In 2024, five regional associations each received \$25,000 through KBA for demonstrating how they're giving more kids the chance to lace up their skates, hop on the ice and achieve their hockey dreams. The 2024 KBA winners were:

- Fernie Minor Hockey Association – Fernie, BC
- Whitecourt Minor Hockey Association – Whitecourt, AB
- St. Catharines CYO Minor Hockey League – St. Catharines, ON
- Beaujeu Minor Hockey Association – Napierville, QC
- TASA Minor Hockey Association – Upper Tantallon, NS

In 2024, we also introduced a public voting element, giving the Canadian public the opportunity to rally their communities and vote on which regional winner should receive the \$75,000 Grand Prize. The TASA Minor Hockey Association from Upper Tantallon, NS, was the lucky recipient and will use the donation to further assist families affected by the wildfires, support those in need of financial assistance, and focus on making hockey more accessible for more kids in their community.

We are honoured to be recognized for our positive impact on communities across Canada for the third consecutive year as a recipient of the 2024 Community Service [Canadian Grocer](#) Impact Award for our KBA program.







# Raising Breast Cancer Awareness: The Cashmere Collection

The Cashmere Collection is an annual event that supports breast cancer awareness and research in Canada. The collection features original couture gowns designed by top Canadian fashion designers, all entirely crafted from sheets of Cashmere® bathroom tissue. In 2024, Canadians could tune in to a live stream and vote for their favourite designs. For every vote, KP donated \$1 to the breast cancer cause, up to a maximum of \$50,000. The winning designer was Chavah Lindsay from Saint John, NB, whose gown was a personal tribute to her mother and her journey through cancer, with each budding rose reflecting quiet resilience in the face of hardship.

During October, which is Breast Cancer Awareness Month, Canadians could also purchase specially marked pink packages of Cashmere® and Purex® bathroom tissue. Proceeds from the Cashmere Collection event and the sale of the specially marked packages went to the Canadian Cancer Society and the Quebec Breast Cancer Foundation. Over the past 21 years, the Cashmere Collection has raised over \$5 million in support of breast cancer awareness, prevention and treatment programs for our charitable partners.

# Supporting the Next Generation

KP supports *Canadian Grocer's* GenNext Awards and the Star Women in Grocery Awards to recognize and celebrate up-and-coming leaders and outstanding women who are making a real impact and changing the food retail landscape. This is part of our effort to nurture talent and establish the grocery industry as an exciting place to build your career.

# Student Tours

UBC Wood Science graduate students and Chemical and Biological Engineering students were welcomed on a tour of our New Westminster, BC plant, where they learned about our papermaking process and promising career opportunities at KP.

# National Partnerships and Sponsorships

- 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, donating essential paper products
- 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 Quebec Breast Cancer Foundation since 2017
- 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 – the equivalent of 4.9 million single-use water bottles – annually from oceans, rivers and coastlines through 4ocean since 2022







## SUSTAINABILITY IN ACTION

# Volunteering to Make Our Parks Cleaner and Greener



**RITA HDAKI**  
HR COORDINATOR –  
EMPLOYEE EXPERIENCE

“We have two Kommunity Days every year where employees volunteer as a team to make a difference in their communities. During the Spring Kommunity Day, our employees from the Mississauga head office partnered with Credit Valley Conservation to plant 200 native trees and remove over 443 square metres of invasive buckthorn. The new shrubs will help capture carbon, provide valuable habitat for local wildlife and increase local biodiversity.

“Environmental stewardship stood out to us as a volunteer activity because it’s a big part of Reimagine 2030 under our Community Embrace pillar and because our people have a real appetite for it. We were actually over-subscribed for the activity, but luckily Credit Valley Conservation was able to accommodate us all.

“To be able to focus on something like this for a whole day shows how much KP is committed to actually doing what we say we’re going to do. It’s a great feeling being part of a company that truly cares about the community and about what’s most important.”







OUR PERFORMANCE

# Our Sustainability Disclosures

IN THIS SECTION:

- Performance Data >
- SASB Index >
- GRI Index >
- TNFD Index >
- Climate-Related Disclosures (IFRS S2) >
- Our Facilities >
- PwC's Limited Assurance Report >



## Key Performance Indicators: Operations

ENERGY CONSUMPTION	UNIT	2024	2023	2022	2021	2020	2015
Natural Gas	Gigajoules	5,131,107	4,955,742	5,311,348	5,083,660	4,431,956	4,053,601
	% of Total	60%	60%	62%	63%	63%	61%
Grid-Supplied Electricity	Gigajoules	2,887,746	2,755,671	2,818,823	2,724,954	2,311,861	2,187,507
	% of Total	34%	33%	33%	34%	33%	34%
Biomass	Gigajoules	317,052	316,941	341,089	334,991	321,023	355,002
	% of Total	4%	4%	4%	4%	4%	5%
Cogeneration	Gigajoules	243,719	247,355	76,752	0	0	0
	% of Total	3%	3%	1%	0%	0%	0%
Other (Diesel, Oil, Propane)	Gigajoules	24,668	26,552	32,948	32,283	22,517	31,392
	% of Total	>1%	>1%	>1%	>1%	>1%	>1%
Total	Gigajoules	8,604,293	8,302,262	8,580,959	8,175,888	7,087,356	6,627,502
	GJ/MDMT Produced	20.14	20.17	20.85	20.22	18.48	20.67
Energy from Renewables	% of Total	4%	4%	4%	4%	4%	5%





GREENHOUSE GAS EMISSIONS <sup>1</sup>	UNIT	2024	2023	2022	2021	2020	2015
Absolute CO <sub>2</sub> e Scope 1 (Direct)	Metric Tonnes CO <sub>2</sub> e	262,116 <sup>2</sup>	253,234	270,749	255,752	222,530	206,732
Intensity CO <sub>2</sub> e Scope 1 (Direct)	kg CO <sub>2</sub> e/MDMT Produced	614	615	658	632	580	644
Absolute Location-Based CO <sub>2</sub> e Scope 2 (Indirect)	Metric Tonnes CO <sub>2</sub> e	81,481 <sup>2</sup>	77,018	91,171	84,258	96,044	142,432
Intensity Location-Based CO <sub>2</sub> e Scope 2 (Indirect)	kg CO <sub>2</sub> e/MDMT Produced	191	187	221	208	251	444
Absolute Total CO <sub>2</sub> e Scopes 1+2	Metric Tonnes CO <sub>2</sub> e	343,597	330,252	361,920	340,010	318,574	349,164
Intensity Total CO <sub>2</sub> e Scopes 1+2	kg CO <sub>2</sub> e/MDMT Produced	804	802	879	840	831	1,088
Absolute Market-Based CO <sub>2</sub> e Scope 2 (Indirect)	Metric Tonnes CO <sub>2</sub> e	58,888	49,921	61,652	61,536	53,018	N/A
Absolute Total Scope 3	Metric Tonnes CO <sub>2</sub> e	558,830	617,739	590,283	557,915	—	—
Intensity Scope 3	kg CO <sub>2</sub> e/MDMT Produced	1,308	1,501	1,434	1,380	—	—

<sup>1</sup> Scopes 1 and 2 boundary includes all sites listed on [page 89](#) (Our Facilities) with the exception of the Mississauga Head Office.

