



# Charting Our Future

Kruger Products 2025 Sustainability Report





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### How to Use This Report

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# About This Report

The 2025 Sustainability Report from Kruger Products Inc. (“KP” or the “Company”) describes the Company’s performance and management approach in key areas of environmental, social and economic sustainability. Performance data covers the 2025 calendar year, with prior years shown for context where relevant. Unless otherwise noted, metrics primarily relate to KP’s manufacturing operations in Canada and the United States. Any exceptions are identified in the report text, data tables or footnotes.

## Data Preparation, Targets and Baselines

KP’s performance data is prepared in line with relevant laws and regulations, as well as recognized voluntary standards. Where appropriate, we report performance normalized to metric tonnes of production for a given year. All dollar figures are expressed in Canadian dollars unless otherwise indicated.

In 2021, we launched our Reimagine 2030 sustainable development strategy, using 2020 as the baseline year for third-party certified fibre and virgin plastic packaging. Beginning with the 2023 report, we updated the baseline year for greenhouse gas (GHG) emissions and water effluent from 2009 to 2015 to better align with

industry practice. In early 2026, we revised our plastic and water targets. For more information, see [page 5](#)

## Reporting Standards and Assurance

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards, includes key metrics from the Sustainability Accounting Standards Board (SASB) Household & Personal Products and Pulp & Paper Products standards, and addresses the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). For more information, see [pages 66–84](#) . Our contributions to the Sustainable Development Goals (SDGs) are disclosed on [page 16](#) .

This report also applies the International Financial Reporting Standards Sustainability Disclosure Standards S1 and S2 (IFRS S1 and S2), which are recognized by the Canadian Sustainability Standards Board (CSSB) as the Canadian Sustainability Disclosures Standards 1 and 2 (CSDS 1 and 2). Further details on these disclosures can be found on [pages 22–26](#) and [pages 76–82](#) .

This report has been reviewed by key members of KP’s Leadership Team, including the CEO and General Counsel. KP has also obtained external assurance on select key performance indicators (see [page 86](#)) .





# A Conversation with Our CEO and Vice President of Sustainability

In 2025, KP announced plans to invest in a state-of-the-art Through-Air Dried (TAD) tissue plant in the western United States. In this interview, Dino Bianco, CEO, and Steven Sage, Vice President of Sustainability, talk about the project, KP's recent progress towards our Reimagine 2030 goals and our vision for the future.

**Q:** KP recently unveiled plans for a new ultra-premium tissue plant in the western United States. Can you tell us more about the project and the key factors that convinced you this was the right next step for KP?

**Dino Bianco (DB):** This project has been a long time in the making. As we developed our long-term strategic plans, it became clear that the next phase of KP's growth will be in the U.S., especially in the West, where populations are large and growing, and customers are expanding their operations. Over the past five years, we have invested roughly a billion dollars in Canada to strengthen our network, and this new facility is the natural next step in that North American growth story.

This TAD plant is expected to start up in late 2028 and, once ramped up, will add about 75,000 metric tonnes of annual production capacity. It will operate alongside our Memphis, TN plant and nine Canadian plants as a new pillar in our premium network.

**Q:** How will this new facility change what is possible for KP over the next decade, both in how it serves customers and how it manages its environmental footprint?

**DB:** This facility sets us up for the next chapter of our growth by helping us do three important things. First, it enables us to have the right kind of production capacity in the right place to accelerate our ultra-premium business in one of the fastest-growing regions of the U.S. Having a modern, full-width TAD machine and dedicated converting lines in the West means stronger service, greater reliability and products that are

fully on par with, and in many cases, better than what is available in the market.

Second, it makes our network more efficient and more resilient in a very tangible way. By creating a Western hub, we can rebalance volumes across the system, reduce freight miles, lower costs and further strengthen our U.S. manufacturing footprint. That's good for our customers, who benefit from a more responsive and dependable supply chain, and it's good for our long-term competitiveness as we continue to grow in the U.S. market.

Third, it raises the bar on how we manage energy, water and emissions and becomes a showcase for what our next generation of assets can do. This will be an ultra-modern, highly automated site that builds on everything we have learned from our newest facilities. We're also actively exploring creative solutions to make this one of our most energy efficient and sustainable facilities and a platform we can build on for future lines or machines.

**Q:** As you reach the halfway point on the journey towards your Reimagine 2030 goals, how would you describe KP's overall progress so far, and where do you still see the biggest gaps to close?

**Steven Sage (SS):** When we launched Reimagine 2030, we set out four clear targets, and I'm encouraged by how far we've come on three of them. Regarding GHG emissions, we've significantly reduced our Scope 1 and 2 intensities thanks to large investments in energy efficiency, heat recovery and newer TAD and Light Dry Creped (LDC) assets. On water, we've already exceeded our 35% intensity reduction goal from the 2015 baseline, driven by process improvements and the deployment of new



**DINO BIANCO**  
CHIEF EXECUTIVE OFFICER  
KRUGER PRODUCTS INC.



**STEVEN SAGE**  
VP SUSTAINABILITY  
KRUGER PRODUCTS INC.



technologies that use far less water than older assets. In light of this progress, we are raising our water target to a more ambitious 45% reduction from the baseline. And on fibre, we've been using 100% third-party certified fibre for years and continue to grow one of the largest certified tissue portfolios in North America.

Our efforts to reduce the use of virgin plastic packaging materials in our branded products have not been as successful as we expected when we set our target in 2021. Despite our teams' tremendous effort, progress has been slower than we'd hoped due to a host of challenges. Post-consumer recycled (PCR) content is still more expensive, harder to source consistently and creates quality and operational challenges.

We are therefore adjusting our 2030 target for virgin plastic reduction in branded packaging from 50% to 25%, which we believe still represents meaningful progress in light of these headwinds and the broader industry context. We continue to move more of our products to packaging with 20% PCR, are exploring higher PCR percentages, shifting more of our products to paper packaging as well as looking at packaging downgauging and elimination. In addition, we are working through the Canada Plastics Pact and other partners, but flexible plastic packaging reductions will require continued innovation, collaboration and, frankly, some breakthroughs in technology and economics.

**Q:** Looking ahead, what sustainability challenge do you think will require the most creative problem-solving or partnership with others?

**SS:** Looking ahead, the toughest sustainability challenge will be decarbonizing our operations in a much deeper way. Up to now, most of our emissions reductions have come from using energy more efficiently, optimizing our processes and investing in better equipment, and that's been important and helped us to achieve significant reductions in emission intensities. However, to get to the next level of reductions and ultimately towards net zero, we can't keep relying primarily on fossil fuels for heat and power for our energy-intensive processes.

That's where we will need others at the table. We will need governments, utilities, technology providers and even peers in our sector to help develop and scale viable alternatives. We are very willing to be a customer, a testing ground and a partner, but we are not going to be able to invent technologies on our own. So, the toughest challenge, and the biggest opportunity, is building an ecosystem of innovation, infrastructure and policy that allows companies like ours to switch fuels, decarbonize at scale and still operate competitively over the long-term.

**Q:** Beyond this project and the Reimagine 2030 targets, what kind of company do you want Kruger Products to become over the next decade, and what do you hope will stand out most about its impact on people and the planet?

**DB:** Today, we're investing in modern, efficient assets so we can grow responsibly, reduce our footprint and keep making everyday life more comfortable for customers, consumers, communities and employees for many years to come. Over the next decade, I want people to see Kruger Products as a growth-oriented, values-driven company that consistently does the right thing. From a business standpoint, that means operating a network of modern, efficient sites that can support our customers' long-term growth. From a sustainability and culture standpoint, it means continuing to consider actual and potential impacts, risks and opportunities in every major decision we make, keeping our people safe and making a difference in the lives of our employees, customers, consumers and neighbours.

“Today, we’re investing in modern, efficient assets so we can grow responsibly, reduce our footprint and keep making everyday life more comfortable for consumers, communities and employees for many years to come.”

**DINO BIANCO**  
CHIEF EXECUTIVE OFFICER  
KRUGER PRODUCTS INC.



# Our Impact: Year at a Glance

In 2025, KP continued to embed sustainability into how we operate, invest and grow, advancing our Reimagine 2030 strategy across our pillars. Through innovation, R&D and partnerships, we worked to minimize our environmental footprint and infuse sustainability even deeper across our operations and value chain – whether by improving energy and water performance at our sites, growing our portfolio of third-party certified products, strengthening health and safety and inclusion for our people, or expanding our support for the communities where we live and work.

## Planet Conscious

### Invested in efficiency upgrades

to improve our water and energy consumption at several mills

WATER → ENERGY →

### Opened

a new distribution centre in Winnipeg, MB to shorten routes and eliminate unnecessary cross-country movements



## Products Empower

### Launched

SpongeTowels® packaging with 20% PCR content and as an FSC®-certified product



Offered over

# 320

tissue products with third-party certification



## Employee Impact

Had multiple sites listed on

### Canada's Safest Mills

by *Pulp & Paper Canada*



### Launched

sustainability training for our employees



## Community Embrace

### Continued to support organizations

through multi-year activations such as the Cashmere Collection® and Kruger Big Assist®



### Volunteered to support local communities

through tree planting and litter cleanup during our Kommunity Days





# Awards and Recognitions

*Corporate Knights* **25 Most Sustainable Private Corporations in the World**, inaugural list

*Corporate Knights* **Best 50 Corporate Citizens in Canada** for the eighth consecutive year

Kantar BrandZ **Most Sustainable Canadian Brand** for Bonterra®

*Time* **Canada's Best Companies**

Canada's **Best Managed Companies** for the eighth consecutive year

Greater Toronto Area (GTA) **Top Employer** for the thirteenth consecutive year

Parity Certification™ from **Women in Governance** for the sixth consecutive year

*Canadian Grocer* **Community Impact Award** for Kruger Big Assist® program

*Canadian Grocer* **Community Impact Award** for Cashmere Collection® program

## Bonterra® Named Canada's Most Sustainable Brand

KP's environmentally focused line of bath tissue, paper towels and facial tissue, Bonterra®, was selected as the **Most Sustainable Canadian Brand** for 2025 by Kantar BrandZ.<sup>1</sup> Along with highlighting our commitment to sustainability across product design, manufacturing, materials, packaging and partnerships, Kantar BrandZ recognized our work with veritree and 4ocean to advance environmental and social responsibility. Kantar BrandZ research shows that sustainability's influence on brand growth has risen by nearly 25% in the past five years, emphasizing the importance of products like Bonterra®.



<sup>1</sup> [Canada's Top 40 brands triumph despite economic slowdown](#) @

## KP Recognized as a Global Sustainability Leader

In 2025, KP was named one of the **25 Most Sustainable Private Corporations** in the World by *Corporate Knights*,<sup>2</sup> debuting at number 11 in the inaugural ranking. The recognition stems from a rigorous evaluation of 24 key numeric performance indicators, highlighting KP's strong results on sustainable revenue, water and waste productivity, workplace safety and executive gender diversity relative to sector peers. This achievement builds on a strong track record: KP also ranked on *Corporate Knights*' **Best 50 Corporate Citizens in Canada** list<sup>3</sup> for the eighth consecutive year in 2025, reflecting our enduring commitment to sustainability and responsible business practices.

<sup>2</sup> [Kruger Products Inc. Ranks Among Global 25 Most Sustainable Private Corporations](#) @

<sup>3</sup> [These 50 Canadian corporations are carving out a more sustainable future](#) @





OUR COMPANY

# A Closer Look at Kruger Products

KP is Canada's – and one of North America's – leading manufacturers of quality tissue products for household, industrial and commercial use. Employing approximately 3,000 people, our mission is to *make everyday life more comfortable* for our consumers, customers, colleagues and communities.

IN THIS SECTION:

- Who We Are >
- What We Do >
- Our Journey So Far >
- How We Create Value >



# Who We Are

Headquartered in Mississauga, Ontario, KP serves the Canadian and U.S. consumer markets with well-known tissue brands including Cashmere®, Purex®, SpongeTowels®, Scotties®, Bonterra®, White Swan® and White Cloud®. Through our Kruger PRO commercial division, we distribute a wide array of tissue products and solutions to sectors such as food service, hospitality and healthcare, providing essential products used by millions of people every day.

## Where We Operate

Our locations are strategically aligned to the natural resources we use to make our products and to key population centres in Canada and the U.S., representing 90% of Canadian and 60% of U.S. consumers.

With 10 manufacturing plants, our total papermaking capacity is nearly half of Canada’s total tissue manufacturing capacity. We are also proud to be the only tissue products company with manufacturing operations in Western Canada.

Learn more about KP by visiting our [website](#) ©.

**What We Stand For**

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

**OUR MISSION**  
Making everyday life more comfortable.

**OUR VALUES**  
Entrepreneurship. Family Spirit. Commitment. Integrity. Customer Focus.





# What We Do

## Brand Highlights

CASHMERE®

# #1

Branded Bath Tissue in Canada<sup>1</sup>

PUREX®

# #1

Branded Bath Tissue in Western Canada

SCOTTIES®

# #1

Facial Tissue in Canada<sup>2</sup>

SPONGETOWELS®

# #1

Canadian Made Branded Paper Towel<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® facial tissue, SpongeTowels® paper towels and napkins, and Bonterra® bathroom tissue, paper towels and facial tissues for consumer household use.

**Retail Customers:** Grocery stores, mass merchandisers, club stores, drug stores, dollar 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 retail locations and online retailers in the United States.

**Retail Customers:** Grocery stores, mass merchandisers, club stores and online retailers.

## Kruger PRO

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

**Brands:** White Swan®, Embassy®, Chalet™, Purex®, Cashmere®, Scotties®, Mont Royal®, Esteem®, White Cloud® and Titan®.

**Segments:** Food service, healthcare, office, hospitality/lodging, high traffic and industrial.

# 10

Production Facilities

# 2,910

Dedicated Employees

# \$2.2B

Revenue



1 NielsenIQ MarketTrack, All Channels, Based on \$ Share, 52 Weeks Ending December 27, 2025.

2 NielsenIQ MarketTrack, All Channels, Based on \$ Share, 52 Weeks Ending December 27, 2025.

3 NielsenIQ MarketTrack, All Channels, Based on \$ Share, 52 Weeks Ending December 27, 2025.



## Our Value Chain

KP's value chain starts with responsibly sourced, third-party certified fibre and other key materials, which move through our manufacturing network to become high-quality tissue products. From there, our products are shipped through distribution and retail partners to the consumers who rely on them every day, creating value at each step of the journey.

For more information on how we manage risks and opportunities across our value chain, see [pages 23–25](#).



### UPSTREAM

#### Sourcing

KP procures fibre from third-party certified forests and recycled sources. Our sourcing strategy prioritizes responsible stewardship from the very beginning of our value chain by assessing suppliers' environmental, social and governance (ESG) practices and performance through our supplier qualification process and by ensuring that all fibre inputs – whether from forests or recycled content – are third-party certified.



### OWN OPERATIONS

#### Manufacturing

KP transforms responsibly sourced fibre and other key materials into high-quality tissue products through our North American manufacturing network. Our operations focus on conserving water, reducing waste and improving energy efficiency as we continue to invest in advanced technologies.



### DOWNSTREAM

#### Distribution

KP moves finished products from plants to distribution centres, retail partners and customers via third-party carriers. Our distribution approach includes reducing transportation-related GHG emissions and increasing network efficiency, including the use of rail, route optimization and low-carbon and electric vehicle transportation solutions where feasible.

#### Retail and Commercial Customers







KP works closely with our partners to provide customers with sustainability-focused product offerings and continually strengthens the sustainability story behind all our brands, so that responsible choices are both visible and accessible at the shelf and online.

#### Consumers and End Customers

KP makes everyday life more comfortable for households and businesses. Our goal at this stage of the value chain is to make it easier for people to choose products that are responsibly sourced and backed by credible environmental certifications and partnerships. Consumers can also play their part in the circular economy by recycling packaging where local programs exist to put end-of-life materials back in the loop.



# Our Journey So Far

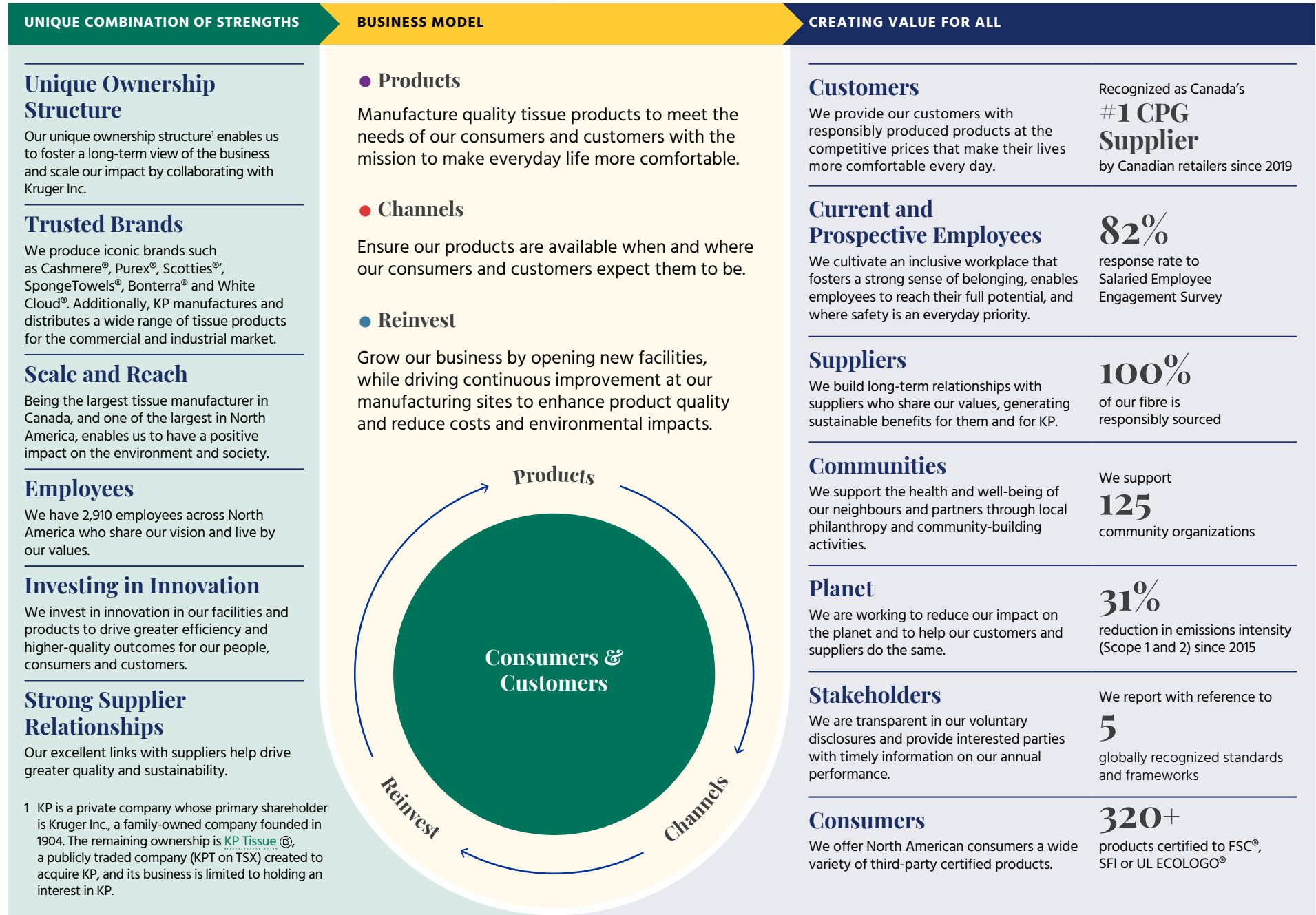
<p><b>1904</b></p> <p>Kruger Paper Company Limited, a wholesale paper distribution firm, is founded in Montreal, Québec, by Joseph Kruger.</p>	<p><b>1955</b></p> <p>Scott Paper begins to market tissue brands in Canada.</p>	<p><b>2002</b></p> <p>Memphis, TN plant acquired, establishing its U.S. manufacturing presence.</p>	<p><b>2006</b></p> <p>Scott Paper changes its name to Kruger Products.</p>	<p><b>2011</b></p> <p>KP becomes the first Canadian tissue manufacturer to earn Forest Stewardship Council® (FSC®) chain of custody certification.</p> 	<p><b>2014</b></p> <p>To accelerate Away from Home division growth, KP acquires the Canadian converting assets of Metro Paper Industries Inc., including plants in Scarborough and Trenton, ON.</p>	<p><b>2018</b></p> <p>KP is named one of Canada's Best Managed Companies in Canada for the first time.</p>	<p><b>2022</b></p> <p>Launched Bonterra®, our sustainably focused tissue brand.</p>	<p><b>2024</b></p> <p>KP reaches over \$2 billion in annual revenue for the first time.</p> <p>Our Sherbrooke, QC LDC plant begins operations.</p>
<p><b>1997</b></p> <p>Kruger Inc. purchases the Canadian operations of Scott Paper, including plants in New Westminster, BC, and Crabtree, Lennoxville and Gatineau, QC, launching Kruger's consumer tissue products business in Canada.</p> 	<p><b>2010</b></p> <p>KP launches Sustainability 2015, a five-year initiative to reduce its environmental footprint and benefit its communities.</p> 	<p><b>2012</b></p> <p>KP Tissue Inc., which holds an equity interest in Kruger Products Inc., is created as a publicly traded entity on the Toronto Stock Exchange.</p>	<p><b>2016</b></p> <p>KP launches Sustainability 2020, its second five-year sustainability initiative.</p> 	<p><b>2021</b></p> <p>Reimagine 2030, KP's third sustainable development initiative, is launched.</p>  <p>Our Sherbrooke, QC TAD plant begins operations.</p>	<p><b>2025</b></p> <p>KP is named one of the 25 Most Sustainable Private Corporations in the World by <i>Corporate Knights</i>.</p> 			