<sup>2</sup> PwC provided limited assurance over this indicator. See PwC’s [Limited Assurance Report](#).



SCOPE 3 CATEGORIES <sup>1</sup>	UNIT	2024	2023	2022	2021	2020	2015
Category 1: Purchased Goods and Services	Metric Tonnes CO <sub>2</sub> e	151,576	209,197	180,622	168,737	—	—
Category 2: Capital Goods	Metric Tonnes CO <sub>2</sub> e	35,894	54,054	31,207	20,672	—	—
Category 3: Fuel- and Energy-Related Activities	Metric Tonnes CO <sub>2</sub> e	72,383	68,489	75,763	74,590	—	—
Category 4: Upstream Transportation and Distribution	Metric Tonnes CO <sub>2</sub> e	64,722	62,505	58,384	55,624	—	—
Category 5: Waste Generated in Operations	Metric Tonnes CO <sub>2</sub> e	18,307	17,072	14,207	13,251	—	—
Category 6: Business Travel	Metric Tonnes CO <sub>2</sub> e	1,568	1,269	801	379	—	—
Category 7: Employee Commuting	Metric Tonnes CO <sub>2</sub> e	3,903	3,913	3,930	3,487	—	—
Category 8: Upstream Leased Assets	Metric Tonnes CO <sub>2</sub> e	155	2,063	2,013	1,940	—	—
Category 9: Downstream Transportation and Distribution	Metric Tonnes CO <sub>2</sub> e	118,903	126,719	118,354	116,854	—	—
Category 10: Processing of Sold Products	Metric Tonnes CO <sub>2</sub> e	1,612	1,920	1,489	3,306	—	—
Category 12: End-of-Life Treatment of Sold Products	Metric Tonnes CO <sub>2</sub> e	90,020	70,539	103,473	99,075	—	—

CAC EMISSIONS	UNIT	2024	2023	2022	2021	2020	2015
NO <sub>x</sub>	Metric Tonnes	293.9	289.9	314.0	290.3	278.5	—
SO <sub>x</sub>	Metric Tonnes	43.7	40.2	47.3	54.1	64.9	—
TPM <sup>2</sup>	Metric Tonnes	81.2	79.5	87.4	83.7	82.0	—
VOCs <sup>3</sup>	Metric Tonnes	16.8	16.6	18.1	17.0	15.8	—
CO	Metric Tonnes	303.6	299.6	325.1	308.2	288.2	—

<sup>1</sup> 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 [page 87](#).

<sup>2</sup> For certain emission sources, an emission factor for TPM (total particulate matter) was not available. In these instances, PM<sub>10</sub> or Filterable PM is used to represent TPM.

<sup>3</sup> 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.





WATER <sup>1</sup>	UNIT	2024	2023	2022	2021	2020	2015
Water Withdrawal	m <sup>3</sup>	19,765,152	19,745,178	20,573,424	—	—	—
Absolute Effluent Hydraulic Flow	m <sup>3</sup>	17,666,762	18,534,255	19,166,020	18,147,731	18,236,999	20,471,496
Water Consumption	m <sup>3</sup>	2,098,390	1,210,923	1,407,404	—	—	—
Intensity Effluent Hydraulic Flow	m <sup>3</sup> /MDMT Produced	41	45	47	45	48	64

EFFLUENT DISCHARGES <sup>1</sup>	UNIT	2024	2023	2022	2021	2020	2015
BOD	Metric Tonnes	945	1,268	650	1,463	1,196	—
Suspended Solids	Metric Tonnes	4,740	4,325	2,090	4,573	4,872	—
COD <sup>2</sup>	Metric Tonnes	6,512	7,088	7,083	9,153	6,847	—
AOX <sup>3</sup>	Metric Tonnes	7	9	9	14	6	—
P <sup>4</sup>	Metric Tonnes	3	5	4	4	0	—

WASTE <sup>5</sup>	UNIT	2024	2023	2022	2021	2020	2015
Generated	Metric Tonnes	107,936	102,700	102,209	93,276	57,008	45,390
Recovered	Metric Tonnes	90,878	87,854	93,364	84,195	51,737	40,711
	% of Total	84.2%	85.5%	91.3%	90.3%	91%	90%
To Landfill	Metric Tonnes	17,059	14,846	8,845	9,082	5,271	4,679
	% of Total	15.8%	14.5%	8.7%	9.7%	9%	10%

<sup>1</sup> Does not include Scarborough, ON and Trenton, ON.

<sup>2</sup> Does not include New Westminster, BC plant.

<sup>3</sup> Only Gatineau, QC and Crabtree, QC plants included.

<sup>4</sup> Only Crabtree, QC and Lennoxville (Sherbrooke), QC plants included.

<sup>5</sup> Manufacturing operations only. Recovered materials include organics, reused and recycled materials.



## Key Performance Indicators: Products

FIBRE CONSUMED	UNIT	2024	2023	2022	2021	2020	2015
Purchased Recycled	Air-Dried MT	3,363	2,190	2,336	3,501	3,782	6,264
	% of Total	1%	1%	1%	1%	1%	2%
Produced Recycled	Air-Dried MT	49,316	63,681	74,113	59,295	60,455	77,066
	% of Total	12%	16%	18%	16%	16%	24%
Purchased Virgin	Air-Dried MT	364,617	339,669	328,268	312,357	308,422	236,917
	% of Total	87%	84%	81%	83%	84%	74%
Produced Virgin	Air-Dried MT	—	—	—	—	—	—
	% of Total	—	—	—	—	—	—
Total	Air-Dried MT	417,296	405,540	404,717	375,153	368,877	320,247
Fibre Per QCs	Lbs/QCs	12.55	12.96	13.43	12.66	12.86	—
FSC® Mix Certified	% of Total	77%	73%	66%	63%	41%	33%
FSC® Recycled Certified	% of Total	13%	16%	19%	17%	17%	24%
Non-Controversial Sources	% of Total	10%	11%	15%	20%	42%	43%

CERTIFIED PRODUCTS	UNIT	2024	2023	2022	2021	2020	2015
UL ECOLOGO (UL 175)	No. of Products	49	49	59	51	56	55
Forest Stewardship Council®	No. of Products	249	186	158	196	212	126
Sustainable Forestry Initiative	No. of Products	24	29	19	18	29	—





CERTIFIED PAPERMAKING	UNIT	2024	2023	2022	2021	2020	2015
ISO 9001	% of Total Production	100%	100%	100%	89%	100%	100%

PACKAGING MATERIAL	UNIT	2024	2023	2022	2021	2020	2015
Total Packaging Materials	Metric Tonnes	56,035	49,232	48,383	47,331	47,915	—
Total Packaging Per Case	Lbs/QCs	1.69	1.57	1.61	1.60	1.67	—
Total Fibre-Based Packaging	% of Total	89.4%	89.1%	90.0%	90.0%	89.2%	—
Total Branded Plastic Packaging	Metric Tonnes	1,859	—	—	—	2,140	—
Plastic Packaging Per Branded Case	Lbs/Branded QCs	0.127	—	—	—	0.131	—

PRODUCTION	UNIT	2024	2023	2022	2021	2020	2015
Paper	MDMT	427,133	411,502	411,608	404,421	383,477	320,613
Total Finished Cases	QCs (000s)	73,298	68,984	66,418	65,327	63,397	—
Branded Finished Cases	QCs (000s)	32,221	32,056	30,638	30,809	36,241	—



## Key Performance Indicators: Social

HEALTH & SAFETY	UNIT	2024	2023	2022	2021	2020	2015
OSHA	Total Incident Rate	0.82	0.86	1.37	1.48	1.67	4.01
Lost Work Days	No. of Days	1,276	466	401	986	506	907
Lost Time Case Rate	Per 100 Employees	0.60	0.39	0.66	0.98	1.14	—
Fatalities	No. of Employees	0	0	0	0	0	0

LEADERSHIP DIVERSITY	UNIT	2024	2023	2022	2021	2020	2015
Women in Board Roles	Percentage	11% <sup>1</sup>	25% <sup>1</sup>	25% <sup>1</sup>	20% <sup>1</sup>	20%	25%
Women in Senior Leadership Roles	Percentage	19%	15%	20%	20%	22%	10%
Women in Management Roles	Percentage	23%	20%	25%	24%	37%	—

<sup>1</sup> Includes KPT and KPGP combined boards.





SASB Index

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2024 DISCLOSURE RESPONSE
Pulp & Paper Products (Version 2023-06)					
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (MT) CO <sub>2</sub> e	RR-PP-110a.1	262,116 MTCO <sub>2</sub> e <sup>1</sup>
	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	2024 Sustainability Report – Planet Conscious, <a href="#">pages 27–33</a> ; Climate-Related Disclosures (IFRS S2), <a href="#">pages 81–88</a>
Air Quality	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O) (2) SO <sub>2</sub> (3) Volatile organic compounds (VOCs) (4) Particulate matter (PM) (5) Hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (MT)	RR-PP-120a.1	(1) NO <sub>x</sub> – 293.9 MT (2) SO <sub>x</sub> – 43.7 MT (3) VOCs – 16.8 MT (4) Total PM – 81.2 MT (5) HAPs – 0 MT  We calculate our air emissions using energy consumption data and emission factors provided by the Government of Canada.
	(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	(1) Total Energy Consumed – 8,604,293 GJ (2) Grid Electricity – 34% (3) Biomass – 4% (4) Other Renewables – 0% (5) Self-generated – 0 GJ
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 <sup>3</sup> ), percentage (%)	RR-PP-140a.1	(1) Water Withdrawn – 19,765,152 m <sup>3</sup> (2) Water Consumed – 2,098,390 m <sup>3</sup>  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	2024 Sustainability Report – Managing Our Resources, <a href="#">pages 33–34</a>
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 – 76.8%; PEFC CoC – 9.3%; SFI CoC – 0.1%; FSC® CW – 1.1% (2) FSC® Recycled – 12.6%
	Amount of recycled and recovered fibre procured	Quantitative	Metric tonnes (MT)	RR-PP-430a.2	52,679 MT

<sup>1</sup> PwC provided limited assurance over this indicator. See PwC’s [Limited Assurance Report](#).



TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2024 DISCLOSURE RESPONSE
Activity Metrics	Pulp production	Quantitative	Air-dried metric tonnes (MT)	RR-PP-000.A	49,316 MT (recycled)
	Paper production	Quantitative	Machine dried metric tonnes (MDMT)	RR-PP-000.B	427,133 MDMT¹
	Total wood fibre sourced	Quantitative	Metric tonnes (MT)	RR-PP-000.C	417,296 MT
	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.				
Household and Personal Products (Version 2023-12)					
Water Management	(1) Total water withdrawn,	Quantitative	Thousand cubic metres (m³), percentage (%)	CG-HP-140a.1	(1) Water Withdrawn – 19,765,152 m³
	(2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress				(2) Water Consumed – 2,098,390 m³ 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	2024 Sustainability Report – Managing Our Resources, <a href="#">pages 33–34</a>
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	N/A
	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.

<sup>1</sup> We use machine dried metric tonnes (MDMT) as the standard unit for finished paper products.





TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2024 DISCLOSURE RESPONSE
Packaging Life Cycle Management	(1) Total weight of packaging,	Quantitative	Metric tonnes (MT), percentage (%)	CG-HP-410a.1	2024 Sustainability Report – Key Performance Indicators, <a href="#">page 62</a>
	(2) Percentage made from recycled and/or renewable materials, and				
	(3) Percentage that is recyclable, reusable and/or compostable				
	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle	Discussion and Analysis	N/A	CG-HP-410a.2	2024 Sustainability Report – Sustainable Packaging, <a href="#">page 42</a>
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	N/A
Activity Metrics	Units of products sold, total weight of products sold	Quantitative	Number, metric tonnes (MT)	CG-HP-000.A	2024 Sustainability Report – Key Performance Indicators, <a href="#">page 62</a>
	Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B	Kruger Products has nine manufacturing plants. 2024 Sustainability Report – About Us, <a href="#">pages 10–11</a>



## GRI Index

**Statement of use:** Kruger Products Inc. has reported with reference to the GRI Standards for the period 1 January – 31 December 2024.