# 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 and consumers for many years to come.





OUR STRATEGY

# Reimagining 2030

Sustainability is at the heart of our vision *to be the most trusted, best loved tissue company in North America*. Building on the success of two previous sustainability programs, our Reimagine 2030 strategy was launched in 2021. It focuses our efforts across four pillars – Planet Conscious, Products Empower, Employee Impact and Community Embrace – and includes four targets that we aim to achieve by the end of the decade.

Reimagine 2030 is embedded in how we plan, invest and operate, guiding choices that create the greatest impact for our consumers, customers, our people, the planet and our communities. Our actions today shape tomorrow, so this strategy is increasingly a part of our DNA and informs decisions across the Company.

In 2023, we completed a materiality assessment to identify the ESG issues that most significantly affect our business and matter most to our stakeholders. The results help us understand risks and opportunities, inform Reimagine 2030 and direct investment to where we can create the most long-term value for customers, employees, the planet and communities. More details on the assessment process are provided on page 16 of our [2023 Sustainability Report](#)

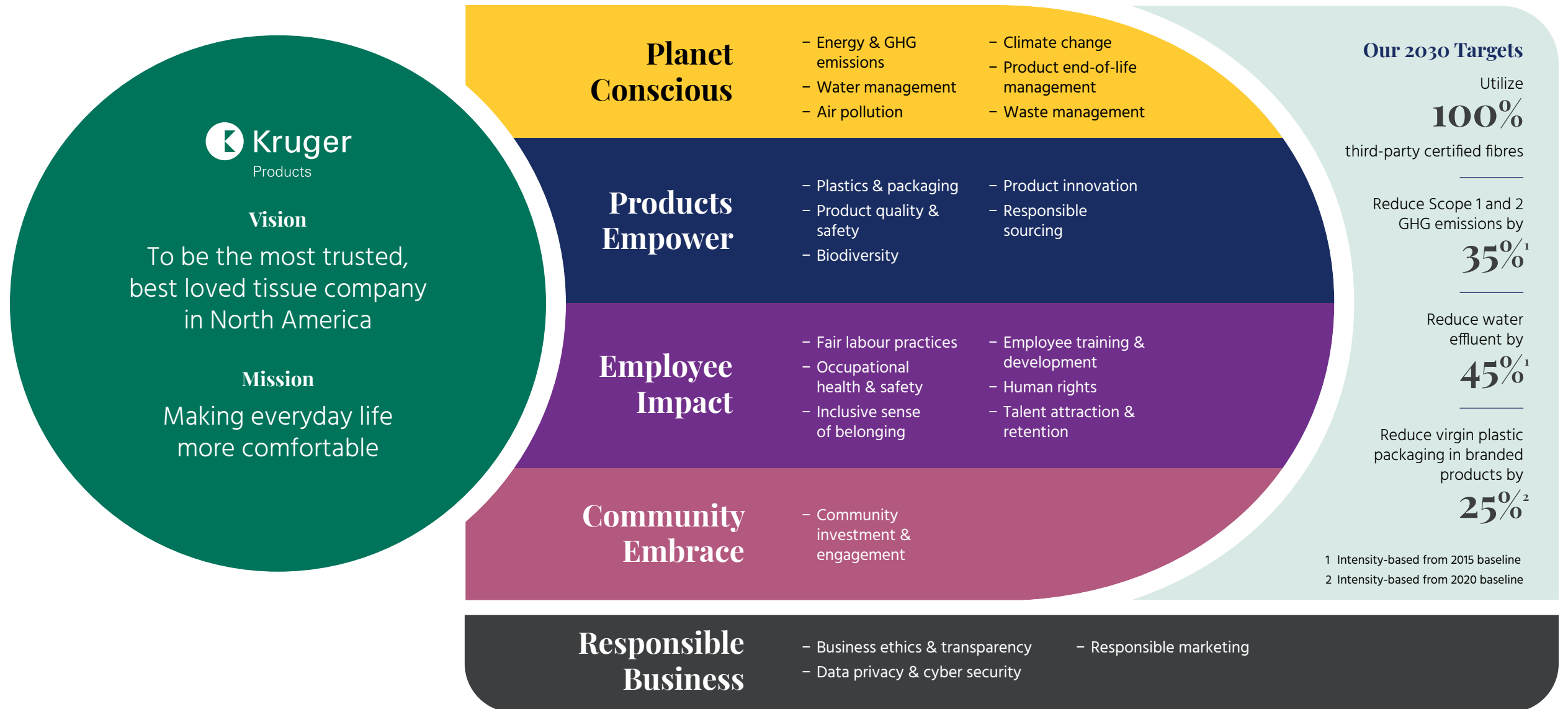


**IN THIS SECTION:**

- Reimagine 2030 >
- Progress Against Our Targets and Commitments >
- Listening to Our Stakeholders >
- Responding to Global Trends >



## Reimagine 2030





# Progress Against Our Targets and Commitments

STRATEGIC PILLAR	FOCUS AREAS	TARGETS AND COMMITMENTS	OUR 2025 PERFORMANCE	SDGs
Planet Conscious	Climate Change and GHG Emissions	35% reduction in Scope 1 and Scope 2 emissions intensity by 2030	31%	13
	Water Management	45% reduction in water effluent intensity by 2030	40%	6
	Waste Management	Reduce waste to landfill and improve circularity	91.3% diversion rate	12
Products Empower	Plastics & Packaging	25% reduction in virgin plastic packaging in branded products by 2030	6.2%	8 12
	Product Innovation	Invest in new facilities and innovative, resource-efficient technologies to enhance product sustainability and quality for our consumers	Over \$6 million invested in 2025	9
	Responsible Sourcing	100% of fibre procured annually is third-party certified	100%	15
		Expand our sustainability-focused product offerings	305 FSC®-certified products in our portfolio	15
Employee Impact	Occupational Health & Safety	0.82 total incident rate (TIR) for 2025	0.77	8
	Fair Labour Practices	Promote respect for workers' rights	Zero non-conformances in our recent human rights assessment	8
	Diversity, Equity & Inclusion	Create an inclusive and empowering environment for all employees	25% of senior leadership is comprised of women	5
	Talent Attraction & Retention and Employee Training & Development	Invest in training and development opportunities for all employees	Average of 42 hours of training per employee in 2025	8
Community Embrace	Community Engagement & Investment	Invest in our communities through partnerships with local and national charities and employee volunteering	\$2 million donated to 125 organizations	11



# Listening to Our Stakeholders

## Current and Prospective Employees

### HOW WE ENGAGED

Annual sustainability report; corporate website and social media; town hall meetings; intranet; corporate newsletter; recruiting materials and activities; university sustainability organizations

### WHAT WE HEARD

Working for a “good/responsible” company is important

### WHAT WE DID

In recruitment efforts, used videos that showcase KP’s commitment to sustainability; updated intranet content; linked employee community events to sustainability initiatives; participated in on-campus sustainability conferences and activities

## Customers

### HOW WE ENGAGED

Customer survey questionnaires; marketing initiatives (print, digital, TV); annual sustainability report; social media

### WHAT WE HEARD

Interested in more disclosure

### WHAT WE DID

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 the annual sustainability report

## Suppliers

### HOW WE ENGAGED

Sent fibre suppliers questionnaire; asked all suppliers to complete EcoVadis; continued to meet and discuss challenges, risks and opportunities

### WHAT WE HEARD

Also invested in sustainability

### WHAT WE DID

Expanded engagement through services like EcoVadis; reviewed and enhanced our Supplier Code of Conduct to be released in 2026

## Investors & Financial Parties

### HOW WE ENGAGED

CDP questionnaires; annual information forms; annual sustainability report; corporate website; investor presentations

### WHAT WE HEARD

Interested in more disclosure and specific information

### WHAT WE DID

Added CDP results to our sustainability website; added sustainability risks to the KP Tissue Enterprise Risk Management (ERM)

## Regulators & Governments

### HOW WE ENGAGED

Engaged with industry associations such as Food, Health & Consumer Products of Canada (FHCP), Circular Materials and the Circular Action Alliance

### WHAT WE HEARD

Focused on extended producer responsibility (EPR) and plastic regulations

### WHAT WE DID

Working with industry groups to ensure KP’s perspective is included/heard during the policy development process

## Environmental Non-Governmental Organizations (ENGOS)

### HOW WE ENGAGED

Engaged with Canada Plastics Pact (CPP), Canadian Business for Social Responsibility (CBSR), Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative (SFI), Programme for the Endorsement of Forest Certification (PEFC), UL ECOLOGO®, 4ocean and veritree

### WHAT WE HEARD

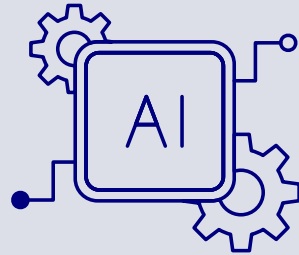
Focused on plastics, the fibre chain of custody and product certifications

### WHAT WE DID

Working with ENGOS to ensure KP’s perspective is included/heard during the policy development process



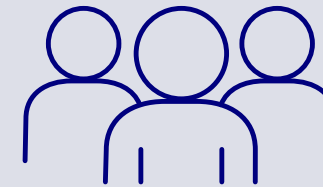
# Responding to Global Trends



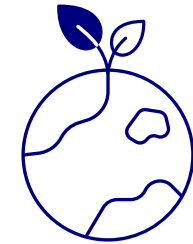
## Artificial intelligence



## Tariffs



## Population trends



## ESG pushback

### THE TREND

Rapid advances in artificial intelligence (AI) and digital technologies are reshaping manufacturing, supply chains and knowledge work.

Heightened geopolitical uncertainty and shifting tariff regimes are increasing cost volatility and supply chain risk, especially for cross-border goods.

Population growth in Canada and the U.S. is expected to slow and rebalance, influencing long-term demand patterns.

Some actors are challenging policies and disclosures related to ESG issues, even as stakeholders continue to expect meaningful action on sustainability and inclusion.

### HOW KP IS RESPONDING

Along with running IT hackathons and building AI-ready systems, we are carefully rolling out tools to ensure AI is advanced safely, in a controlled environment and aligned with responsible AI principles.

We have advocated that pulp and tissue products continue to be traded in North America with zero tariffs. In the event that tariffs are put on pulp or our tissue products, the Company has implemented mitigation plans to minimize the impact on the Company.

We recognize that our long-term growth is linked to population growth, so we are prioritizing higher-value, premium segments and investing in new upgrades to capture growing demand for premium tissue.

We are choosing to hold the course on ESG by honouring our commitments, continuing initiatives such as our Women's Network and broader diversity, equity & inclusion (DE&I) and sustainability programs, and maintaining these priorities in the face of pushback.



## OUR GOVERNANCE

# Acting with Integrity and Accountability

Strong governance and a culture of integrity are the foundation for earning trust, making sound business decisions and creating long-term value. Our governance structures define accountability for identifying, managing and disclosing risks and opportunities, helping ensure resilient performance and supporting our long-term growth.

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- [Our Commitment to Integrity](#) >
- [Managing Risks and Opportunities](#) >
- [Our Supply Chain](#) >



# Grounded in Governance

Our vision, mission and values provide the anchor for our governance, shaping the decisions we make, the standards we set and the expectations we reinforce across KP. To learn more, see [Who We Are on page 9](#).

## Our Board of Directors

KP is a private company, with Kruger Inc. as our majority shareholder (87.9%) and the remaining shares (12.1%) held by KP Tissue Inc., a TSX publicly traded corporation, as of December 31, 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 2025, KP's nine-member Board was composed of four external directors, including three independent directors and KP's CEO, Dino Bianco, as well as five members from the management team of its parent company, Kruger Inc. 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, including progress towards our Reimagine 2030 targets.

KP's VP of Sustainability leads the development of the strategy, which is supported by cross-functional teams across the Company.

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, U.S. Consumer Business; SVP & GM, Kruger PRO; SVP, General Counsel & Corporate Affairs; SVP, Operations; SVP, Human Resources; SVP, Business Development; Corporate VP, Technology & Product Development; VP, Information Technology Business Partners & Innovation; VP, Supply Chain; and VP, Sales & Corporate Strategy.

Our Leadership Team's Short-term Incentive Plan includes our Reimagine 2030 goals. It ensures that environmental and social outcomes are strongly considered throughout the year, including during the budget-setting process.

## Our Governance Structure





# Our Commitment to Integrity

Acting with integrity has enabled us to build long-standing, collaborative relationships with our employees, consumers, customers, business partners and communities. This principle is central to our vision of being the most trusted, best loved tissue company in North America.

## Code of Ethics

Our commitment to integrity is embedded in our values and formalized in our [Code of Ethics](#)®. This policy applies to all affiliates, the Board of Directors, management and all KP employees and sets clear expectations for responsible, respectful and ethical conduct. The General Counsel & Corporate Secretary oversees the policy, and all employees complete annual training. In 2025, we offered our employees a refresher on our ethics and compliance policies.

The Code of Ethics includes human rights and anti-corruption, and reinforces our commitment to DE&I, employee health and safety, and reducing environmental impact. During the reporting period, there were no incidents of corruption or anti-competitive behaviour.

## Reporting Concerns

Employees can raise concerns through our Respect Works Here program, which provides a confidential, third-party managed hotline to anonymously report harassment, bullying or other unethical behaviour. All HR staff are trained to manage this process, and serious allegations are investigated by an external specialist. We also partner with an independent ombudsman when an impartial third-party review is the most appropriate approach.





# Managing Risks and Opportunities

Managing risks and opportunities is essential to protecting our business, supporting our strategy and delivering long-term value for our stakeholders. That is why we are working to understand how issues such as climate change, regulation, shifting customer expectations and supply chain disruptions might affect our operations, and then putting the right governance, processes and metrics in place to respond. We regularly monitor identified risks and opportunities, update the Leadership Team and Board, and develop mitigation strategies where relevant.

## Our Approach to Risk Management

KP's ERM framework is designed to identify, assess and mitigate risks that could affect our ability to achieve our mission and create value for our stakeholders. Environmental and climate risks are fully integrated into this framework.

Our CEO receives information on environmental and climate impacts, risks and dependencies,








including emerging trends and quarterly updates on progress towards our environmental commitments and targets. He also signs off on all policies related to environmental and climate outcomes. Likewise, the Leadership Team examines risks related to environmental and social impacts in the supply chain. The Board reviews the ERM framework on a regular basis and incorporates sustainability-related risks and opportunities into overall strategic decision-making, as appropriate.





## Sustainability-related Risks and Opportunities







KP identifies and prioritizes sustainability-related risks and opportunities by drawing on multiple inputs, including peer benchmarking, risk profiles from insurance companies, regulatory updates, consumer research and periodic ESG materiality assessments. In 2025, KP engaged with subject matter experts to identify and assess sustainability-related risks and opportunities for the most material topics that could significantly impact our business. In line with KP's commitment to transparency, these risks and opportunities are presented in the table on the next few pages and include details on the expected time horizon of impact, location in the value chain where the impact is concentrated and our approach to addressing the risk or opportunity. A more detailed description of our value chain is presented on [page 11](#).

FOCUS AREA	RISK/OPPORTUNITY	TIME HORIZON	VALUE CHAIN	KP RESPONSE
<b>Business Ethics</b>	<b>Emerging risk:</b> Limited training on AI could create gaps in how new technologies are adopted and used, along with gaps in the integrity of data systems	●	 Across KP's operations	AI is being introduced conservatively, with training and policy development (including social media expectations) integrated into the <a href="#">Code of Ethics</a> and into Respect Works Here updates.
<b>Energy and GHG Emissions</b>	<b>Risk:</b> Physical climate risks such as extreme precipitation and potential flooding at sites	● ● ●	 KP's suppliers and KP's facilities that are located near water bodies	KP maintains flood mitigation plans where required. KP maintains property and business interruption insurance that is periodically updated to reflect changing climate-related loss patterns.
	<b>Risk:</b> Availability and affordability of low-emissions energy	●	 KP's operations in Quebec	KP engages with its utility providers to express and address its requirements/concerns.
	<b>Opportunity:</b> Operational energy efficiency	●	 Impacts operations at all sites	KP has implemented operational energy efficiency practices at all sites.
	<b>Opportunity:</b> AI digital twin	●	 Impacts operations at sites where implemented	KP is currently assessing how AI can help optimize production processes and reduce its environmental footprint.
	<b>Opportunity:</b> Energy management	●	 Impacts operations at sites where implemented	KP has implemented ISO 50001 certified energy management systems at papermaking sites.
<b>Enterprise Risk and Insurance</b>	<b>Risk:</b> Insurance market tightening due to climate and industrial loss trends may increase premiums or limit coverage	●	 Across operations	KP's risk management function actively monitors insurance market conditions, engages in annual engineering surveys with insurers and implements risk-reduction measures to maintain insurability and cost-effective coverage.