**GRI 1 used:** GRI 1: Foundation 2021

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2024 DISCLOSURE RESPONSE																																									
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 (87.5%) and the remaining shares (12.5%) held by KP Tissue Inc., a TSX publicly traded corporation as of January 21, 2025. We are headquartered in Mississauga, ON, Canada, with operations across Canada and the U.S.</p> <p>2024 Sustainability Report – About Us, <a href="#">pages 10–11</a>; Our Facilities, <a href="#">page 89</a></p> <p>Kruger Products website – <a href="#">About Us</a></p>																																									
2-2	Entities included in the organization’s sustainability reporting	<p>Kruger Products Inc. All financial statements are by KP Tissue Inc., which owns a stake in Kruger Products Inc.</p>																																									
2-3	Reporting period, frequency and contact point	<p>The Kruger Products 2024 Sustainability Report covers activities from January 1, 2024 to December 31, 2024. For more information, clarification or to provide any comments, please contact Steven Sage, VP of Sustainability, via email at <a href="mailto:sustainability@krugerproducts.ca">sustainability@krugerproducts.ca</a>.</p>																																									
2-4	Restatements of information	<p>Updated calculation method for plastics, restating all historical results; adjustment to water consumption and withdrawal for 2023.</p>																																									
2-5	External assurance	<p>PwC provided limited assurance over Scope 1 and 2 absolute emissions. See PwC’s <a href="#">Limited Assurance Report</a>.</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., Brazil, Uruguay and Finland in accordance with our <a href="#">Supplier Code of Conduct</a> and <a href="#">Code of Ethics</a>.</p> <p>2024 Sustainability Report – About Us, <a href="#">pages 10–11</a>; Our Facilities, <a href="#">page 89</a></p> <p>Kruger Products <a href="#">Code of Ethics</a>, page 19</p> <p>Kruger Products website – <a href="#">About Us</a></p>																																									
2-7	Employees	<table><tr><td colspan="3">Kruger Products employed 2,828 full-time employees as of December 31, 2024:</td><td colspan="3">Given below is a breakdown of our workforce:</td></tr><tr><td></td><td>Male</td><td>Female</td><td>Total</td><td>Unionized</td><td>Non-Unionized</td><td>Total</td></tr><tr><td>Canada</td><td>1,960</td><td>423</td><td>2,383</td><td>2,048</td><td>780</td><td>2,827</td></tr><tr><td>U.S.</td><td>353</td><td>92</td><td>445</td><td></td><td></td><td></td></tr><tr><td>Total</td><td>2,313</td><td>515</td><td>2,828</td><td></td><td></td><td></td></tr><tr><td>Percentage</td><td>82%</td><td>18%</td><td>100%</td><td>72%</td><td>28%</td><td>100%</td></tr></table>	Kruger Products employed 2,828 full-time employees as of December 31, 2024:			Given below is a breakdown of our workforce:				Male	Female	Total	Unionized	Non-Unionized	Total	Canada	1,960	423	2,383	2,048	780	2,827	U.S.	353	92	445				Total	2,313	515	2,828				Percentage	82%	18%	100%	72%	28%	100%
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Percentage	82%	18%	100%	72%	28%	100%																																					





GRI Disclosure Number	GRI Disclosure Name	2024 Disclosure Response
Governance		
2-9	Governance structure and composition	2024 Sustainability Report – Setting Ourselves Up for Success, <a href="#">page 21</a> ; Key Performance Indicators: Social, <a href="#">page 63</a>
2-10	Nomination and selection of the highest governance body	Three-member committee with two independent directors.  <a href="#">2025 Management Information Circular</a> , pages 26–30 KP Tissue Inc. website – <a href="#">Corporate Governance</a>
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.  2024 Sustainability Report – Setting Ourselves Up for Success, <a href="#">page 21</a> ; Climate-Related Disclosures (IFRS S2) – Governance, <a href="#">page 81</a>
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’ VP of Sustainability leads the development of the strategy to reduce the Company’s environmental footprint, supported by cross-functional teams across the organization.  2024 Sustainability Report – Setting Ourselves Up for Success, <a href="#">page 21</a> ; Climate-Related Disclosures (IFRS S2) – Governance, <a href="#">pages 81–82</a>
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 <a href="#">Code of Ethics</a> , page 15
2-16	Communication of critical concerns	2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a>  Kruger Products <a href="#">Code of Ethics</a> , page 8
2-17	Collective knowledge of the highest governance body	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	<a href="#">2025 Management Information Circular</a> , pages 26–30
2-19	Remuneration policies	<a href="#">2025 Management Information Circular</a> , pages 13–22
2-20	Process to determine remuneration	<a href="#">2025 Management Information Circular</a> , pages 13–22



GRI Disclosure Number	GRI Disclosure Name	2024 Disclosure Response
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	2024 Sustainability Report – Message from Dino Bianco, <a href="#">page 4</a> ; Executive Roundtable: Integrating Sustainability into Everything We Do, <a href="#">pages 5–6</a> ; Our Strategy, <a href="#">pages 16–18</a>
2-23	Policy commitments	Kruger Products <a href="#">Environmental Policy</a> ; Kruger Products <a href="#">Fibre Procurement Policy</a> Kruger Products <a href="#">Code of Ethics</a> Kruger Products <a href="#">Supplier Code of Conduct</a>
2-24	Embedding policy commitments	2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a> Kruger Products <a href="#">Code of Ethics</a> Kruger Products <a href="#">Environmental Policy</a> Kruger Products <a href="#">Fibre Procurement Policy</a> Kruger Products <a href="#">Supplier Code of Conduct</a>
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 <a href="#">FSC® Grievance Policy</a> in place. Kruger Products <a href="#">Code of Ethics</a> , 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’ VP of Sustainability leads the development of the strategy to reduce the Company’s environmental footprint, supported by cross-functional teams across the organization. 2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a>
2-27	Compliance with laws and regulations	There were no incidents of non-compliance detected in 2024.
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), consumers, customers, 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. 2024 Sustainability Report – Listening to Our Stakeholders, <a href="#">page 19</a>
2-30	Collective bargaining agreements	72% of Kruger Products employees are covered by collective bargaining agreements.





GRI 3

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2024 DISCLOSURE RESPONSE
3-1	Process to determine material topics	2024 Sustainability Report – Our Strategy, <a href="#">pages 16–17</a>
3-2	List of material topics	2024 Sustainability Report – Our Strategy, <a href="#">pages 16–17</a>

GRI 200

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2024 DISCLOSURE RESPONSE
204 Procurement Practices		
3-3	Management of material topics	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.  Kruger Products <a href="#">Fibre Procurement Policy</a>  Kruger Products <a href="#">Supplier Code of Conduct</a>  2024 Sustainability Report – Responsible Sourcing, <a href="#">pages 39–40</a>
205 Anti-Corruption		
3-3	Management of material topics	2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a>
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	In 2024, 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.  Kruger Products <a href="#">Code of Ethics</a> , page 12
205-3	Confirmed incidents of corruption and actions taken	Kruger had zero confirmed incidents of corruption in 2024.
206 Anti-Competitive Behaviour		
3-3	Management of material topics	2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a>  Kruger Products <a href="#">Code of Ethics</a> , 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	2024 Disclosure Response
301 Materials		
3-3	Management of material topics	2024 Sustainability Report – Products Empower, <a href="#">pages 41–42</a> Kruger Products <a href="#">Fibre Procurement Policy</a> Kruger Products <a href="#">Environmental Policy</a> Kruger Products <a href="#">Supplier Code of Conduct</a>
301-1	Materials used by weight or volume	In 2024, the weight of materials used was 8,427 MT of plastic and 466,869 MT of pulp and paper-based packaging.
301-2	Recycled input materials used	In 2024, 21% recycled input materials were used in the manufacturing process, including fibre and packaging.
302 Energy		
3-3	Management of material topics	2024 Sustainability Report – Planet Conscious, <a href="#">pages 27–32</a>
302-1	Energy consumption within the organization	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 57</a>
302-3	Energy intensity	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 57</a>
302-4	Reduction of energy consumption	In 2024, multiple projects resulted in reductions in energy use. This included certifying our Sherbrooke TAD sites as ISO 50001, which is expected to reduce over 45,000 GJ of energy per year, a hood and duct replacement at our New Westminster site, expected to save over 51,000 GJ of energy per year and freshwater filtration upgrade at our Gatineau site, expected to reduce energy consumption by over 10,000 GJ.
303 Water and Effluents		
3-3	Management of material topics	2024 Sustainability Report – Managing Our Resources, <a href="#">pages 33–34</a> Kruger Products <a href="#">Environmental Policy</a>
303-1	Interactions with water as a shared resource	2024 Sustainability Report – Managing Our Resources, <a href="#">pages 33–34</a>
303-2	Management of water discharge-related impacts	We comply with all local standards for managing water-related discharges in our operational facilities. 2024 Sustainability Report – Managing Our Resources, <a href="#">pages 33–34</a>
303-3	Water withdrawal	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 60</a>
303-4	Water discharge	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 60</a>
303-5	Water consumption	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 60</a>





GRI Disclosure Number	GRI Disclosure Name	2024 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. 2024 Sustainability Report – Managing Risks and Opportunities, <a href="#">page 24</a> ; Planet Conscious, <a href="#">pages 27–33</a>
305-1	Direct (Scope 1) GHG emissions	Calculations for direct (Scope 1) GHG emissions include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O. 2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 58</a>
305-2	Energy indirect (Scope 2) GHG emissions	Calculations for energy indirect (Scope 2) GHG emissions include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O. 2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 58</a>
305-3	Other indirect (Scope 3) GHG emissions	Calculations for Scope 3 GHG emissions include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O. 2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">pages 58–59</a>
305-4	GHG emissions intensity	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 58</a>
305-5	Reduction of GHG emissions	In 2024, multiple projects resulted in reductions in GHG emissions. This included certifying our Sherbrooke TAD sites as ISO 50001, which is expected to reduce over 1,100 MT of CO <sub>2</sub> e per year, and a hood and duct replacement at our New Westminster site, expected to save over 2,400 MTCO <sub>2</sub> e per year.
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	2024 Sustainability Report – Key Performance Indicators: Operations, <a href="#">page 59</a>
306 Waste		
3-3	Management of material topics	2024 Sustainability Report – Waste Management, <a href="#">page 35</a>
306-1	Waste generation and significant waste-related impacts	In 2024, Kruger Products avoided sludge in landfill by reusing it in farmers’ fields and in the cogeneration facility. Our Memphis, TN plant launched K-ROC (Kruger Products Recycling Operation Center), which has diverted 150 tons of waste like poly, core stock, stretch wrap, cardboard, banding, metal and more from landfills.
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	2024 Sustainability Report – Waste Management, <a href="#">page 35</a> ; Key Performance Indicators: Operations, <a href="#">page 60</a>
306-4	Waste diverted from disposal	2024 Sustainability Report – Waste Management, <a href="#">page 35</a> ; Key Performance Indicators: Operations, <a href="#">page 60</a>
306-5	Waste directed to disposal	2024 Sustainability Report – Waste Management, <a href="#">page 35</a> ; Key Performance Indicators: Operations, <a href="#">page 60</a>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2024 DISCLOSURE RESPONSE
308 Supplier Environmental Assessment		
3-3	Management of material topics	<p>Kruger Products <a href="#">Fibre Procurement Policy</a></p> <p>Kruger Products <a href="#">Supplier Code of Conduct</a></p> <p>2024 Sustainability Report – Auditing Our Suppliers, <a href="#">page 40</a></p> <p>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.</p>
308-1	New suppliers that were screened using environmental criteria	<p>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’ <a href="#">Fibre Procurement Policy</a> and <a href="#">Supplier Code of Conduct</a>.</p> <p>2024 Sustainability Report – Auditing Our Suppliers, <a href="#">page 40</a></p>
308-2	Negative environmental impacts in the supply chain and actions taken	<p>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.</p>





GRI 400

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	2024 DISCLOSURE RESPONSE																																																																					
401 Employment																																																																							
3-3	Management of material topics	2024 Sustainability Report – Employee Impact, <a href="#">pages 45–47</a> Kruger Products <a href="#">Code of Ethics</a>																																																																					
401-1	New employee hires and employee turnover	<p>In 2024, Kruger Products hired 348 new employees, and total turnover numbered 301. Given below is a breakdown by gender, age, country and region:</p> <table><tr><th colspan="2"></th><th>New Hires</th><th>Employee Turnover</th></tr><tr><td>Total</td><td></td><td>348</td><td>301</td></tr><tr><td rowspan="2">Gender</td><td>Female</td><td>276</td><td>228</td></tr><tr><td>Male</td><td>72</td><td>73</td></tr><tr><td rowspan="6">Age</td><td>19–25</td><td>57</td><td>39</td></tr><tr><td>26–35</td><td>130</td><td>82</td></tr><tr><td>36–45</td><td>92</td><td>71</td></tr><tr><td>46–55</td><td>53</td><td>45</td></tr><tr><td>56–65</td><td>14</td><td>55</td></tr><tr><td>66–70+</td><td>2</td><td>9</td></tr><tr><td rowspan="2">Country</td><td>Canada</td><td>268</td><td>225</td></tr><tr><td>U.S.</td><td>80</td><td>76</td></tr><tr><td rowspan="9">Region</td><td>AB</td><td>1</td><td>3</td></tr><tr><td>BC</td><td>49</td><td>32</td></tr><tr><td>MB</td><td>0</td><td>0</td></tr><tr><td>NB</td><td>0</td><td>0</td></tr><tr><td>SK</td><td>1</td><td>0</td></tr><tr><td>NS</td><td>0</td><td>1</td></tr><tr><td>ON</td><td>67</td><td>68</td></tr><tr><td>QC</td><td>150</td><td>118</td></tr><tr><td>U.S</td><td>80</td><td>79</td></tr></table>			New Hires	Employee Turnover	Total		348	301	Gender	Female	276	228	Male	72	73	Age	19–25	57	39	26–35	130	82	36–45	92	71	46–55	53	45	56–65	14	55	66–70+	2	9	Country	Canada	268	225	U.S.	80	76	Region	AB	1	3	BC	49	32	MB	0	0	NB	0	0	SK	1	0	NS	0	1	ON	67	68	QC	150	118	U.S	80	79
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GRI Disclosure Number	GRI Disclosure Name	2024 Disclosure Response																														
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	<div>In 2024, a total of 16 employees took parental leave.</div> <table><tr><td>Employees entitled to parental leave</td><td>Male</td><td>2,313</td></tr><tr><td></td><td>Female</td><td>515</td></tr><tr><td>Employees who took parental leave</td><td>Male</td><td>10</td></tr><tr><td></td><td>Female</td><td>6</td></tr><tr><td>Employees who returned to work after parental leave</td><td>Male</td><td>10</td></tr><tr><td></td><td>Female</td><td>4 (2 still on maternity leave)</td></tr><tr><td>Employees who returned to work after parental leave ended (who were still employed 12 months after their return to work)</td><td>Male</td><td>10</td></tr><tr><td></td><td>Female</td><td>4 (2 still on maternity leave)</td></tr><tr><td>Return-to-work and retention rates</td><td>Male</td><td>100%</td></tr><tr><td></td><td>Female</td><td>100%</td></tr></table>	Employees entitled to parental leave	Male	2,313		Female	515	Employees who took parental leave	Male	10		Female	6	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%
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Return-to-work and retention rates	Male	100%																														
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402 Labour/Management Relations																																
3-3	Management of material topics	<div>Most Kruger Products employees are unionized, and relations would be governed by collective agreement.</div> <div>Kruger Products <a href="#">Code of Ethics</a></div>																														
402-1	Minimum notice periods regarding operational changes	At Kruger Products, a reasonable notice is provided 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	2024 Sustainability Report – Managing Risks and Opportunities, <a href="#">page 24</a> ; Health and Safety, <a href="#">page 46</a>																														
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	2024 Disclosure Response
403-2	Hazard identification, risk assessment and incident investigation	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.
403-3	Occupational health services	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.
403-4	Worker participation, consultation and communication on occupational health and safety	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.
403-5	Worker training on occupational health and safety	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.
403-6	Promotion of worker health	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).
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	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 lock out, tag out (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.