FOCUS AREA	RISK/OPPORTUNITY	TIME HORIZON	VALUE CHAIN	KP RESPONSE
<b>Fair Labour Practices</b>	<b>Risk:</b> Labour disruption during collective bargaining	●	All of KP's unionized sites	KP maintains positive union relationships, with proactive issue resolution, and develops contingency plans for key collective bargaining agreement negotiations.
	<b>Risk:</b> Evolving expectations on workplace conduct	●	All of KP's locations	KP is updating its company-wide Respect Works Here program for all salary and hourly employees, and has included a social media component in its <a href="#">Code of Ethics</a> training.
	<b>Opportunity:</b> Expand policy coverage to include maternity leave	●	All of KP's locations	Policy coverage was revised and launched in January 2026.
<b>Health and Safety</b>	<b>Risk:</b> Severe injury or fatality	●	All of KP's facilities	KP sets yearly health and safety (H&S) targets, standardizes programs, and maintains critical safety programs. Work is underway with sites to strengthen housekeeping, upgrade fire suppression and equipment, and identify improvements to critical aging equipment to be included in its capital expenditures (CAPEX).
	<b>Risk:</b> Fire at facilities	●	All of KP's facilities	KP is working to elevate/maintain housekeeping standards and fire suppression equipment at its plants. KP is also working with a third party to upgrade current processes and equipment. KP maintains comprehensive property and fire insurance covering facilities, machinery, and related business interruption exposures.
	<b>Risk:</b> Aging equipment at legacy sites	● ●	KP legacy facilities only	KP will identify and include critical aging equipment in its CAPEX. Risk management conducts periodic insurance engineering reviews with insurers specifically on equipment to assess asset conditions and ensure adequate preventive maintenance.
	<b>Opportunity:</b> Allocating a fixed percentage of CAPEX towards improving H&S practices and performance	●	All of KP's facilities	Currently the H&S spend is drawn from KP's CAPEX and varies each year. To uphold H&S as KP's top priority, the Company will work towards setting a fixed annual contribution for all H&S-related initiatives.
<b>Plastics and Packaging</b>	<b>Risk:</b> Higher costs and supply constraints for PCR content	●	KP's suppliers and KP's facilities	KP is diversifying its supplier base and qualifying new PCR suppliers. Additionally, we are minimizing our use of plastic, for example, by reducing the thickness of plastic packaging.
	<b>Risk and Opportunity:</b> Increasing EPR costs on packaging	●	Packaging	KP is tracking EPR-related packaging costs at the SKU level while working to reduce packaging weight where feasible.



FOCUS AREA	RISK/OPPORTUNITY	TIME HORIZON	VALUE CHAIN	KP RESPONSE
<b>Product Quality and Safety</b>	<b>Risk:</b> Growing scrutiny from consumers and regulators on ingredients and compliance with standards	●	 Product development	KP routinely monitors regulatory requirements and integrates them into compliance processes. We are also expanding our teams to address the increasing expectations around this topic.
	<b>Risk and Opportunity:</b> Product quality claims	●	 Product development and product quality	The KP product quality team continuously tests and validates that products are compliant with KP’s specifications, which include ingredients and standards.  KP’s legal team has a formalized process to review, benchmark and validate product claims.
	<b>Opportunity:</b> Improving product specifications to meet/exceed the quality of competitor products	●	 Product development and product quality	KP routinely assesses competitor products, invests substantially in R&D and product development to bridge quality gaps, and validates product quality based on consumer experience.  KP maintains product liability insurance to mitigate the financial impact of potential claims.
<b>Responsible Sourcing</b>	Uncertainty around the supply and quality of recycled fibre	●	  KP’s suppliers and KP’s procurement and operations	KP is assessing alternative recycled fibre sources while maintaining requirements for third-party certification and adherence to its <a href="#">Fibre Procurement Policy</a> to support responsible sourcing.
<b>Water Management</b>	No significant risks or opportunities were identified for this topic	N/A	N/A	See our <a href="#">2025 CDP Corporate Questionnaire (Water Extract)</a>  for more details on KP’s approach to identifying and managing water-related risks.



## Health and Safety

KP sites use a structured occupational health and safety (OHS) risk analysis process supported by a third-party IT system. We assess risks using a hierarchy of controls, from elimination through administrative measures and personal protective equipment, with raw risk calculated based on exposure frequency and potential severity and residual risk reflecting existing controls. Each risk is then prioritized using a risk matrix and managed based on its criticality, with reviews triggered by incidents, audits or the annual review cycle to update mitigation measures as needed.

More information about health and safety can be found in the [Employee Impact](#) section of this report.

## Climate Change

We work with our insurance provider who provides climate scenarios and risk analysis of our manufacturing sites as well as action items that can reduce risk and strengthen our operational resilience. Our ERM system also incorporates an internal carbon price of \$46.62 per metric tonne, which will increase as the price of carbon increases in Québec’s cap-and-trade system. This price is designed to help decision-makers factor climate impacts into investment and operational choices.

Managing these topics helps protect KP’s ability to operate and supports long-term value creation across our business. Each area presents specific risks to manage, including those shown on the previous three pages. More detailed information about climate-related risks and opportunities can be found on [pages 77-78](#).

## Data Privacy and Cyber Security

Protecting data privacy and cyber security is critical to earning and maintaining trust, so KP’s strategy focuses on safeguarding confidential and personal information, as well as intellectual property tied to the business, employees and brands. This work is guided by regulatory requirements and our risk management program, implemented jointly by business and IT teams that monitor vulnerabilities, manage our infrastructure and applications, and deploy advanced tools such as intrusion detection systems and firewalls. These teams also deliver mandatory quarterly training on topics such as phishing, password protection and handling private information to strengthen our overall security posture.

# 99.5%

of employees completed quarterly cyber security training in 2025.





# Our Supply Chain

KP focuses on building long-term relationships with suppliers who share our values and commitment to delivering excellence. We expect all suppliers to uphold high standards of honesty, integrity and compliance with all national and international rules, laws and regulations governing environmental and social conduct.

Our [Supplier Code of Conduct](#) sets clear expectations for our suppliers and their subcontractors. This document defines standards in areas including environmental responsibility, human rights, health and safety, ethics, legal compliance and product safety.

We also strongly prefer suppliers certified with EcoVadis. This globally recognized rating system assesses companies across four themes: environment, labour and human rights, ethics and sustainable procurement. Additionally, we require our pulp suppliers to be third-party certified and to adhere to our [Fibre Procurement Policy](#) .

## Auditing Our Suppliers

In 2024, Kruger Inc. (under a shared service agreement with KP) launched an ESG-focused procurement dashboard using the EcoVadis platform to track and compare the sustainability performance of our suppliers. We also launched an annual supplier

audit process that creates a structured forum to close performance gaps and enhance the quality and sustainability of our products.

As part of Kruger's implementation of its Sustainable Procurement Policy, the Company conducted an ESG risk analysis to identify risks that may affect supply chain resilience, compliance and long-term value. Developed with category directors and buyers, it uses their operational and industry expertise to map and prioritize key risks across purchasing categories and support responsible sourcing decisions.

To gain deeper insight into the sustainability of our pulp supply chain and support progress towards our certified fibre goals, KP has been conducting annual supplier sourcing surveys since 2024.

More information on responsible fibre sourcing can be found in the [Products Empower](#) section of this report.



In 2025, Kruger Inc. was awarded the EcoVadis Gold rating, recognizing major improvements in the Company's ESG performance and sustainability, including the introduction of a new Sustainable Procurement Policy.



OUR PROGRESS

# Making Progress by Taking Action

Sustainability is built into how we think, decide and act, and it is becoming an even stronger part of our corporate DNA. The choices we make today are positioning KP – and the communities we serve – for a better tomorrow.

**Planet  
Conscious**



**Products  
Empower**



**Employee  
Impact**



**Community  
Embrace**





# Planet Conscious

Protecting the natural world is essential to our future. This is the only planet we have, so we are determined to reduce our footprint by focusing our efforts where they matter most: tackling climate change, safeguarding water and forest resources, and keeping as much waste as possible out of landfills.

**IN THIS SECTION:**

- How We're Working to Reduce Our Footprint >
- Building Climate Resilience >
- Managing Our Energy Use and Emissions >
- Managing Our Resources >



**SPOTLIGHT**

**MEMPHIS, TN PLANT**  
RETHINKING WASTE  
MANAGEMENT PRACTICES

**RAISING THE BAR ON RECYCLING**

KP's Memphis, TN plant has recently embarked on a flagship waste reduction project that is reshaping how the site manages materials. With the support of the Green Team, the plant now recycles more than 80% of what once went to landfill – over 1,000 tonnes in 2025 alone – by capturing materials like baling wire, poly roll cores, damaged wood and packaging, adding metal recycling dumpsters, and eliminating compactors and large trash containers.

What makes this achievement especially powerful is how deeply enhanced waste management practices are embedded in day-to-day operations. Memphis now uses dedicated collection points and simple processes to make it easy for employees to separate recyclable materials, so doing the right thing becomes the default, not the exception. A two-person on-site contractor team manages the flow of recyclables, ensuring that new streams, ranging from pulp baling wire to scrap wood and office waste, are collected, consolidated and sent to partners for processing.

Monthly Green Team meetings keep the focus on continuous improvement and help identify new opportunities to reduce waste, including the potential launch of composting in 2026. These efforts have dramatically reshaped the plant's footprint and were recently recognized with Doxicom Consulting's Landfill Initiative Award. The project is steadily changing the Memphis plant's footprint and culture, demonstrating how a focused local initiative – supported by clear systems, engaged employees and strong recycling partnerships – can make a lasting difference in how a facility uses resources and manages waste.



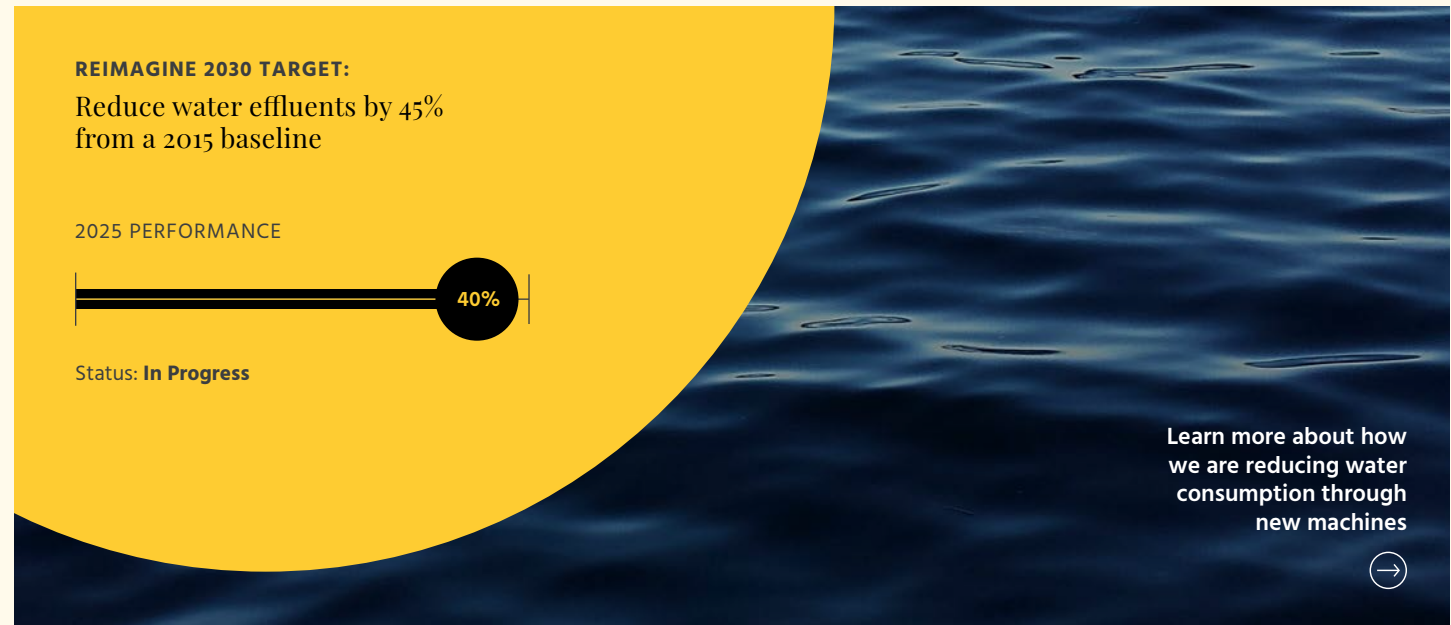
# How We're Working to Reduce Our Footprint

## Why It Matters

As a provider of essential tissue products, KP aims to remain a resilient and responsible business for decades to come. Climate change poses direct risks to that ambition, disrupting people, communities, ecosystems and the availability and cost of the wood fibre, energy and water we use. In response, we are working to address climate change in ways that safeguard business continuity and help build a more stable future for customers, employees and the regions where we operate.

## Our Approach

At KP, we monitor climate considerations as part of our business strategy and risk management approach. Our [Environmental Policy](#) clearly lays out the specific actions that every employee must take to continually improve our management practices. Since 2015, KP has invested over \$42 million, projected to reduce an estimated 39,000 metric tonnes of GHG emissions across our sites. Looking beyond our operations, KP is working with key suppliers to better understand and reduce value chain emissions, recognizing that meaningful climate action must extend across the full life cycle of our products.





# Building Climate Resilience

Climate change poses real risks to our costs, operations and communities. That is why we actively monitor and manage the current and anticipated physical and transitional risks associated with climate change. In 2024, we identified the following climate-related risks as having the potential to have a substantive financial or strategic impact on our business.

TYPE	CLIMATE-RELATED RISK/OPPORTUNITY	RISK/OPPORTUNITY IDENTIFIED	TIME HORIZON <sup>1</sup>
<b>Transition risks</b>	Policy and legal	Carbon pricing mechanisms	Short term
	Market	Fuel and transportation costs	Short term
	Market	Supply chain	Short term
	Market	Certified sustainable material	Short term
	Policy and legal	Mandates on and regulation of existing products and services	Medium term
<b>Physical risks</b>	Acute	Flood (coastal, fluvial, pluvial, groundwater)	Short term
	Acute	Wildfires	Medium term
	Chronic	Heat stress	Long term
<b>Opportunities</b>	Energy source	New technologies	Short term
	Products/services	Plastic packaging	Short term
	Resource efficiency	Fibre and water	Short term

Please see [page 22](#) for more information about our ERM approach and [pages 76–82](#) for our IFRS S2 (climate-related) disclosures.

<sup>1</sup> For its climate-related risks and opportunities, KP defines short term as zero to five years, medium term as five to ten years and long term as 10 to 30 years.





# Managing Our Energy Use and Emissions

## In Our Operations (Scope 1 and 2)

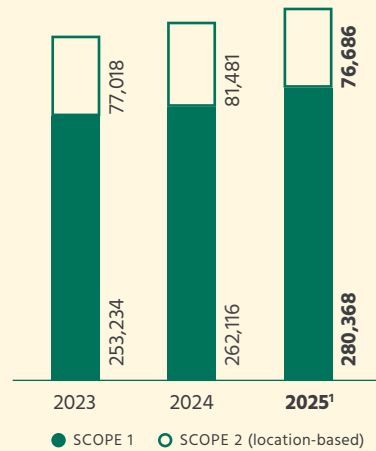
KP operates a wide range of facilities, from new, state-of-the-art manufacturing hubs to plants that have been running for many decades. Each has its own set of distinct opportunities and challenges. As we work towards our Reimagine 2030 goals, we are focused on leveraging each site's strengths while addressing the constraints they face through targeted projects and innovation.

In 2025, KP reached a 31% reduction. This progress reflects both continuous operational optimization and strategic investments in equipment and process upgrades across our manufacturing footprint.

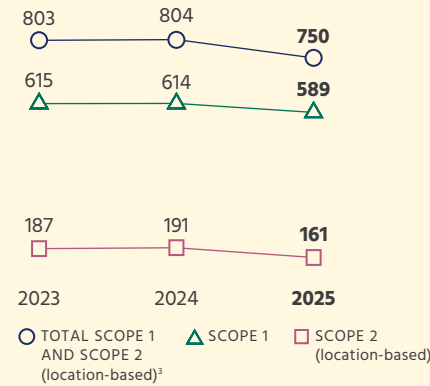
Energy stewardship is reflected in the fact that four of our manufacturing sites possess ISO 50001 certification. This certification gives these sites a clear framework for continuous improvement in energy performance through structured reviews, defined objectives and targets, and ongoing monitoring of energy use. We intend to continue expanding ISO 50001 certification to more sites as we work towards our Reimagine 2030 target.

### OUR PERFORMANCE

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



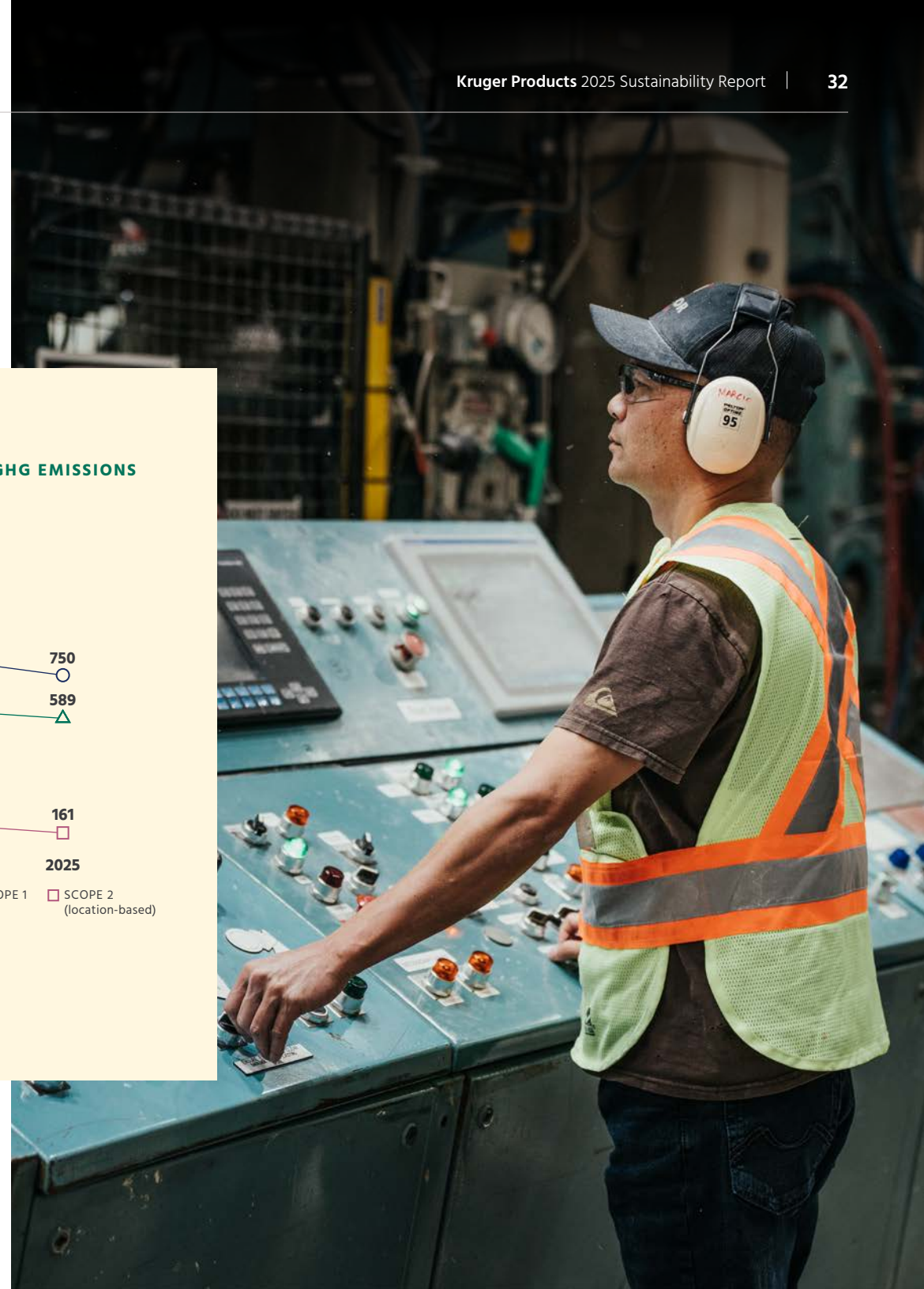
#### INTENSITY-BASED GHG EMISSIONS (kg CO<sub>2</sub>e/MDMT)<sup>2</sup>



<sup>1</sup> PwC provided limited assurance over Scope 1 and Scope 2 emissions. See PwC's [Limited Assurance Report](#).