GRI Disclosure Number	GRI Disclosure Name	2024 Disclosure Response
403-8	Workers covered by an occupational health and safety management system	Kruger Products’ EH&S Management System covers the nearly 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.
403-9	Work-related injuries	<p>In 2024, there were 22 recordable work-related injuries (mostly hands, legs and back injuries) during a total of 5,365,000 hours worked with a total incident rate (TIR) of 0.82, a record low for the Company and an 80% improvement over our 2015 baseline. The TIR has been calculated based on 200,000 hours worked. There were no fatalities as a result of these work-related injuries. 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.</p> <p>In our industry, high-consequence injury could be related to LOTO, machine guarding, knives, extension ladders and ergonomics for our operations. The risks are determined through risk assessment, applicable regulations, inspection and audit, self-declaration and root cause analysis following an event.</p> <p>All data has been compiled following international best practices.</p> <p>2024 Sustainability Report – Key Performance Indicators: Social, <a href="#">page 63</a></p>
403-10	Work-related ill health	There were 22 cases of work-related ill health during the reporting period noted above, with a TIR of 0.82. 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 to achieve a better understanding of why it occurred and to help prevent similar events from happening in future. Once the root cause analysis is completed, corrective actions based on the hierarchy of controls are implemented when required.
404 Training and Education		
3-3	Management of material topics	2024 Sustainability Report – Training and Development, <a href="#">page 47</a>
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 objective setting, performance management and personal 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 coaches, 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, KP e-learning, 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 third parties 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 Lean Six Sigma training in our OPEX program to grow problem-solving capability within the organization. Thus far, we have certified 68 yellow belts, nine green belts with nine in progress, and three black belts with two in progress. All of the Senior Leadership Team members have been at least white belt trained and certified.
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	2024 DISCLOSURE RESPONSE								
405 Diversity and Equal Opportunity										
3-3	Management of material topics	2024 Sustainability Report – Diversity, Equity & Inclusion, <a href="#">page 48</a>								
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><tr><th>Age Bracket</th><th>% Employees</th></tr><tr><td>Under 30</td><td>14%</td></tr><tr><td>30–50</td><td>57%</td></tr><tr><td>50+</td><td>29%</td></tr></table>	Age Bracket	% Employees	Under 30	14%	30–50	57%	50+	29%
Age Bracket	% Employees									
Under 30	14%									
30–50	57%									
50+	29%									
406 Non-discrimination										
3-3	Management of material topics	<p>Kruger Products <a href="#">Code of Ethics</a>, page 24</p> <p>2024 Sustainability Report – Acting with Integrity, <a href="#">page 22</a></p>								
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.								



TNFD Index

RECOMMENDED DISCLOSURES	DISCLOSURE REPONSE AND REFERENCES
Governance	
a) Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.	<a href="#">Environmental Policy</a> <a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 4.11, 4.12, 4.2, 4.5, 4.5.1 2024 Sustainability Report – Setting Ourselves Up for Success, <a href="#">page 21</a>
b) Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	<a href="#">Environmental Policy</a> <a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 4.3, 4.3.1 2024 Sustainability Report – Setting Ourselves Up for Success, <a href="#">page 21</a>
c) Describe the organisation’s human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation’s assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	<a href="#">Supplier Code of Conduct</a> <a href="#">Code of Ethics</a> <a href="#">Report Under the <i>Fighting Against Forced Labour and Child Labour in Supply Chains Act</i></a> <a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 2.2.2, 4.6.1, 4.11, 4.11.1, 4.11.2, 5.3.1, 5.11.2, 5.11.6, 5.11.7, 5.11.9 <a href="#">2024 CDP Corporate Questionnaire (Forest Extract)</a> : 8.15, 8.16.1
Strategy	
a) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium, and long term.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 1.22, 2.1, 2.2.7, 2.3, 2.5.1, 3.1.1, 3.2, 3.6.1 Kruger Products is working with an external consulting agency and with suppliers to investigate our fibre supply chain’s exposure to deforestation risk.
b) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation’s business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 2.5.1, 3.1.1, 3.2, 3.6.1, 5.2, 5.3, 5.3.1, 5.3.2, 5.11.1, 5.11.2, 5.11.5, 5.11.6, 5.11.7, 5.11.8, 5.11.9, 5.12, 5.13 <a href="#">2024 CDP Corporate Questionnaire (Forest Extract)</a> : 8.8, 8.8.1, 8.9.1, 8.15, 8.16.1, 8.17.1
c) Describe the resilience of the organisation’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 3.1.1, 5.1.1, 5.1.2, 5.3.1, 5.3.2
d) Disclose the locations where there are assets and/or activities in the organisation's direct operations, and upstream and/or downstream and/or financed where relevant, that are in priority areas	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 1.8.1, 2.3, 3.2 2024 Sustainability Report – About Us, <a href="#">page 10</a> ; Our Facilities, <a href="#">page 89</a>





RECOMMENDED DISCLOSURES	DISCLOSURE REPONSE AND REFERENCES
Risk and Impact Management	
a.i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 2.1, 2.2.2, 2.4, 2.5
a.ii) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 1.5, 1.24, 2.1, 2.2.1, 2.2.2, 2.2.7, 5.11.1, 5.11.2, 6.1 <a href="#">2024 CDP Corporate Questionnaire (Forest Extract)</a> : 8.1
b) Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 2.2.2, 2.2.7 <a href="#">FSC Certificate</a> <a href="#">SFI Certificate</a>
c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation’s overall risk management processes.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 2.2.2 2024 Sustainability Report – Managing Risks and Opportunities, <a href="#">page 24</a>
Metrics and Targets	
a) Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 3.1.1, 3.1.2, 3.2, 3.3, 3.6.1, 3.6.2
b) Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	<a href="#">2024 CDP Corporate Questionnaire (Climate Extract)</a> : 1.22, 3.1.1, 3.6.1, 5.11 <a href="#">2024 CDP Corporate Questionnaire (Forest Extract)</a> : 8.2, 8.9, 8.9.1, 8.10, 8.17.1
c) Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	<a href="#">2024 CDP Corporate Questionnaire (Forest Extract)</a> : 8.7



## Climate-Related Disclosures (IFRS S2)

### Governance: Disclose the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.

#### BOARD OVERSIGHT

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; and
6. Reviewing and guiding strategy.

The Board has general oversight of the issues and works with the Governance Committee to approve material topics. KP's climate mitigation plan and the associated risks and opportunities are discussed at the Governance Committee, and later with the Board, following which they are integrated into the Company's Enterprise Risk Management system.

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.

2024 Sustainability Report – Setting Ourselves Up for Success, [page 21](#)

[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 4.1.2, 4.2, 4.3.1

#### MANAGEMENT RESPONSIBILITIES

Kruger Products' Chief Executive Officer (CEO) and the Vice President (VP) of Sustainability develop risk profiles, with the help of the Director of Risk Management; results are presented to the Board Governance Committee for review on a regular basis. The CEO provides quarterly updates to the Board on how the Company is performing relative to its climate objectives. The VP of Sustainability and the Corporate Sustainability Manager provide the Board with detailed updates on climate-related performance 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. The SVP of Operations oversees Kruger Products' performance as it relates to energy, GHG emissions and water. Kruger Products' procurement-related activities are outsourced to Kruger Inc. and the Company works with them to achieve procurement-related goals. These results are reported to the Kruger Products' Leadership Team.

2024 Sustainability Report – Setting Ourselves Up for Success, [page 21](#)





Strategy: Disclose the strategy for managing climate-related risks and opportunities.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

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
Opportunities	Energy source	New technologies	Short term
	Products/services	Plastic packaging	Short term
	Resource efficiency	Fibre and water	Short term



IMPACT ON THE COMPANY’S BUSINESS MODEL AND VALUE CHAIN, STRATEGY AND DECISION-MAKING AND FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CASH FLOWS

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.

[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 2.3, 2.4, 3.1.1, 3.6.1, 4.5.1, 4.11.8, 5.2, 5.3.1, 5.3.2, 5.11.7, 7.54, 7.56, 7.74

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 three of our facilities (Sherbrooke, Crabtree and Gatineau) that currently fall under the reporting obligation but excludes 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 2024 we added six electric trucks (eight EV trucks in total) to our fleet 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>2024 Sustainability Report – Transportation, <a href="#">page 32</a></p>
Supply chain	Decreased revenues due to price increases	<p>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.</p>
Certified sustainable materials	Decreased revenues due to reduction in demand	<p>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.</p>
Mandates on and regulation of existing products and services	Increased direct costs	<p>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.</p>
Flood (coastal, fluvial, pluvial, groundwater)	Decreased revenues due to reduced production capacity	<p>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.</p> <p>2024 Sustainability Report – Our Facilities, <a href="#">page 89</a></p>





RISK/OPPORTUNITY IDENTIFIED	POTENTIAL FINANCIAL IMPACT	DESCRIPTION OF IMPACT
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.
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. 2024 Sustainability Report – Managing Our Energy Use and Emissions, <a href="#">page 29</a>
Plastic packaging	Increased revenues through demand for products	Many of our retail consumers and customers 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. 2024 Sustainability Report – Sustainable Packaging, <a href="#">page 42</a>
Fibre and water	Decreased indirect (operating) costs	The new Sherbrooke, QC facility uses TAD technology that reduces fibre and water usage. 2024 Sustainability Report – Executive Roundtable: Integrating Sustainability into Everything We Do, <a href="#">pages 5–6</a>

RESILIENCE UNDER CLIMATE SCENARIOS

The Representative Concentration Pathways (RCPs), developed as part of the Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report in 2014, represent different GHG concentration trajectories used to model potential future climate outcomes. These scenarios are used to estimate the warming levels by 2100 based on varying levels of GHG emissions and atmospheric concentrations.

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.

[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 5.1, 5.1.1, 5.1.2

**Risk management: Disclose the processes to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the overall risk management process.**

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.

[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 2.2, 2.4



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 MTCO<sub>2</sub>e per year at a projected cost of \$6 million.</p> <p>2024 Sustainability Report – Message from Dino Bianco, <a href="#">page 4</a>; Executive Roundtable: Integrating Sustainability into Everything We Do, <a href="#">pages 5–6</a></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>
	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 fulfil that demand with products that meet expectations. Through our Bonterra® brand, we strive to create products with a reduced environmental impact, including a reduced carbon footprint and reduced plastic waste versus traditional product lines. We plan to take learnings and wins from these product launches and integrate them into our other product offerings long term.</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"><li>(1) Increasing cube optimization by loading more product onto each truck to reduce the total number of truck shipments required;</li><li>(2) Increasing the amount of intermodal via rail versus over-the-road shipments; and</li><li>(3) Route optimization to ensure our products travel only as far as needed to reach our customers.</li></ol>
	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>2024 Sustainability Report – Our Strategy, <a href="#">pages 16–18</a>; Managing Our Energy Use and Emissions, <a href="#">pages 29–32</a>; Responsible Sourcing, <a href="#">pages 39–40</a></p>





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>2024 Sustainability Report – About Us, <a href="#">page 10</a></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&amp;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>

INTEGRATION INTO THE 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.

2024 Sustainability Report – Managing Risks and Opportunities, [page 24](#)

Metrics and targets: Disclose the performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets set, and any targets required to meet by law or regulation.

METRICS USED 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	(1) Energy consumption
	(2) GHG emissions (Scope 1, 2 and 3)
	(3) Water
	(4) Waste
Products	(5) Fibres consumed
	(6) Certified products
	(7) Packaging materials
	(8) Paper production and converted cases



[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 3.1.2, 3.6.2, 4.5, 4.5.1, 5.10, 5.10.1, 6.1, 7.1.2, 7.2, 7.6, 7.7, 7.8, 7.22, 7.79.1

2024 Sustainability Report – Our Strategy, [pages 16–18](#); Key Performance Indicators: Operations, [pages 57–60](#); Key Performance Indicators: Products, [pages 61–62](#)

SCOPE 1, SCOPE 2 AND SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS

In 2024, total Scope 1 emissions were 262,116 MTCO<sub>2</sub>e and Scope 2 emissions were 81,481 MTCO<sub>2</sub>e. Total Scope 3 emissions were 558,830 MTCO<sub>2</sub>e. 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 and chemical procurement, we utilized the spending method and company-specific emission factors where available, 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.
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 platform, 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	Where actual utility data is not available, 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.

2024 Sustainability Report – Key Performance Indicators: Operations, [pages 57–60](#)



**TARGETS USED TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS**

We recasted 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. We have not used a sectoral decarbonization approach.