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

<sup>3</sup> Numbers may not add up due to rounding.





## Manufacturing

Across our manufacturing footprint, we are taking climate action by improving energy efficiency, investing in GHG mitigation technologies and steadily reducing our reliance on fossil fuels. These efforts are integrated into day-to-day operations, from equipment upgrades and process optimization to tighter monitoring of energy use and emissions.

To guide these investments, our Green Value Creation Program uses a set of metrics to evaluate potential projects across all plants. This disciplined approach helps us sequence and locate projects for maximum impact, ensuring that a rich pipeline of ideas is translated into the right projects in the right places at the right time.

Across KP's operations, a combination of heat recovery and low-carbon energy is helping reduce our emissions profile and support progress towards our Reimagine 2030 goals.

Renewable biomass is another important lever, supplying roughly 3% of the total energy we consume and helping power our New Westminster, BC plant. In parallel, about 79% of our electricity is sourced from the grids of Québec, Ontario and British Columbia, which are low-carbon-emitting due to their use of hydroelectric and other low-carbon generation sources.

## Energy Efficiency Projects and Upgrades

In 2025, we conducted a number of energy efficiency projects, including preparations for work at paper machines 6 and 8 in Crabtree, QC. Starting in the first quarter of 2026, this project will optimize heat recovery and reduce the steam consumption required in the papermaking process, resulting in a 25,000 gigajoules reduction in natural gas consumption, avoiding roughly 1,200 metric tonnes of GHG emissions.

Heat recovery systems now operate at multiple sites and are projected to cut our GHG emissions by over 33,000 metric tonnes each year by capturing and reusing energy that would otherwise be lost.

### SUSTAINABILITY IN ACTION

#### Taking a Closed-Loop Approach to Heating

In late 2025, we started up a glycol heat recovery system at our Sherbrooke, QC plant. This technology is designed to capture waste heat from manufacturing and use it to warm buildings, replacing a significant portion of natural gas consumption. In this closed-loop system, a water-glycol mixture absorbs excess heat as it passes through heat exchangers. The mixture then flows via insulated pipes to heating coils, where it releases that heat into the facility before returning cooler to be reheated and recirculated. Once fully operational, the system is projected to save about 150,000 gigajoules of natural gas and avoid roughly 7,800 metric tonnes of GHG emissions each year.



## How Bonterra® Offsets Support Indigenous-led Forest Stewardship

Each year, we offset the emissions associated with manufacturing Bonterra® by purchasing and retiring third-party verified carbon credits. The carbon credits we purchase 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. As the largest Indigenous-led, forest-based carbon project in Canada, Great Bear Carbon manages a portfolio of projects that protect the ecological and cultural integrity of the Great Bear Rainforest and Haida Gwaii.

Located in one of the world's largest remaining intact temperate rainforests, these projects are part of an Indigenous-led land use vision that conserves roughly 85% of the forest while creating sustainable economic opportunities for local communities. Revenue from carbon credits helps fund vital initiatives such as forestry planning, marine and biodiversity management, and investment in industries including renewable energy, tourism, shellfish aquaculture and non-timber forest products. By choosing these offsets, Bonterra® supports a globally recognized conservation effort that safeguards ancient forests, upholds Indigenous rights and self-determination, and strengthens climate resilience along British Columbia's north and central coast.





## In Our Supply Chain (Scope 3)

In 2025, we tracked Scope 3 emissions from 11 categories, including purchased goods and services, all forms of transportation and waste. Scope 3 emissions accounted for approximately 58% of our total emissions, with the largest categories being purchased goods and services at 37%, end-of-life treatment of sold products at 20% and transportation and distribution at 23%.

We believe in the adage that you can't manage what you don't measure. Tracking Scope 3 emissions is a significant undertaking, but by better understanding these sources, we are taking important steps to go beyond our Reimagine 2030 targets and identify solutions that support business growth while reducing our environmental footprint.

## Transportation

As a leading tissue supplier in North America, moving products from plants to customers across Canada and the U.S. is essential to KP's business – and a major contributor to emissions. KP generally utilizes third-party carriers to perform this work. In 2025, upstream and downstream transportation and distribution accounted for approximately 23% of Scope 3 emissions, underscoring the importance of improving the efficiency of our logistics network.

To reduce these impacts, KP has opened a new distribution depot in Winnipeg, MB, shortening routes for western Canadian customers and eliminating unnecessary cross-country movements by both road and rail. Many loads now move directly to Winnipeg before continuing to Canada's central provinces, saving an estimated 4.7 million kilometres of travel in 2025.

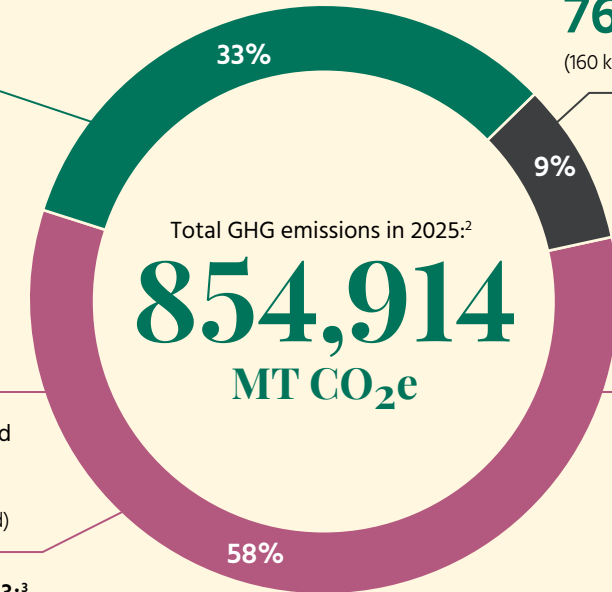
Electric vehicles (EVs) also help to reduce emissions from our logistics operations. In 2025, four EV trucks began operating at our plant in Sherbrooke, QC, supported by two additional units that restarted in Crabtree, QC in April. Together, these vehicles travelled 164,890 kilometres in 2025 – up from 40,399 kilometres in 2024. To enable continued progress, construction of a major charging depot will begin in Crabtree, QC in 2026, paving the way for the expansion of the fleet to 20 EV trucks. Additionally, two electric shunters will enter service in Sherbrooke, QC in April 2026, further reducing on-site emissions and supporting KP's use of cleaner transportation alternatives.

### OUR PERFORMANCE

#### GHG EMISSIONS BREAKDOWN

Scope 1: Direct<sup>1</sup>  
**280,368** MT CO<sub>2</sub>e  
 (591 kg CO<sub>2</sub>e/MDMT Produced)

Scope 2 (location-based):  
 Indirect<sup>1</sup>  
**76,686** MT CO<sub>2</sub>e  
 (160 kg CO<sub>2</sub>e/MDMT Produced)



Scope 3: Indirect Not Owned  
**497,860** MT CO<sub>2</sub>e  
 (1,046 kg CO<sub>2</sub>e/MDMT Produced)

#### BREAKDOWN OF SCOPE 3:<sup>3</sup> (MT CO<sub>2</sub>e)

CATEGORY 1 Purchased Goods and Services	CATEGORY 2 Capital Goods	CATEGORY 3 Fuel- and Energy-Related Activities	CATEGORY 4 Upstream Transportation and Distribution	CATEGORY 5 Waste Generated in Operations	CATEGORY 6 Business Travel
185,573	4,455	73,882	62,894	13,000	714
CATEGORY 7 Employee Commuting	CATEGORY 8 Upstream Leased Assets	CATEGORY 9 Downstream Transportation and Distribution	CATEGORY 10 Processing of Sold Products	CATEGORY 12 End-of-Life Treatment of Sold Products	
4,198	176	53,440	2,288	97,240	

1 PwC provided limited assurance over this indicator. See PwC's [Limited Assurance Report](#).

2 Numbers may not add up due to rounding.

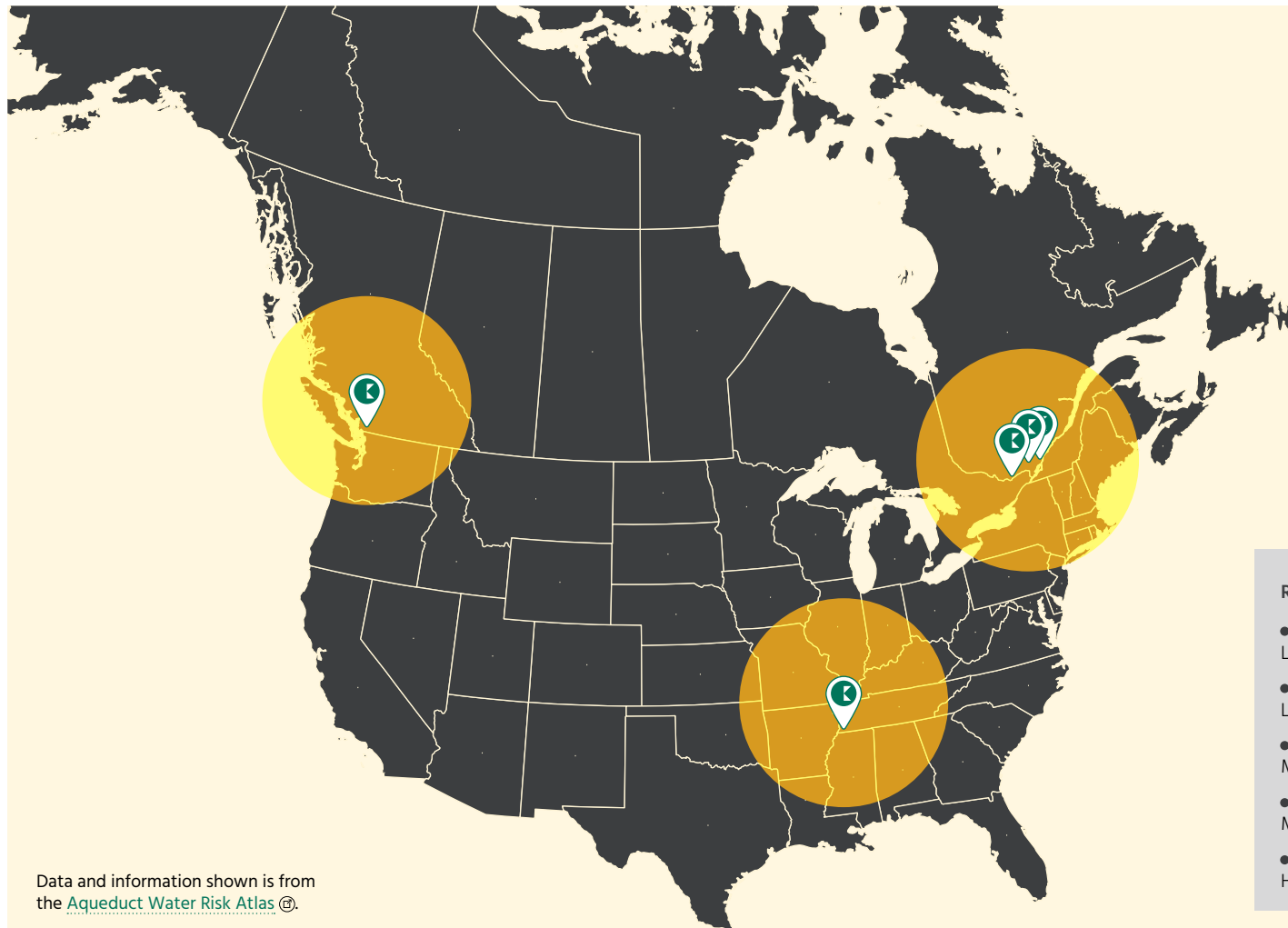
3 Reasons for exclusions of immaterial Scope 3 categories are provided on [page 57](#) and Scope 3 calculation methodology is provided on [pages 81–82](#).



# Managing Our Resources

## Water Consumption and Treatment

Water is a limited and precious resource, and our operations draw on the same rivers that support nearby communities and ecosystems. Protecting the health and quality of these shared water bodies is therefore a core priority for KP. Even though none of our facilities are located in water-stressed regions, we remain focused on using less water, reusing more where possible and maintaining high water-quality standards across all plants.



**RISK LEVEL**

- ○ ○ ○ ○ Low
- ● ○ ○ ○ Low - Medium
- ● ● ○ ○ Medium
- ● ● ● ○ Medium - High
- ● ● ● ● High

Data and information shown is from the [Aqueduct Water Risk Atlas](#) ©

	<b>Water Stress</b>	<b>Water Depletion</b>	<b>Groundwater Table Decline</b>	<b>Drought Risk</b>
<b>Kruger Products Lennoxville</b> Sherbrooke, QC, Canada	● ● ○ ○ ○ (10–20%)	● ○ ○ ○ ○ (<5%)	— Insignificant	● ○ ○ ○ ○ (0.0–0.2)
<b>Kruger Products Sherbrooke</b> Sherbrooke, QC, Canada	● ● ○ ○ ○ (10–20%)	● ○ ○ ○ ○ (<5%)	— Insignificant	● ○ ○ ○ ○ (0.0–0.2)
<b>Kruger Products Crabtree</b> Crabtree, QC, Canada	● ○ ○ ○ ○ (<10%)	● ○ ○ ○ ○ (<5%)	— Insignificant	● ○ ○ ○ ○ (0.0–0.2)
<b>Kruger Products Gatineau Laurier</b> Gatineau, QC, Canada	● ○ ○ ○ ○ (<10%)	● ○ ○ ○ ○ (<5%)	— Insignificant	● ● ○ ○ ○ (0.2–0.4)
<b>Kruger Products Memphis</b> Memphis, TN, USA	● ○ ○ ○ ○ (<10%)	● ○ ○ ○ ○ (<5%)	● ● ○ ○ ○ (0–2 cm/y)	● ● ● ○ ○ (0.4–0.6)
<b>Kruger Products New Westminster</b> New Westminster, BC, Canada	● ○ ○ ○ ○ (<10%)	● ○ ○ ○ ○ (<5%)	— Insignificant	● ○ ○ ○ ○ (0.0–0.2)

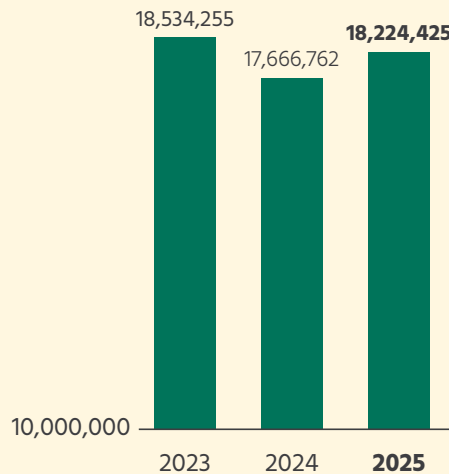


All KP facilities have on-site water monitoring systems and issue monthly performance reports, giving clear visibility into how plants are performing and where upgrades can deliver the greatest benefit. Across the network, 100% of our water effluent is treated and safely returned to the local environment. Each site operates treatment systems designed to meet or exceed regulatory requirements or returns water to local water treatment infrastructure.

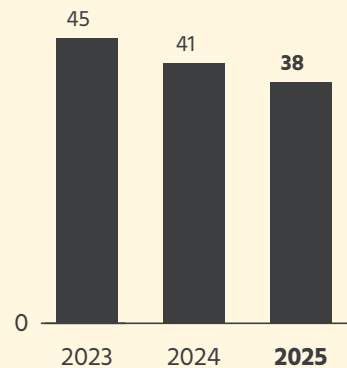
In 2025, KP received a “B” score on CDP’s Water Security assessment, reflecting our progress in identifying and mitigating water-related risks across our operations, improving water stewardship practices and reporting performance consistently through a globally recognized disclosure framework.

**OUR PERFORMANCE**

**ABSOLUTE EFFLUENT HYDRAULIC FLOW**  
(m<sup>3</sup>)



**TOTAL WATER EFFLUENT INTENSITY**  
(m<sup>3</sup>/MDMT)



**SUSTAINABILITY IN ACTION**

**Reducing Our Water Footprint**

Over the past ten years, we have reduced our water effluent intensity by 40%, driven by process efficiencies and new technologies, including new machines at our Sherbrooke, QC and Memphis, TN sites that use far less water than traditional assets. The new double-width LDC machine at Sherbrooke is performing as expected – and in some cases better – and using substantially less water than our existing LDC machines.