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 a 2% decrease relative to the base year of 2020.

2024 Sustainability Report – Our Strategy, [pages 16–18](#)

[2024 CDP Corporate Questionnaire \(Climate Extract\)](#): 7.10.1, 7.53, 7.54, 13.1.1





## Our Facilities

LOCATION	PRIMARY FUNCTION(S)	ANNUAL PAPERMAKING CAPACITY (MT) <sup>1</sup>	PRIMARY FINISHED PRODUCTS PRODUCED	TOTAL NO. OF EMPLOYEES <sup>1</sup>	THIRD-PARTY CERTIFICATIONS	
Crabtree, Québec, Canada	<ul style="list-style-type: none"><li>Papermaking</li><li>Converting</li><li>De-inking and Pulping (Recycled)</li></ul>	92,000	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Paper Towels</li></ul>	567	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC	UL ECOLOGO GMP CT-PAT
Gatineau, Québec, Canada	<ul style="list-style-type: none"><li>Papermaking (Laurier)</li><li>Converting (Richelieu)</li></ul>	97,000	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Facial Tissue</li><li>Paper Napkins</li><li>Paper Towels</li></ul>	417	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC	UL ECOLOGO GMP CT-PAT
Lennoxville (Sherbrooke), Québec, Canada	<ul style="list-style-type: none"><li>Papermaking</li></ul>	24,000	N/A	50	ISO 9001:2015 FSC® CoC SFI/PEFC CoC	UL ECOLOGO CT-PAT
Memphis, Tennessee, United States of America	<ul style="list-style-type: none"><li>Papermaking</li><li>Converting</li></ul>	85,000	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Facial Tissue</li><li>Paper Towels</li></ul>	415	ISO 9001:2015 FSC® CoC	SFI/PEFC CoC GMP
Mississauga, Ontario, Canada <sup>2</sup>	<ul style="list-style-type: none"><li>Corporate Head Office</li></ul>	N/A	N/A	305	FSC® CoC SFI/PEFC CoC UL ECOLOGO	
New Westminster, British Columbia, Canada	<ul style="list-style-type: none"><li>Papermaking</li><li>Converting</li></ul>	67,000	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Facial Tissue</li></ul>	382	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC	GMP CT-PAT
Scarborough (Toronto), Ontario, Canada	<ul style="list-style-type: none"><li>Converting</li></ul>	N/A	<ul style="list-style-type: none"><li>Paper Napkins</li></ul>	122	FSC® CoC UL ECOLOGO	
Sherbrooke, Québec, Canada TAD	<ul style="list-style-type: none"><li>Papermaking</li><li>Converting</li></ul>	70,000	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Paper Towels</li></ul>	262	ISO 9001:2015 ISO 50001:2011 FSC® CoC UL ECOLOGO	GMP
Sherbrooke, Québec, Canada LDC	<ul style="list-style-type: none"><li>Converting</li></ul>	60,000	<ul style="list-style-type: none"><li>Facial Tissue</li><li>Bathroom Tissue</li></ul>	103	ISO 9001:2015 FSC® CoC	GMP
Trenton, Ontario, Canada	<ul style="list-style-type: none"><li>Converting</li></ul>	N/A	<ul style="list-style-type: none"><li>Bathroom Tissue</li><li>Facial Tissue</li><li>Paper Napkins</li><li>Paper Towels</li></ul>	205	FSC® CoC UL ECOLOGO	GMP
Totals		495,000		2,828		

<sup>1</sup> As of December 31, 2024.

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



## Independent practitioner’s limited assurance report on Kruger Products Inc.’s selected key performance indicators presented in the 2024 Sustainability Report

To the Board of Directors of Kruger Products Inc.

We have undertaken a limited assurance engagement on the selected key performance indicators (KPI) of the Kruger Products 2024 Sustainability Report, as detailed below (the subject matter) as at December 31, 2024 and for the year then ended.

### SELECTED KEY PERFORMANCE INDICATORS

SELECTED KPI	ORGANIZATIONAL BOUNDARIES	APPLICABLE CRITERIA	2024 REPORTED VALUE	REFERENCE IN KRUGER PRODUCTS 2024 SUSTAINABILITY REPORT
Greenhouse gas (GHG) emissions – direct (Scope 1) in metric tonnes CO <sub>2</sub> e	Scope 1 and 2 boundaries include all sites listed on p.89 of Kruger Products 2024 Sustainability Report except for the Mississauga Head Office.	Quantification methodology for Scope 1 emissions aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard	262,116	pages 29, 31 and 58
Scope 1 variance from 2023 emissions (metric tonnes CO <sub>2</sub> e)			8,882	page 29
Scope 1 variance from 2023 emissions (%)			3.51%	page 29
Greenhouse gas (GHG) emissions – indirect (Scope 2 location-based) in metric tonnes CO <sub>2</sub> e		Quantification methodology for Scope 2 emissions aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard	81,481	pages 29, 31 and 58
Scope 2 variance from 2023 emissions (metric tonnes CO <sub>2</sub> e)			4,463	page 29
Scope 2 variance from 2023 emissions (%)			5.79%	page 29

## Management’s responsibility for the subject matter

Management is responsible for preparation of the subject matter in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (the applicable criteria). Kruger Products Inc. is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

### INHERENT LIMITATIONS

Non-financial data are subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

The greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.



## Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board and International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 and ISAE 3410 involves assessing the suitability in the circumstances of Kruger Products Inc.'s use of the applicable criteria as the basis for the preparation of the subject matter, assessing the risks of material misstatement of the subject matter whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the subject matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- obtained an understanding of the process for collecting and reporting the data included in the subject matter by:
  - conducting interviews with personnel involved in the preparation of the subject matter;
  - understanding the definitions and methodologies applied for each indicator to ensure consistency and reliability in the reported data;
  - assessing controls in place to ensure the accuracy and integrity of the data from which the subject matter is derived;
- performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter;
- implemented limited corroboration procedures on selected information in the subject matter;
- evaluated the methods, assumptions and data for developing estimates and information; and
- reviewed the information provided on the subject matter in the Kruger Products 2024 Sustainability Report to ensure that it is consistent with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Kruger Products Inc.'s subject matter has been prepared, in all material respects, in accordance with the applicable criteria.





### Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Kruger Products Inc.’s subject matter as at December 31, 2024 and for the year then ended is not prepared, in all material respects, in accordance with the applicable criteria.

### Restriction on use

Our report has been prepared solely for the Board of Directors of Kruger Products Inc. to assist management in reporting the subject matter. The subject matter therefore may not be suitable, and is not to be used, for any other purpose. Our report is intended solely for Kruger Products Inc.

We make no representations or warranties of any kind to any third party in respect of this report.

**/s/ PricewaterhouseCoopers LLP**

Partnership of Chartered Professional Accountants

Montréal, Quebec

June 12, 2025

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

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**Vice President, Sustainability**

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