Since 2015, we have reduced our water effluent intensity by

**40%**



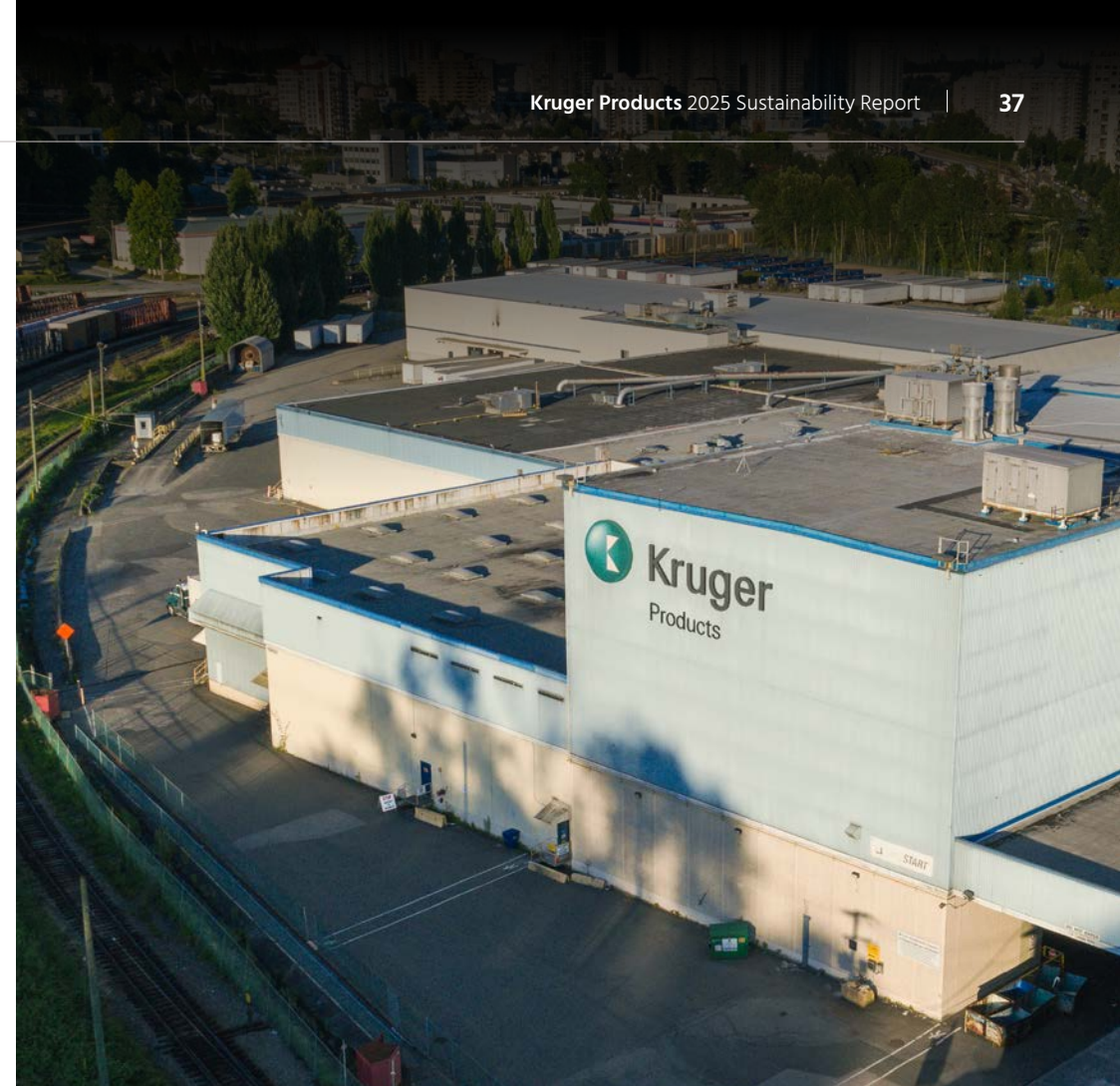
## Circularity and Waste Management

KP's waste management strategy continues to focus on minimizing waste and maximizing material reuse. We recover and repurpose nearly all of our broke waste – the excess pulp and scraps from paper manufacturing and converting – which represents the largest share of our overall waste stream.

In 2025, KP began bringing together site-level waste efforts through a coordinated initiative to share

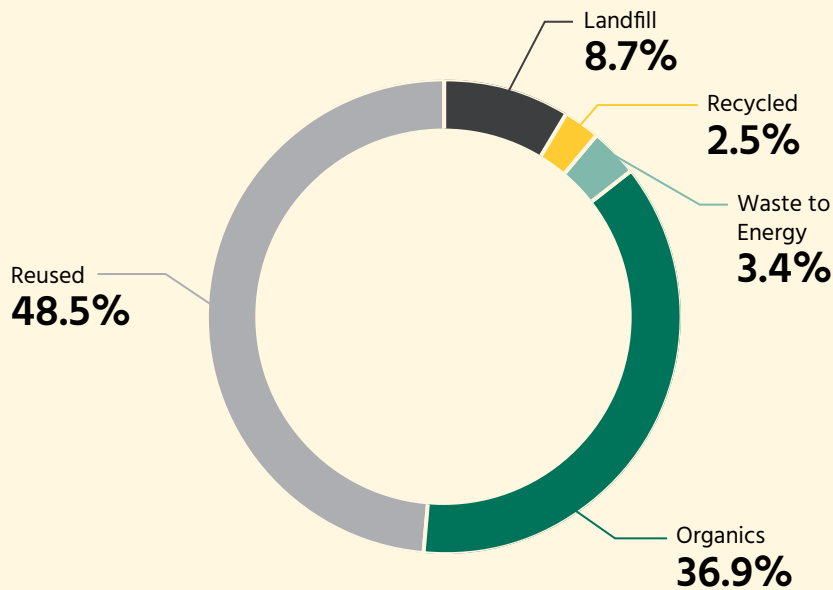
best practices for classifying, handling and diverting different waste streams. This collective approach helps facilities learn from one another, apply common standards and identify new opportunities to reduce, reuse and recycle. More detailed information about achievements at our plant in Memphis, TN can be found on [page 29](#).

We also remain compliant with EPR regulations in all jurisdictions where we operate. These programs support consumer recycling systems that help ensure packaging and other materials are recovered or disposed of properly at the end of life.



### OUR PERFORMANCE

#### WASTE BY TYPE



### WASTE MANAGEMENT DIVERSION

WASTE	UNIT	2025
<b>Generated</b>	<b>Metric Tonnes</b>	<b>106,003</b>
Recovered or Recycled <sup>1</sup>	Metric Tonnes	93,212
	% of Total	87.9%
Waste to Energy	Metric Tonnes	3,608
	% of Total	3.4%
To Landfill	Metric Tonnes	9,183
	% of Total	8.7%

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

## Getting More from Every Paper Core at New Westminster

At our New Westminster, BC plant, a new core reuse initiative is turning one of our largest waste streams – paper cores from the paper machine and the converting lines it supplies – into a circular resource. Instead of reusing cores only once or twice and then sending them to landfill, the project cleans and reuses them two, three or even four times. The initiative is delivering an estimated \$700,000 in annual cost savings and diverting a substantial volume of material from landfill, demonstrating how targeted operational changes can cut both costs and environmental impact.



# Products Empower

Our goal is to offer products that help people live comfortably and sustainably, every day. By investing in innovation, R&D and partnerships, we continually enhance the sustainability of our products while maintaining the trusted quality and comfort our customers expect.

## IN THIS SECTION:

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



### SPOTLIGHT

**SPONGETOWELS®**  
#1 CANADIAN MADE BRANDED  
PAPER TOWEL

#### BRINGING RECYCLED CONTENT AND FSC® CERTIFICATION TO EVERY SPONGETOWELS® PACK

Customers and consumers are increasingly clear about what they want: products that deliver great performance and support their environmental goals. KP's decision to move the entire SpongeTowels® portfolio to packaging with better environmental credentials came in response to this demand and to requests from our retail partners who are setting ambitious sustainability targets of their own. Today, all 12 SpongeTowels® SKUs use packaging with 20% PCR content and FSC® certification, providing credible proof of responsible fibre sourcing and packaging stewardship on the shelf.

While some products already held FSC® certification, the team made a conscious decision to extend certification and PCR packaging across the entire line. The goal was to position SpongeTowels® as a sustainability leader in its category, making it easy for retailers to stock a brand that visibly aligns with their environmental commitments and for consumers to choose a product that reflects their values.

Delivering this change required close collaboration across the business. Moving from fully virgin poly to PCR material brought technical challenges, from ensuring the film ran smoothly in the plants to preserving the same quality, print impact and feel of the packaging. Sustainability, product development and plant teams and poly suppliers worked together through multiple trials to achieve seamless integration, then clearly communicated the 20% PCR content and FSC® certification to shoppers. Customer response has been strong, confirming that this work also helps our retail partners make progress towards their own goals.



# How We're Making Everyday Lives More Comfortable

## Why It Matters

Our mission to make everyday life more comfortable depends on delivering high-quality, sustainable products. Customers increasingly expect tissue and packaging to perform well while reducing environmental impacts. Earning their trust means meeting these expectations on fibre sourcing, product safety and packaging footprint. Since our business relies on natural resources, we recognize our responsibility to help protect ecosystems and design packaging that uses fewer virgin materials and creates less waste.

## Our Approach

Producing sustainable, high-performing products begins with clear standards for what goes into them and how they are made. We only work with suppliers whose values are aligned with ours, and with fibre suppliers whose materials have been third-party certified. KP uses 100% third-party certified fibre and expects suppliers to meet robust environmental and ethical requirements set out in its [Environmental Policy](#), [Supplier Code of Conduct](#) and [Fibre Procurement Policy](#). With regards to packaging, KP is working towards a Reimagine 2030 objective to reduce the virgin plastic intensity in its branded portfolio to 25% from a 2020 baseline. In 2025, we achieved a 6% reduction in virgin plastic intensity, thanks in part to the increased use of PCR in SpongeTowels® packaging. We continue to pair trials of higher recycled content and active participation in industry initiatives to unlock new solutions.

Each manufacturing site has designated quality managers who work with cross-functional departments to establish product quality targets across a variety of dimensions. Product quality is managed through continuous monitoring, with all products required to meet applicable packaging and labelling rules in Canada and the United States.





# Responsible Sourcing

We recognize our responsibility to act as a careful steward of the environment and the natural resources that underpin our business. Responsible fibre sourcing has long been a cornerstone of this approach, with KP using 100% third-party certified fibre to help support sustainable forest ecosystems for generations to come.

KP is committed to upholding human rights across our operations and supply chains and fully supports Canada’s efforts to eliminate forced labour and child labour. To increase transparency and accountability, KP began publishing annual reports in May 2024 under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (formerly Bill S-211), outlining the measures taken to identify, prevent and reduce these risks worldwide. The [latest report](#) can be found online.

## Fibre Certification

KP now offers more than 320 third-party certified tissue products, making it one of the largest third-party certified tissue portfolios in North America. In 2025, we added SpongeTowels®-branded products and products from our Kruger PRO portfolio. Our third-party forest certification programs are overseen and audited annually by Preferred by Nature, which verifies that our systems comply with the applicable FSC®, SFI and PEFC standards.

Third-party forest certifications confirm that our suppliers are committed to protecting forest ecosystems and meeting consumer expectations for responsible forest management. KP regularly verifies that suppliers maintain their certifications, tracks all incoming pulp shipments on a continuous basis to understand fibre origins, and requires suppliers to follow our [Supplier Code of Conduct](#), [Environmental Policy](#) and [Fibre Procurement Policy](#).

For more information on how we engage with our suppliers, please read the [Our Supply Chain](#) section.

## Measuring Our Performance

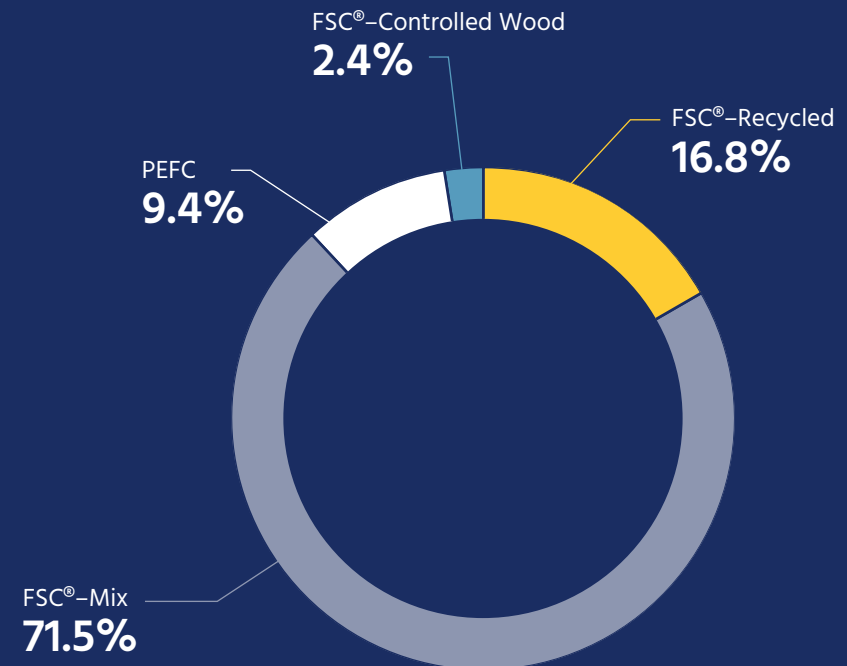
In 2025, KP received a “B” score on CDP’s Forestry assessment for the third consecutive year. This assessment recognizes our strong performance on traceability and consumption/production data and provides a framework to manage forest-related risks and opportunities and report progress transparently.

### SUSTAINABILITY IN ACTION

#### Where Our Fibre Comes From

In 2025, KP continued to source all of its fibre from suppliers responsibly managing their forests and who are certified by the Forest Stewardship Council® (FSC®), the Sustainable Forestry Initiative (SFI) or the Programme for the Endorsement of Forest Certification (PEFC). Altogether, 91% of our fibre was certified by FSC®, the most trusted responsible forest certification in Canada. Our fibre mix remained diversified in 2025, with 69% coming from Canada, 25% from Brazil, 6% from Uruguay and less than 1% from Finland.

#### FIBRE CERTIFICATION MIX





# Safe and Sustainable Products

By offering products that prioritize responsible practices, KP wants to make it easier for Canadians to choose options that are better for the planet. We are backing this ambition with investments in product development and infrastructure that raise the bar on both quality and sustainability.

## Offering Sustainably Focused Products

Launched in 2022, Bonterra® is designed to provide Canadians with more sustainable choices. Made in Canada from 100% recycled fibre with FSC®-certified chain of custody, Bonterra® products use plastic-free packaging – from paper wraps and recyclable cores for bath tissue and paper towels, to recycled, fully recyclable cartons and sleeves for facial tissue. Manufacturing emissions are offset using third-party verified carbon credits (for more information, see [page 33](#) ↻).

Over the past four years, Bonterra® has funded the removal of 448,233 pounds of plastic and other litter from oceans, rivers and coastlines through its partnership with 4ocean, equivalent to approximately 20 million single-use water bottles. Additionally, Bonterra® supports large-scale tree-planting initiatives across Canada through veritree.

Kruger PRO offers a broad range of towel, tissue and napkin products made with recycled fibre for sectors such as food service, healthcare, office, hospitality/lodging, high traffic and industrial across North America. Many of Kruger PRO's towels, tissues and napkins contain recycled fibre that exceeds government requirements for recovered material and can contribute to certification in programs like LEED certification and the BOMA BEST program.

Under brands like White Swan®, Kruger PRO provides 100% recycled solutions in key categories including bathroom tissue, paper towels and napkins. Many products contain at least 80% PCR content and carry third-party certifications such as UL ECOLOGO® to support customers' environmental objectives. In 2025, 33 Kruger PRO products were certified by ECOLOGO®, which is one of North America's most respected multi-attribute environmental standards.

In parallel, our R&D team is exploring the use of non-tree fibres in our products to understand how closely they can match the softness, strength and reliability of current tissue lines.

## Improving Efficiency and Quality Control

In June 2025, we inaugurated a new LDC tissue plant at our Sherbrooke, QC manufacturing facility. The project included constructing a double-wide tissue machine with LDC technology and installing two new converting lines in Sherbrooke. KP has invested nearly \$1 billion in the region since 2018 to create a major tissue product manufacturing hub in North America. The added capacity and efficiency allow more tissue to be produced closer to key markets, which reduces the need to transfer product between sites and helps lower both water use and transportation-related GHG emissions.

Across the KP network, standardized quality assurance and control processes help deliver consistency at every plant. All of our manufacturing facilities are certified to ISO 9001, the internationally recognized standard for quality management systems, and operate under Good Manufacturing Practices (GMP). This validates that our products are made consistently and meet defined quality and safety requirements.



In 2025,  
**over 50%**  
of KP's branded portfolio was third-party certified.



# Sustainable Packaging

Packaging plays a critical role in protecting our products so that they arrive in good condition and ready to use. We aim to ensure that our customers have access to the best packaging solutions for each product; solutions that protect quality, respond to consumer expectations and reduce reliance on virgin plastics. At the same time, we are working to significantly cut the amount of virgin plastic in our packaging.

In 2025, approximately 88% of our packaging material by weight was fibre-based and recyclable, including our bath tissue and paper towel cores, facial tissue cartons, shipping cases and select Kruger PRO commercial products packaging. The remaining 12% or 6,900 tonnes were made primarily from low-density polyethylene (LDPE).

## Scaling PCR to Enhance Plastic Circularity

Post-consumer recycled (PCR) plastic comes from packaging that has already been used and collected through recycling systems, then cleaned, processed and turned back into new resin for fresh packaging applications. Using PCR reduces demand for virgin fossil-based plastics, keeps valuable material in circulation longer and can lower the overall environmental footprint of a package while still protecting product quality.

Scaling PCR use remains challenging because the supply of consistent, high-quality PCR suitable for flexible packaging is still limited, and current systems do not capture enough flexible plastics to support significantly higher content. Nonetheless, we continue to explore ways to improve the use of PCR in our packaging.

## Partnering to Advance Circular Solutions

KP is not only a member, but an active participant in several collaborative platforms focused on packaging and circularity. As the first tissue manufacturer to sign the Canada Plastics Pact, we contribute to the Flexibles Working Group. KP also engages through networks such as Canadian Business for Social Responsibility (CBSR), which brings together businesses committed to advancing social and environmental performance. We also collaborate with GS1 Canada on exploring how product barcodes and standardized data can be used to share sustainability information and support better recovery systems.

### SUSTAINABILITY IN ACTION

#### Launching 20% PCR Packaging

KP continues to trial the use of PCR content in plastic packaging. Following the successful completion of these tests, we rolled out SpongeTowels® wrapped in 20% PCR packaging in 2025 (for more information, see [page 38](#) ☺). Building on this, KP plans to introduce Cashmere® and Purex® bathroom tissue packaging with 20% PCR in 2026 and is exploring similar solutions for private-label customers seeking lower-impact packaging options.



In 2025, **92.6%**

of plastic packaging used as poly film packaging for bath tissue and paper towel products.

**4.6%**

as shrink-wrap film for multiple packs of facial tissue.

**2.8%**

for the poly window opening in facial tissue packaging.



# SpongeTowels®: Designed for Circularity

## Manufacturing

SpongeTowels® are made in KP plants, wound on recyclable fibre cores, wrapped in 20% PCR plastic and packed in corrugated cases made by Kruger Packaging using 100% recycled containerboard (OCC); pallets are wrapped in recyclable plastic film that can be collected separately for recycling.

## Back to packaging and products

Recovered OCC and paper are transformed into 100% recycled containerboard and specialty boards at Kruger Packaging plants, which are converted into new corrugated cases and components for products like SpongeTowels®. Additionally, recycled flexible plastic like pallet wrap is used to create PCR plastic packaging for SpongeTowels®.

## Collection and recycling

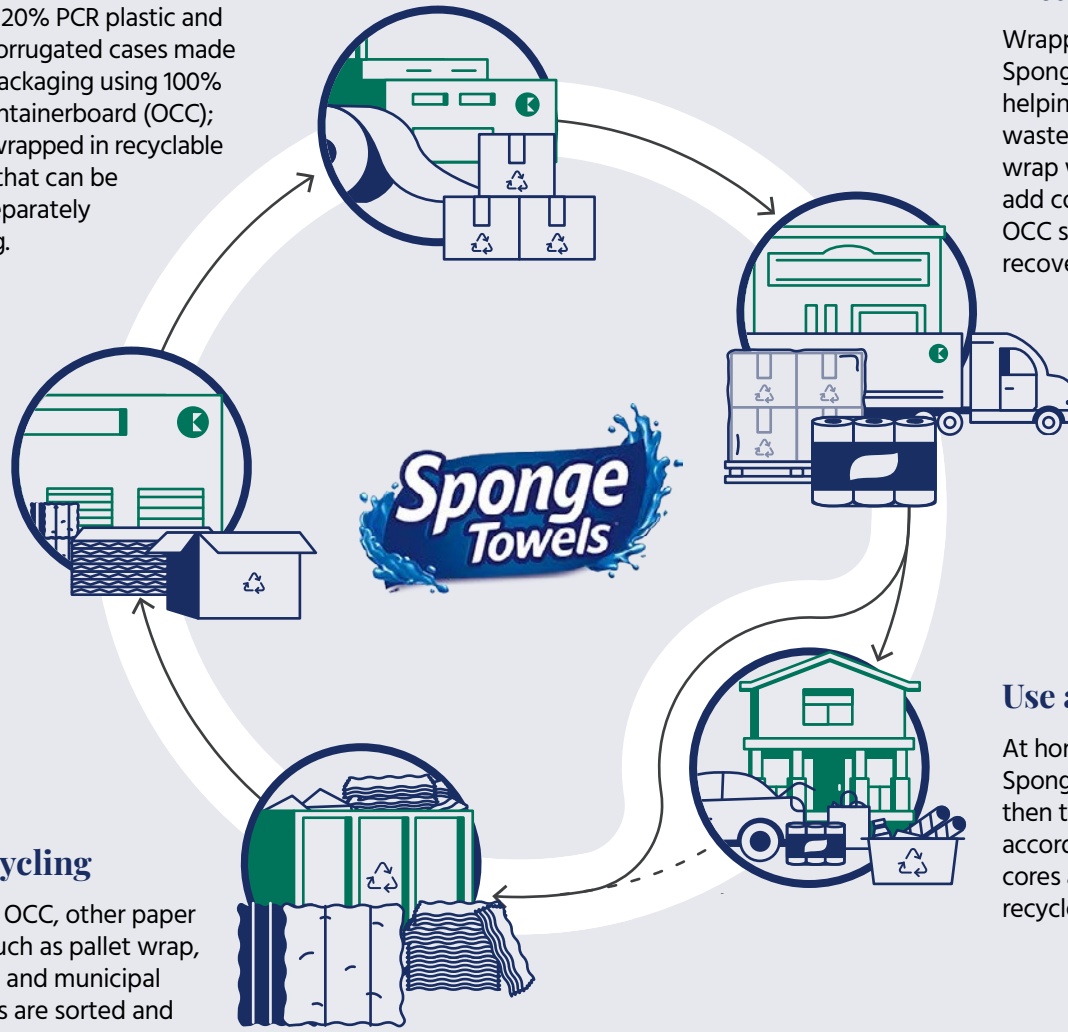
Kruger Recycling collects OCC, other paper and recyclable plastics, such as pallet wrap, from retailers, businesses and municipal systems. Recovered fibres are sorted and processed locally to supply Kruger Inc.'s tissue and containerboard plants, supporting a steady, circular feedstock.

## Distribution and retail

Wrapped pallets protect SpongeTowels® cases in transit, helping prevent damage and waste. Retailers can recycle pallet wrap where programs exist and add corrugated cases to their OCC streams so fibre can be recovered by recycling partners.

## Use at home

At home, consumers use SpongeTowels® for everyday cleanups, then typically dispose of used sheets according to local guidance. Cardboard cores and outer poly wrap can be recycled where accepted.





# Employee Impact

Our mission is to make everyday life more comfortable – and that includes our employees. We have high standards in our workplace and are committed to health and safety and the well-being of our people. Employees are encouraged to be inspired in their roles and to see the impact they can have on consumers, customers and the communities where they live and work.



## IN THIS SECTION:

- How We're Helping Our People Reach Their Potential >
- Health and Safety >
- Talent Management >
- Diversity, Equity & Inclusion >



## SPOTLIGHT

**SHERBROOKE, QC PLANT**  
KRUGER SAFETY AWARD  
IN 2025

### BUILDING A STRONG SAFETY CULTURE TOGETHER

Our Sherbrooke, QC plant won the Kruger Safety Award in 2025, honouring years of disciplined work and strong employee engagement in health and safety. The site's leaders attribute this performance to a highly skilled team, rigorous execution of safety processes and a mindset that treats health and safety as a shared value rather than a checklist.

A key ingredient in Sherbrooke's success is how directly employees are involved in safety. Team members participate in audits, risk analyses, projects and training, and are encouraged to raise concerns and suggest improvements. These initiatives build trust and reinforce that safety is about protecting people. Leaders spend significant time on the floor, coaching employees and reinforcing expectations, even when performance is strong and it might be tempting to relax standards. A strong network with other KP sites also allows Sherbrooke to share best practices and rapidly implement corrective actions where they add value.

The team is clear that consistency and rigour in applying processes are non-negotiable, and that innovation – finding new ways to identify and mitigate risk – is essential to staying ahead. In early 2026, Sherbrooke also achieved an impressive milestone of 2 million hours without a recordable incident, a testament to the site's sustained safety focus and day-to-day discipline.



# How We're Helping Our People Reach Their Potential

## Why It Matters

People are KP's greatest strength, powering both business performance and sustainability progress. An inclusive workplace where everyone feels valued and a strong sense of belonging helps employees reach their full potential, strengthens innovation and supports the ability to attract and retain diverse talent for the future.

## Our Approach

At Kruger Products, employees can expect to do something great: contribute to work that matters, build their skills by growing together and feel community proud every day. We prioritize the physical, emotional and psychological safety of our employees. This includes supporting health and well-being, fostering inclusion and belonging, encouraging diversity of thought and perspective, and offering opportunities to learn, grow and advance employees' careers, including our leadership development and mentoring programs. Our commitment is reflected in strong health and safety performance, low voluntary turnover, long-tenured employees who have grown their careers at Kruger Products, and external recognition.

### 2025 TARGET:

0.82 total incident rate (TIR)

### 2025 PERFORMANCE



Status: **Exceeded**



Learn more about our recent recognition on the list of Canada's Safest Mills by *Pulp & Paper Canada*



### COMMITMENT:

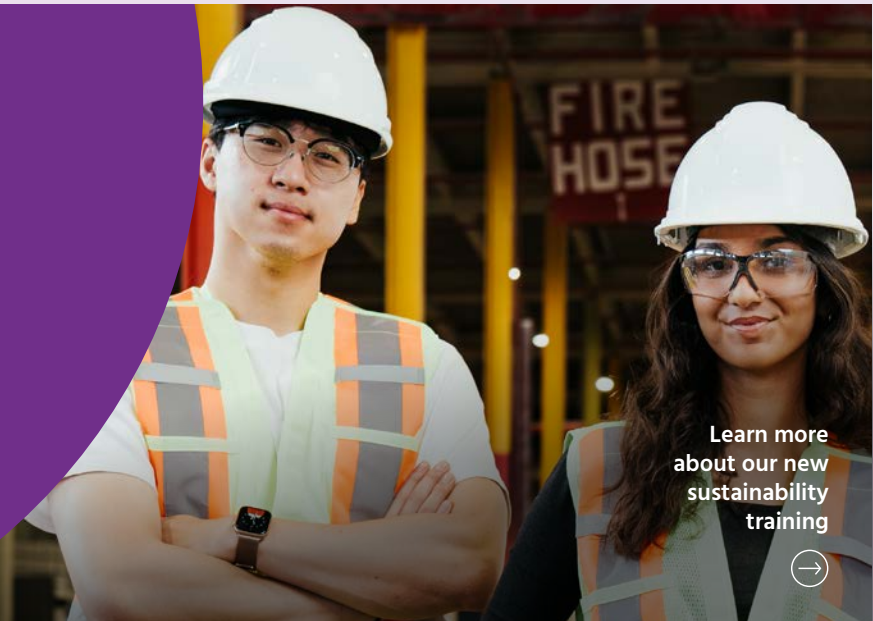
Invest in training and development opportunities for all employees

### 2025 PERFORMANCE

In 2025, KP employees participated in an average of

**42**

hours of training.



Learn more about our new sustainability training





# Health and Safety

Our Environmental Health and Safety (EH&S) Standards provide a consistent framework of policies and practices to minimize risk and keep every workplace safe.

In 2025, KP reached an Occupational Safety and Health Administration (OSHA) TIR of 0.77, surpassing the target of 0.82 and marking an 81% improvement over our 2015 baseline. Our long-term goal is to achieve zero recordable incidents, in keeping with our commitment to offer a workplace where employee safety and well-being are always the top priority.

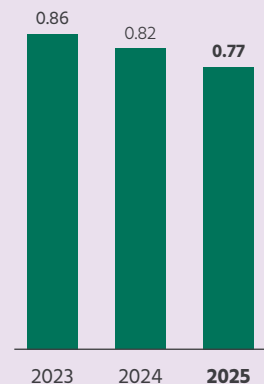
KP's Health and Safety Management System sets the governance framework for safety across all operations, with common policies, standards and programs that apply to full-time, temporary and contract workers at both manufacturing sites and offices. Aligned with recognized standards such as ISO 45001, the system requires compliance with local regulations and KP best practices and clearly defines roles, responsibilities and expectations for leaders and front-line employees alike.

Guided by these corporate standards, each site maintains the tools and processes needed for regulatory compliance, systematically identifies hazards, and manages risks using a hierarchy of controls, supported by appropriate resourcing to reduce workplace risk. Employees are empowered to participate in safety initiatives, encouraged to stay vigilant and speak up about unsafe conditions, and supported through role-specific onboarding and refresher training.

In 2025, KP further strengthened its safety culture by sharing best practices and information across plants. Safety updates now flow through daily shift huddles, weekly site safety meetings, quarterly town halls and an annual two-day EH&S summit that brings together safety, environment, operations and head office leaders. Employees are encouraged to report risky situations directly to supervisors and via dedicated platforms. Sites with a strong safety performance are recognized through formal awards, plaques and charitable donations tied to milestones such as 250,000 hours without a recordable incident.

## OUR PERFORMANCE

### OSHA TOTAL INCIDENT RATE



## SUSTAINABILITY IN ACTION

### Safety Leadership Across Our Canadian Operations

Many of our facilities were recognized among Canada's Safest Mills by *Pulp & Paper Canada* in 2025, reflecting our ongoing commitment to protecting the well-being of our people. This recognition included plants of all sizes, from our operations in Crabtree, QC, Sherbrooke, QC, New Westminster, BC, Laurier, QC, Trenton, ON, Richelieu, QC, Lennoxville, QC, and Scarborough, ON, underscoring the strength of our safety culture across the country.



# Talent Management

## Talent Attraction

KP's talent recruitment strategy focuses on building a strong, diverse pipeline by deepening our presence on campuses and in professional networks. We engage in events that allow our teams to showcase career opportunities and connect with emerging talent.

In 2025, KP served as a partner of the Québec Engineering Games. Gathering more than 480 participants from 14 universities in Montreal, the event provided visibility for our plants while enabling direct networking and recruiting with engineering students.

## Learning and Development

KP learning and development programs connect our team members' interests with the skills and capabilities KP needs to grow. We aim to provide every employee with meaningful opportunities to develop personally and professionally in a collaborative, engaging and respectful workplace.

Through the Talent Management Framework, we define our focus areas and programs to support employee growth, ensuring development remains a clear priority. Learning offerings are designed to align with what each team member is personally motivated to learn and improve, as well as with the skills and capabilities the Company requires to succeed.

We continue to offer our KP Mentorship Program, a year-long initiative designed to foster meaningful learning connections across the Company. By pairing mentors and mentees from different departments

and locations, the program brings together a diverse cohort of colleagues to share experiences, broaden perspectives and learn from one another. The 12 employees participating in 2025 also benefited from the support of an external certified coach, who provides a fresh perspective and expert guidance to deepen reflection and maximize the impact of each mentoring relationship.

In 2025, KP also piloted a 12-week foundational French for the workplace program, culminating in each participating employee earning a Basic Level Certificate in French. Through interactive, workplace-oriented sessions, employees built practical language skills that support day-to-day collaboration and reinforce KP's culture of growth and inclusivity.

## Leadership Development

As part of our ongoing commitment to people development, KP launched LAMP (Leadership Academy and Management Program) to provide immersive learning experiences that strengthen leadership capabilities for current and future leaders. Structured in three distinct tiers, LAMP brings together employees from diverse locations and roles to participate in programs led by professional leadership training experts. More than 20 employees participated in LAMP in 2025.

## Benefits

Through our Living and Working Well program, we provide employees with flexibility and resources to maintain a healthy, sustainable work-life balance. Salaried and some hourly employees have access to a Personal Wellness Account that can be used for eligible health and wellness expenses – including

fitness, nutrition, mental health, and sporting activities and equipment – supporting physical, mental and social well-being and contributing to a more engaged, resilient workforce.

Our family-friendly benefits for employees include generous parental leave, flex hours throughout the year and financial support that can be applied towards their dependents' summer camp enrolment, helping employees better balance work and caregiving responsibilities. We continue to offer scholarships to Kruger Inc. employees' children through the Joseph Kruger II Scholarship Program, available to students enrolled in post-secondary college, university or vocational programs.

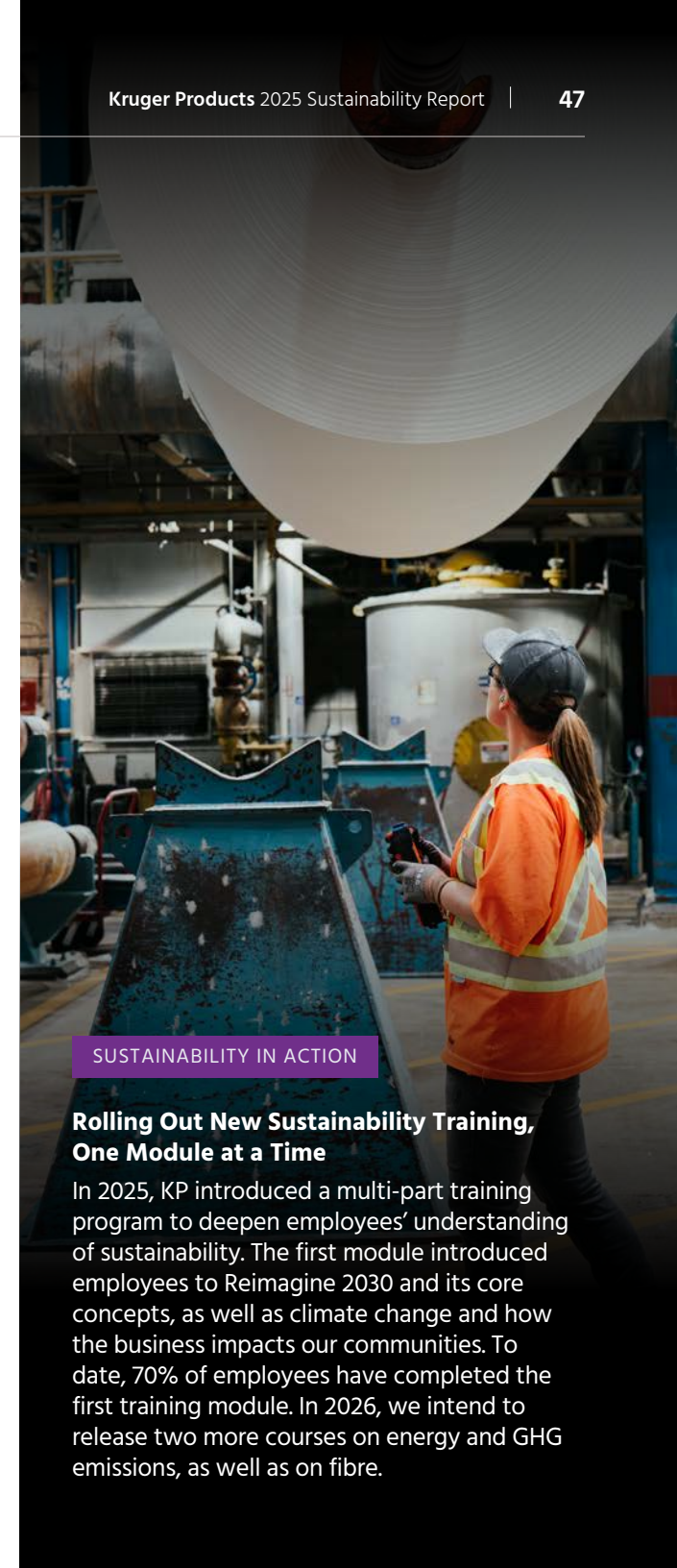
## Strengthening Our Talent Pipeline

Employees working for KP can expect to do something great. This promise reflects both how we operate and how we position ourselves as an employer. It speaks to the responsibility behind the essential products we make, the high standards we set and the meaningful impact our work has on people, communities and the environment. To help ensure our workforce also reflects the diverse communities we serve, KP actively participates in professional networks and events that connect us with underrepresented talent. Colleagues from our Memphis site also attended the 50th National Society of Black Engineers Convention, with the goal of meeting prospective candidates and recruiting future colleagues. Additionally, KP participated in a hiring fair organized by the Society of Hispanic Professional Engineers (SHPE), continuing our efforts to build a workplace strengthened by inclusion and diverse perspectives.

### SUSTAINABILITY IN ACTION

#### Rolling Out New Sustainability Training, One Module at a Time

In 2025, KP introduced a multi-part training program to deepen employees' understanding of sustainability. The first module introduced employees to Reimagine 2030 and its core concepts, as well as climate change and how the business impacts our communities. To date, 70% of employees have completed the first training module. In 2026, we intend to release two more courses on energy and GHG emissions, as well as on fibre.





# Diversity, Equity & Inclusion

KP is working to create a workplace where everyone feels valued and respected. We truly believe that the variety of skills, backgrounds, perspectives and talent across our workforce makes our Company a great place to work.

In 2025, the Women’s Network (the “Network”) continued to advance its mission of connecting, inspiring, developing and expanding opportunities for women across KP. Throughout the year, the Network grew engagement and visibility at both the corporate office and manufacturing sites, delivering programming that built community, empowered women and supported professional development.

Lean In Circles remained a core component of the Network’s offering. These circles create a supportive, confidential space for women to learn new skills, discuss career challenges and build professional networks. Five such sessions were held in 2025 on topics ranging from combating burnout and finding a sponsor to nutrition and hormonal health, providing holistic support for women’s growth and well-being.

Kruger Products has once again earned Parity Certification™ from Women in Governance, marking the sixth consecutive year the Company has been recognized for its commitment to gender equality and the advancement of women at every level. The certification reflects meaningful progress across three key areas: governance and vision, collective enablers and equity.

To mark International Women’s Day, the Network coordinated celebrations across locations, reinforcing unity and a shared commitment to gender equity. Additional International Women’s Day programming at KP sites included talks on accelerating action for gender equality, women in STEM and culture change, creating further space for dialogue and learning on building a more inclusive and equitable workplace.



## Opening Doors for Women in Skilled Trades

KP is helping open doors for women in traditionally male-dominated fields through two complementary initiatives in 2025. The Sherbrooke plants supported the CIME gala for the third consecutive year, an event that recognizes the efforts and talent of women in fields where they remain underrepresented. During the gala, the “They Do More Than the Job” scholarships were awarded. Our team sat on the selection committee for all scholarship categories, contributed additional scholarships and door prizes, and helped fund the event – ensuring women feel encouraged and supported as they advance in non-traditional trades.

We also held the “Girls’ Trip in Pulp and Paper,” designed to increase the number of women enrolling in professional training programs for careers in the pulp and paper industry. This hands-on immersion into papermaking combined practical training with on-site exposure to real operations and role models working in production, maintenance and technical roles. By creating space for candid discussion, skills exploration and direct interaction with women in the industry, the initiative helps shift perceptions, build confidence and inspire more women to consider futures in pulp and paper and other skilled trades.



# Community Embrace

Making a difference in the lives of employees, customers and neighbours is part of how we define success. KP has a long history of supporting and investing in initiatives that strengthen health, well-being and social connection in communities across Canada and the U.S., working alongside local partners to provide comfort and care where they are needed most.



## IN THIS SECTION:

- How We're Giving Back to Our Communities >
- Volunteering and Fundraising Activities >
- Our Community Partnerships >



### SPOTLIGHT

**NEW WESTMINSTER, BC PLANT**  
2025 OCEAN WISE SHORELINE CLEANUP

#### GIVING BACK TO A RIVER WE RELY ON

For employees at KP's New Westminister, BC plant, a shoreline cleanup along the Fraser River was a chance to give back to the environment on which their operations depend. In May 2025, over 20 volunteers from the plant participated in an Ocean Wise Shoreline Cleanup along the riverbank in Burnaby, close to Fraser River Shore Park. After a brief health and safety orientation, the group spent about two hours walking roughly 2 kilometres of shoreline, picking up and organizing litter with guidance from Ocean Wise facilitators.

The scale and type of debris surprised many participants. Rather than just small items like cigarette butts, volunteers removed an estimated 569 pounds of trash, including large industrial waste, a very old and extremely heavy cash register, big pieces of metal, multiple coconuts and a striking number of deflated balloons. Seeing so much material in and near the river made the impact of waste feel very real, especially given that this is the same river that supplies water for pulp and paper production at the plant.

The cleanup took place during work hours and concluded with a group gathering where Ocean Wise shared the final results, helping participants see the concrete outcome of their efforts. For many, the experience was both eye-opening and motivating – a reminder that everyone can contribute to make a bigger difference when acting together. The positive response has inspired plans to repeat the cleanup in 2026 and to continue exploring creative, hands-on ways for employees to support the health of their local community and environment.



# How We're Giving Back to Our Communities

## Why It Matters

With community roots that go back decades, KP is committed to giving back where employees live and work, bringing comfort and care to communities when they need it most. This commitment is central to how long-term trust is built and is a major source of pride for employees, reflecting that supporting our communities is as much about who we are as what we make.

## Our Approach

KP supports organizations at both the national and local levels, creating value in communities across North America through focused, long-term partnerships. Community and philanthropic efforts are concentrated on three areas that align with our values: improving healthcare, providing access to fitness and sports, and conserving the environment. We also 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.

### COMMITMENT:

Invest in our communities through partnerships

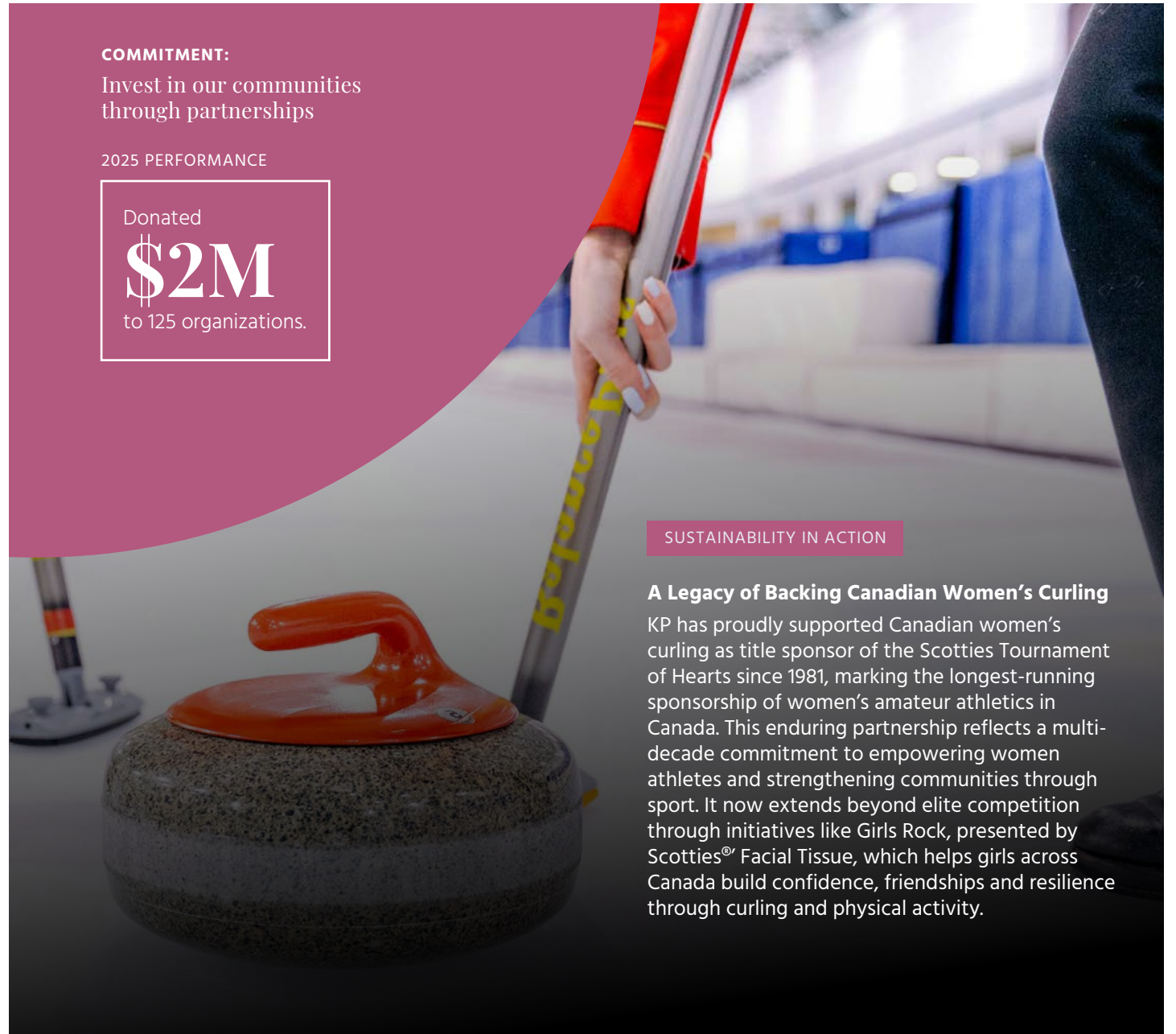
### 2025 PERFORMANCE

Donated  
**\$2M**  
to 125 organizations.

### SUSTAINABILITY IN ACTION

#### A Legacy of Backing Canadian Women's Curling

KP has proudly supported Canadian women's curling as title sponsor of the Scotties Tournament of Hearts since 1981, marking the longest-running sponsorship of women's amateur athletics in Canada. This enduring partnership reflects a multi-decade commitment to empowering women athletes and strengthening communities through sport. It now extends beyond elite competition through initiatives like Girls Rock, presented by Scotties® Facial Tissue, which helps girls across Canada build confidence, friendships and resilience through curling and physical activity.





# Volunteering and Fundraising Activities



## Community Impact

Across North America, KP manufacturing facilities support their neighbours through year-round fundraising and volunteering at events such as food and blood drives. From backing community sports and individual athletes to preparing meals and stocking food banks, teams on the ground act as everyday ambassadors for KP's values in the places they call home.

During our biannual Kommunity Days, employees across KP step away from their desks to give back to nature and support local organizations together. We invest time in community-building activities, encouraging employees to act as positive stewards through initiatives like Kommunity Days and In The Kommunity events, where teams volunteer side by side to make a local impact.

We support food banks in every region where we operate through monetary contributions, employee volunteering and product donations, which together amounted to approximately

# 99,000 kg

in 2025.

### 2025 KOMMUNITY DAYS IMPACT

500 native trees and shrubs planted in Mississauga, ON

880 pollinator plants and trees added in Trenton, ON

Waste collection and local outreach in Sherbrooke, QC

Volunteered at Compton Gardens in Bentonville, AR

Local green initiative support in Gatineau, QC

Community garden upgrades and 12 fruit trees added in Crabtree, QC, alongside local elementary students

Memphis, TN volunteers supported Wolf River Conservancy in preserving the local greenway



# Our Community Partnerships

Our corporate-level philanthropy is grounded in long-standing national partnerships that span areas including health, sport and the environment. These relationships have allowed us to have a meaningful multi-decade impact in the communities where we live and work.

## Fashioning Hope for a Future Without Breast Cancer

For 22 years, the Cashmere Collection® has transformed Canada’s best-selling bathroom tissue brand into haute couture fashion to support the breast cancer cause. Over this time, the program has raised nearly \$5.5 million for charitable partners, including the Canadian Cancer Society and the Quebec Breast Cancer Foundation, helping advance awareness, prevention and treatment programs across Canada.

The 2025 edition, “Tapestry of the North,” honoured the diverse regions and cultures that unite Canadians in the shared pursuit of a future without breast cancer. This year’s campaign attracted record public engagement, with Montreal designer Antoinette Di Carlo crowned winner for a magnolia-inspired gown.

## Skating Alongside Canadian Hockey Families, Year After Year

Hockey is a cornerstone of Canadian culture, but rising costs and a lack of diversity keep too many kids on the sidelines. For the past five years, the Kruger Big Assist® program has helped make hockey more accessible by providing financial support to minor hockey associations across Canada. Since its launch in 2021, the program has committed over \$1 million to more than 55 hockey communities, helping to offset registration fees and making Canada’s game more accessible and inclusive.

In 2025, five Canadian minor hockey associations each received \$25,000, and one grand prize winner – selected by public vote – received an additional \$75,000 to help make hockey more accessible and inclusive in their community. The 2025 grand prize went to the North Halton Girls Hockey Association, which is using its funding to introduce more girls to hockey and keep them engaged in the sport longer. The association plans to offer free fundamental hockey programming, subsidize registration fees and add translation services so that language barriers do not prevent new-to-Canada kids from getting on the ice.

## Planting Trees with Every Roll

Bonterra® has partnered with veritree, a global verified reforestation platform, to advance environmental responsibility and large-scale climate action efforts. Under this alliance, every

Bonterra® purchase helps fund tree-planting projects across Canada. Altogether, we aim to plant 150,000 trees by 2027, building upon over 100,000 legacy trees planted from 2022–2024. This partnership builds on the brand’s existing commitments to responsible fibre sourcing and plastic-free packaging.

During Earth Month, Bonterra® also teamed up with Volkswagen Canada on the Driving Good Together campaign, encouraging Canadians to adopt small, sustainable habits through a national contest and in-market activations. Shoppers could enter for a chance to win an all-electric Volkswagen ID. Buzz by purchasing any Bonterra® product and uploading their receipt.

## Other National Partnerships and Sponsorships

- Ronald McDonald House Charities Canada since 1990, donating essential paper products
- Sending kids with disabilities to camp through We Care Canada since 1999
- Official tissue partner of the NHL since 2018
- Committing to removing 100,000 pounds of plastics – the equivalent of 4.5 million single-use water bottles – annually from oceans, rivers and coastlines through 4ocean, official partners since 2022



Altogether, KP has supported

# 125

organizations through sponsorships and donations.



OUR PERFORMANCE

# Our Sustainability Disclosures



**IN THIS SECTION:**

- [Performance Data](#) >
- [GRI Index](#) >
- [SASB Index](#) >
- [Climate-related Disclosures \(IFRS S2\)](#) >
- [TNFD Index](#) >
- [Our Facilities](#) >
- [PwC's Limited Assurance Report](#) >



## Key Performance Indicators: Responsible Business

<b>BUSINESS ETHICS</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
Incidents of corruption	No.	0	0	0	205-3	
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	No.	0	0	0	206-1	
<b>ECONOMIC IMPACT</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
Revenue	\$ Millions	2,203	2,050	1,873	201-1	
Operating expenses	\$ Millions	2,030	1,900	1,740	201-1	
Capital expenditures	\$ Millions	78	185	187	201-1	
Compensation and benefits	\$ Millions	432	396	375	201-1	
<b>SUPPLY CHAIN</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
Total Supplier Spend	\$ Millions	1,503	N/A	N/A	204-1	
Spend on Local Suppliers	\$ Millions	1,177	N/A	N/A	204-1	



## Key Performance Indicators: Planet

ENERGY CONSUMPTION	UNIT	2025	2024	2023	GRI	SASB
<b>Natural Gas</b>	Gigajoules	5,485,106	5,131,107	4,955,742	302-1	
	% of Total	60%	60%	60%		
<b>Grid-Supplied Electricity</b>	Gigajoules	3,067,251	2,877,746	2,755,671	302-1	
	% of Total	34%	34%	33%		RR-PP-130a.1
<b>Biomass</b>	Gigajoules	312,718	317,052	316,941	302-1	
	% of Total	3%	4%	4%		RR-PP-130a.1
<b>Cogeneration</b>	Gigajoules	246,510	243,719	247,355	302-1	
	% of Total	3%	3%	3%		
<b>Other (Diesel, Oil, Propane)</b>	Gigajoules	25,640	24,669	26,552	302-1	
	% of Total	<1%	<1%	<1%		
<b>Total</b>	Gigajoules	9,137,225	8,583,312	8,302,262	302-1	RR-PP-130a.1
	GJ/MDMT Produced	19.20	20.10	20.17	302-3	
<b>Energy from Renewables</b>	% of Total	3%	4%	4%		RR-PP-130a.1



GREENHOUSE GAS EMISSIONS <sup>1</sup>	UNIT	2025	2024	2023	GRI	SASB
<b>Absolute CO<sub>2</sub>e Scope 1 (Direct)</b>	MT CO <sub>2</sub> e	280,368 <sup>2</sup>	262,116	253,234	305-1	RR-PP-110a.1
<b>Intensity CO<sub>2</sub>e Scope 1 (Direct)</b>	kg CO <sub>2</sub> e/MDMT Produced	589	614	615		
<b>Absolute Location-Based CO<sub>2</sub>e Scope 2 (Indirect)</b>	MT CO <sub>2</sub> e	76,686 <sup>2</sup>	81,481	77,018	305-2	
<b>Intensity Location-Based CO<sub>2</sub>e Scope 2 (Indirect)</b>	kg CO <sub>2</sub> e/MDMT Produced	161	191	187	305-2	
<b>Absolute Total CO<sub>2</sub>e Scopes 1+2</b>	MT CO <sub>2</sub> e	357,054	343,597	330,252		
<b>Intensity Total CO<sub>2</sub>e Scopes 1+2</b>	kg CO <sub>2</sub> e/MDMT Produced	750	804	803	305-4	
<b>Absolute Market-Based CO<sub>2</sub>e Scope 2 (Indirect)</b>	MT CO <sub>2</sub> e	55,833	58,888	49,921	305-2	
<b>Absolute Total Scope 3</b>	MT CO <sub>2</sub> e	497,860	558,829	617,739	305-3	
<b>Intensity Scope 3</b>	kg CO <sub>2</sub> e/MDMT Produced	1,046	1,308	1,501	305-4	

1 Scopes 1 and 2 boundary includes all sites listed on [page 85](#) (Our Facilities), with the exception of the Mississauga Head Office.

2 PwC provided limited assurance over Scope 1 and Scope 2 emissions. See PwC's [Limited Assurance Report](#).



SCOPE 3 CATEGORIES <sup>1</sup>	UNIT	2025	2024	2023	GRI	SASB
<b>Category 1: Purchased Goods and Services</b>	MT CO <sub>2</sub> e	185,573	151,576	209,197	305-3	
<b>Category 2: Capital Goods</b>	MT CO <sub>2</sub> e	4,455	35,894	54,054	305-3	
<b>Category 3: Fuel- and Energy-Related Activities</b>	MT CO <sub>2</sub> e	73,882	72,383	68,489	305-3	
<b>Category 4: Upstream Transportation and Distribution</b>	MT CO <sub>2</sub> e	62,894	64,722	62,505	305-3	
<b>Category 5: Waste Generated in Operations</b>	MT CO <sub>2</sub> e	13,000	18,307	17,072	305-3	
<b>Category 6: Business Travel</b>	MT CO <sub>2</sub> e	714	1,568	1,269	305-3	
<b>Category 7: Employee Commuting</b>	MT CO <sub>2</sub> e	4,198	3,903	3,913	305-3	
<b>Category 8: Upstream Leased Assets</b>	MT CO <sub>2</sub> e	176	155	2,063	305-3	
<b>Category 9: Downstream Transportation and Distribution</b>	MT CO <sub>2</sub> e	53,440	118,903	126,719	305-3	
<b>Category 10: Processing of Sold Products</b>	MT CO <sub>2</sub> e	2,288	1,612	1,920	305-3	
<b>Category 12: End-of-Life Treatment of Sold Products</b>	MT CO <sub>2</sub> e	97,240	89,806	70,539	305-3	

<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 [pages 81–82](#).



<b>CAC EMISSIONS</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>NOx</b>	MT	292.6	293.9	289.9	305-7	RR-PP-120a.1
<b>SOx</b>	MT	40.9	43.7	40.2	305-7	RR-PP-120a.1
<b>Total Particulate Matter (TPM)<sup>1</sup></b>	MT	79.3	81.2	79.5	305-7	RR-PP-120a.1
<b>Volatile Organic Compounds (VOCs)<sup>2</sup></b>	MT	16.7	16.8	16.6	305-7	RR-PP-120a.1
<b>CO</b>	MT	301.0	303.6	299.6	305-7	RR-PP-120a.1
<b>WATER<sup>3</sup></b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>Water Withdrawal</b>	m <sup>3</sup>	19,592,687	19,765,152	19,745,178	303-3	RR-PP-140a.1 CG-HP-140a.1
<b>Absolute Effluent Hydraulic Flow</b>	m <sup>3</sup>	18,224,425	17,666,762	18,534,255	303-4	
<b>Water Consumption</b>	m <sup>3</sup>	1,368,262	2,098,390	1,210,923	303-5	RR-PP-140a.1 CG-HP-140a.1
<b>Water Consumption in Regions of High Water Stress</b>	Percentage	0%	0%	0%	303-3	RR-PP-140a.1 CG-HP-140a.1
<b>Intensity Effluent Hydraulic Flow</b>	m <sup>3</sup> /MDMT Produced	38	41	45		

1 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.

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

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



<b>EFFLUENT DISCHARGES<sup>1</sup></b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>BOD</b>	MT	630	945	1,268		
<b>Suspended Solids</b>	MT	4,014	4,740	4,325		
<b>COD<sup>2</sup></b>	MT	5,433	6,512	7,088		
<b>AOX<sup>3</sup></b>	MT	8	7	9		
<b>P<sup>4</sup></b>	MT	5	3	5		

<b>WASTE<sup>5</sup></b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>Total Waste Generated</b>	MT	106,003	108,026	102,700	306-3	
<b>Recovered or Recycled</b>	MT	93,212	90,968	87,854	306-4	
	% of Total	87.9%	84.2%	85.5%		
<b>Waste to Energy</b>	MT	3,608	N/A	N/A	306-4	
	% of Total	3.4%	N/A	N/A		
<b>To Landfill</b>	MT	9,183	17,059	14,846	306-5	
	% of Total	8.7%	15.8%	14.5%		

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

2 Does not include New Westminster, BC plant.

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

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

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



## Key Performance Indicators: Products

FIBRE CONSUMED	UNIT	2025	2024	2023	GRI	SASB
<b>Purchased Recycled</b>	Air-Dried MT	3,651	3,363	2,190		RR-PP-430a.2
	% of Total	1%	1%	1%		
<b>Produced Recycled</b>	Air-Dried MT	74,751	49,316	63,681		RR-PP-430a.2 RR-PP-000.A
	% of Total	16%	12%	16%		
<b>Purchased Virgin</b>	Air-Dried MT	388,667	364,617	339,669		
	% of Total	83%	87%	84%		
<b>Total</b>	Air-Dried MT	467,069	417,296	405,540	301-2	RR-PP-000.C
<b>Fibre Per QCs</b>	Lbs/QCs	13.54	12.55	12.96		
<b>FSC® Mix Certified</b>	% of Total	71.5%	77%	73%		
<b>FSC® Recycled Certified</b>	% of Total	16.8%	13%	16%		
<b>Non-Controversial Sources</b>	% of Total	11.7%	10%	11%		
<b>FSC® CoC</b>	% of Total	88.3%	89.5%	88.6%		RR-PP-430a.1
<b>PEFC CoC</b>	% of Total	9.4%	9.3%	9.2%		RR-PP-430a.1
<b>SFI CoC</b>	% of Total	0.0%	0.1%	1.6%		RR-PP-430a.1
<b>FSC® CW</b>	% of Total	2.4%	1.1%	0.6%		RR-PP-430a.1
CERTIFIED PRODUCTS	UNIT	2025	2024	2023	GRI	SASB
<b>UL ECOLOGO® (UL 175)</b>	No. of Products	33	49	49		
<b>Forest Stewardship Council®</b>	No. of Products	305	249	186		
<b>Sustainable Forestry Initiative</b>	No. of Products	8	24	29		



<b>CERTIFIED PAPERMAKING</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>ISO 9001</b>	% of Total Production Facilities	100%	100%	100%		

<b>PACKAGING MATERIAL</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>Total Packaging Materials</b>	MT	58,321	56,035	49,232	301-1, 301-2	CG-HP-410a.1
<b>Total Packaging Per Case</b>	Lbs/QCs	1.69	1.69	1.57	301-1	
<b>Total Fibre-Based Packaging</b>	% of Total	88%	89.4%	89.1%		CG-HP-410a.1
<b>Total Branded Plastic Packaging</b>	MT	1,791	1,901	1,945	301-1	
<b>Plastic Packaging Per Branded Case</b>	Lbs/Branded QCs	0.123	0.130	0.134		
<b>Tissue/Towel Poly Wrap and Bags</b>	% of Total	92.6%	93.6%	94.3%		
<b>Facial Multipack Shrink-Wrap</b>	% of Total	4.6%	3.6%	2.3%		
<b>Facial Poly Opening</b>	% of Total	2.8%	2.8%	3.4%		

<b>PRODUCTION</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>Paper</b>	MDMT	475,852	427,133	411,502		CG-HP-000.A RR-PP-000.B
<b>Total Finished Cases</b>	QCs (000s)	76,049	73,298	68,984		CG-HP-000.A
<b>Branded Finished Cases</b>	QCs (000s)	31,658	32,221	32,056		CG-HP-000.A



## Key Performance Indicators: People

HEALTH & SAFETY	UNIT	2025	2024	2023	GRI	SASB
OSHA	Total Incident Rate	0.77	0.82	0.86	403-9	
Lost Work Days	No. of Days	707	1,276	466	403-9	
Lost Time Case Rate	Per 100 Employees	0.26	0.60	0.39	403-9	
Fatalities	No. of Employees	0	0	0	403-9	
WORKFORCE COMPOSITION	UNIT	2025	2024	2023	GRI	SASB
<b>Employee Diversity</b>						
<b>Male</b>						
Canada	No.	2,037	1,960	1,953	2-7	
USA	No.	328	353	328	2-7	
Total	No.	2,365	2,313	2,281	2-7	
	Percentage	81%	82%	81%	405-1	
<b>Female</b>						
Canada	No.	463	423	458	2-7	
USA	No.	82	92	88	2-7	
Total	No.	545	515	546	2-7	
	Percentage	19%	18%	19%	405-1	
Total Employees	No.	2,910	2,828	2,827	2-7	
<b>Age</b>						
Under 30	Percentage	12%	14%	15%	405-1	
30–50	Percentage	58%	57%	55%	405-1	
50+	Percentage	30%	29%	30%	405-1	



LEADERSHIP DIVERSITY	UNIT	2025	2024	2023	GRI	SASB
Women in Board Roles	Percentage	11%	11%	25% <sup>1</sup>	2-9	
Women in Senior Leadership Roles	Percentage	25%	19%	15%	2-9	
Women in Management Roles	Percentage	28%	23%	20%	2-9	
NEW EMPLOYEE HIRES AND TURNOVER	UNIT	2025	2024	2023	GRI	SASB
<b>Age</b>						
19–25	No. (New Hires)	66	57	204	401-1	
	No. (Turnover)	24	39	138	401-1	
26–35	No. (New Hires)	117	130	157	401-1	
	No. (Turnover)	86	82	114	401-1	
36–45	No. (New Hires)	94	92	94	401-1	
	No. (Turnover)	61	71	109	401-1	
46–55	No. (New Hires)	69	53	64	401-1	
	No. (Turnover)	55	45	75	401-1	
56–65	No. (New Hires)	22	14	31	401-1	
	No. (Turnover)	43	55	94	401-1	
66–70+	No. (New Hires)	1	2	2	401-1	
	No. (Turnover)	24	9	16	401-1	
<b>Country</b>						
Canada	No. (New Hires)	288	268	515	401-1	
	No. (Turnover)	184	225	371	401-1	
USA	No. (New Hires)	81	80	47	401-1	
	No. (Turnover)	109	79	175	401-1	

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



<b>NEW EMPLOYEE HIRES AND TURNOVER</b>	<b>UNIT</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>GRI</b>	<b>SASB</b>
<b>Region</b>						
<b>AB</b>	No. (New Hires)	1	1	0	401-1	
	No. (Turnover)	1	3	4	401-1	
<b>BC</b>	No. (New Hires)	58	49	53	401-1	
	No. (Turnover)	31	32	53	401-1	
<b>MB</b>	No. (New Hires)	0	0	1	401-1	
	No. (Turnover)	0	0	2	401-1	
<b>NB</b>	No. (New Hires)	0	0	0	401-1	
	No. (Turnover)	0	0	0	401-1	
<b>SK</b>	No. (New Hires)	1	1	0	401-1	
	No. (Turnover)	1	0	0	401-1	
<b>NS</b>	No. (New Hires)	0	0	0	401-1	
	No. (Turnover)	0	1	1	401-1	
<b>ON</b>	No. (New Hires)	77	67	149	401-1	
	No. (Turnover)	70	68	115	401-1	
<b>QC</b>	No. (New Hires)	151	150	312	401-1	
	No. (Turnover)	81	118	196	401-1	
<b>USA</b>	No. (New Hires)	81	80	47	401-1	
	No. (Turnover)	109	79	175	401-1	
<b>COLLECTIVE BARGAINING</b>						
<b>Unionized</b>	No.	2,082	2,048	2,053	2-7	
	Percentage	72%	72%	73%	2-7	
<b>Non-Unionized</b>	No.	828	780	774	2-7	
	Percentage	28%	28%	27%	2-7	



PARENTAL LEAVE	UNIT	2025	2024	2023	GRI	SASB
Employees Entitled to Parental Leave	No. (Male)	2,365	2,313	2,281	401-3	
	No. (Female)	545	515	546	401-3	
Employees Who Took Parental Leave	No. (Male)	8	10	10	401-3	
	No. (Female)	10	6	6	401-3	
Employees Who Returned to Work After Parental Leave	No. (Male)	8	10	10	401-3	
	No. (Female)	4 (6 still on maternity leave)	4 (2 still on maternity leave)	4	401-3	
Employees Who Returned to Work After Parental Leave Ended (Who Were Still Employed 12 Months After Their Return to Work)	No. (Male)	8	10	10	401-3	
	No. (Female)	4 (6 still on maternity leave)	4 (2 still on maternity leave)	4	401-3	
Return-to-Work and Retention Rates	Percentage (Male)	100%	100%	1	401-3	
	Percentage (Female)	100%	100%	1	401-3	

TRAINING AND DEVELOPMENT	UNIT	2025	2024	2023	GRI	SASB
Employee Training	Hours (Average) Per Employee	42	48	48.5	404-1	
Cyber Security Training Completion Rate	Percentage	99.5%	100%	N/A	404-1	
Performance and Career Development Reviews (Salaried Employees)	Percentage	100%	100%	N/A	404-3	

COMMUNITY CONTRIBUTIONS	UNIT	2025	2024	2023	GRI	SASB
Corporate Donations	Canadian Dollars	\$642,000	N/A	N/A	413-1	
Corporate Sponsorships	Canadian Dollars	\$1,427,000	N/A	N/A	413-1	



## GRI Index

**Statement of use:** Kruger Products Inc. has reported with reference to the GRI Standards for the period 1 January – 31 December 2025.

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

## GRI 2

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
<b>The Organization and Its Reporting Practices</b>		
2-1	<b>Organizational details</b>	Our Company, <a href="#">pages 9–11</a> ; Grounded in Governance, <a href="#">page 20</a> ; Our Facilities, <a href="#">page 85</a>
2-2	<b>Entities included in the organization’s sustainability reporting</b>	Kruger Products Inc. All financial statements are by KP Tissue Inc., which owns a stake in Kruger Products Inc.
2-3	<b>Reporting period, frequency and contact point</b>	The Kruger Products 2025 Sustainability Report covers activities from January 1, 2025 to December 31, 2025. 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> .
2-4	<b>Restatements of information</b>	About This Report, <a href="#">page 3</a>
2-5	<b>External assurance</b>	PwC’s Limited Assurance Report, <a href="#">page 86</a>
<b>Activities and Workers</b>		
2-6	<b>Activities, value chain and other business relationships</b>	Our Company, <a href="#">pages 9–11</a> ; Our Facilities, <a href="#">page 85</a> Kruger Products <a href="#">Code of Ethics</a> , page 19
2-7	<b>Employees</b>	Key Performance Indicators: People, <a href="#">pages 62, 64</a>
<b>Governance</b>		
2-9	<b>Governance structure and composition</b>	Grounded in Governance, <a href="#">page 20</a> ; Key Performance Indicators: People, <a href="#">page 63</a>
2-10	<b>Nomination and selection of the highest governance body</b>	Grounded in Governance, <a href="#">page 20</a> <a href="#">2026 Management Information Circular</a> , pages 23–27 KP Tissue Inc. website – <a href="#">Corporate Governance</a>
2-11	<b>Chair of the highest governance body</b>	Our Board of Directors, <a href="#">page 20</a>
2-12	<b>Role of the highest governance body in overseeing the management of impacts</b>	Grounded in Governance, <a href="#">page 20</a> ; Managing Risks and Opportunities, <a href="#">page 22</a> ; Climate-related Disclosures (IFRS S2) – Governance, <a href="#">page 76</a>
2-13	<b>Delegation of responsibility for managing impacts</b>	Grounded in Governance, <a href="#">page 20</a> ; Managing Risks and Opportunities, <a href="#">pages 22–26</a> ; Climate-related Disclosures (IFRS S2) – Governance, <a href="#">page 76</a>
2-14	<b>Role of the highest governance body in sustainability reporting</b>	About This Report, <a href="#">page 3</a> ; Grounded in Governance, <a href="#">page 20</a>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
2-15	<b>Conflicts of interest</b>	Kruger Products <a href="#">Code of Ethics</a> , page 15
2-16	<b>Communication of critical concerns</b>	Our Commitment to Integrity, <a href="#">page 21</a> Kruger Products <a href="#">Code of Ethics</a> , page 8
2-17	<b>Collective knowledge of the highest governance body</b>	Grounded in Governance, <a href="#">page 20</a> ; Managing Risks and Opportunities, <a href="#">page 22</a>
2-18	<b>Evaluation of the performance of the highest governance body</b>	<a href="#">2026 Management Information Circular</a> , pages 23–27
2-19	<b>Remuneration policies</b>	<a href="#">2026 Management Information Circular</a> , pages 10–19
2-20	<b>Process to determine remuneration</b>	<a href="#">2026 Management Information Circular</a> , pages 10–19
<b>Strategy, Policies and Practices</b>		
2-22	<b>Statement on sustainable development strategy</b>	A Conversation with Our CEO and Vice President of Sustainability, <a href="#">page 4</a> ; Our Strategy, <a href="#">pages 14–18</a>
2-23	<b>Policy commitments</b>	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	<b>Embedding policy commitments</b>	Our Commitment to Integrity, <a href="#">page 21</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	<b>Processes to remediate negative impacts</b>	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.
2-26	<b>Mechanisms for seeking advice and raising concerns</b>	Our Commitment to Integrity, <a href="#">page 21</a>
2-27	<b>Compliance with laws and regulations</b>	There were no incidents of non-compliance detected in 2025.
2-28	<b>Membership associations</b>	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®).
<b>Stakeholder Engagement</b>		
2-29	<b>Approach to stakeholder engagement</b>	Listening to Our Stakeholders, <a href="#">page 17</a>
2-30	<b>Collective bargaining agreements</b>	Key Performance Indicators: People, <a href="#">page 64</a>



## GRI 3

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
3-1	Process to determine material topics	Our Strategy, <a href="#">pages 14–15</a>
3-2	List of material topics	Our Strategy, <a href="#">pages 14–15</a>

## GRI 200

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
<b>201 Economic Performance</b>		
3-3	Management of material topics	How We Create Value, <a href="#">page 13</a> Our Strategy, <a href="#">pages 14–18</a>
201-1	Direct economic value generated and distributed	Key Performance Indicators: Responsible Business, <a href="#">page 54</a>
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Disclosures (IFRS S2), <a href="#">pages 77–78</a>
<b>204 Procurement Practices</b>		
3-3	Management of material topics	Kruger Products <a href="#">Fibre Procurement Policy</a> ; Kruger Products <a href="#">Supplier Code of Conduct</a> Our Supply Chain, <a href="#">page 27</a> ; Responsible Sourcing, <a href="#">page 40</a>
<b>205 Anti-Corruption</b>		
3-3	Management of material topics	Our Commitment to Integrity, <a href="#">page 21</a>
205-1	Operations assessed for risks related to corruption	Kruger Products <a href="#">Code of Ethics</a> , page 12
205-2	Communication and training about anti-corruption policies and procedures	Key Performance Indicators: People, <a href="#">page 65</a> Kruger Products <a href="#">Code of Ethics</a> , page 12
205-3	Confirmed incidents of corruption and actions taken	Key Performance Indicators: Responsible Business, <a href="#">page 54</a>
<b>206 Anti-Competitive Behaviour</b>		
3-3	Management of material topics	Our Commitment to Integrity, <a href="#">page 21</a> Kruger Products <a href="#">Code of Ethics</a> , page 21
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Key Performance Indicators: Responsible Business, <a href="#">page 54</a>



## GRI 300

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
<b>301 Materials</b>		
3-3	Management of material topics	Products Empower, <a href="#">pages 38–43</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	Key Performance Indicators: Products, <a href="#">page 60</a>
301-2	Recycled input materials used	In 2025, 22% recycled input materials were used in the manufacturing process, including fibre and packaging. Key Performance Indicators: Products, <a href="#">pages 60–61</a>
<b>302 Energy</b>		
3-3	Management of material topics	Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a>
302-1	Energy consumption within the organization	Key Performance Indicators: Planet, <a href="#">page 55</a>
302-3	Energy intensity	Key Performance Indicators: Planet, <a href="#">page 55</a>
302-4	Reduction of energy consumption	Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a> ; Key Performance Indicators: Planet, <a href="#">page 55</a>
<b>303 Water and Effluents</b>		
3-3	Management of material topics	Water Consumption and Treatment, <a href="#">pages 35–36</a>
303-1	Interactions with water as a shared resource	Water Consumption and Treatment, <a href="#">pages 35–36</a>
303-2	Management of water discharge-related impacts	Water Consumption and Treatment, <a href="#">pages 35–36</a>
303-3	Water withdrawal	Key Performance Indicators: Planet, <a href="#">page 58</a>
303-4	Water discharge	Key Performance Indicators: Planet, <a href="#">page 58</a>
303-5	Water consumption	Key Performance Indicators: Planet, <a href="#">page 58</a>
<b>305 Emissions</b>		
3-3	Management of material topics	Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a> 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.
305-1	Direct (Scope 1) GHG emissions	Key Performance Indicators: Planet, <a href="#">page 56</a> Calculations for direct (Scope 1) GHG emissions include CO <sub>2</sub> , CH <sub>4</sub> and N <sub>2</sub> O.



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
305-2	Energy indirect (Scope 2) GHG emissions	Key Performance Indicators: Planet, <a href="#">page 56</a> Calculations for energy indirect (Scope 2) GHG emissions include CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O.
305-3	Other indirect (Scope 3) GHG emissions	Key Performance Indicators: Planet, <a href="#">pages 56–57</a>
305-4	GHG emissions intensity	Key Performance Indicators: Planet, <a href="#">page 56</a>
305-5	Reduction of GHG emissions	Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a>
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	Key Performance Indicators: Planet, <a href="#">page 58</a>
<b>306 Waste</b>		
3-3	Management of material topics	Circularity and Waste Management, <a href="#">page 37</a>
306-1	Waste generation and significant waste-related impacts	Circularity and Waste Management, <a href="#">page 37</a>
306-2	Management of significant waste-related impacts	Circularity and Waste Management, <a href="#">page 37</a>
306-3	Waste generated	Key Performance Indicators: Planet, <a href="#">page 59</a>
306-4	Waste diverted from disposal	Key Performance Indicators: Planet, <a href="#">page 59</a>
306-5	Waste directed to disposal	Key Performance Indicators: Planet, <a href="#">page 59</a>
<b>308 Supplier Environmental Assessment</b>		
3-3	Management of material topics	Kruger Products <a href="#">Fibre Procurement Policy</a> ; Kruger Products <a href="#">Supplier Code of Conduct</a> Our Supply Chain, <a href="#">page 27</a>
308-1	New suppliers that were screened using environmental criteria	Our Supply Chain, <a href="#">page 27</a> ; Responsible Sourcing, <a href="#">page 40</a>
308-2	Negative environmental impacts in the supply chain and actions taken	Our Supply Chain, <a href="#">page 27</a> ; Responsible Sourcing, <a href="#">page 40</a>

## GRI 400

GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
<b>401 Employment</b>		
3-3	Management of material topics	Talent Management, <a href="#">page 47</a>
401-1	New employee hires and employee turnover	Key Performance Indicators: People, <a href="#">pages 63–64</a>



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
401-2	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	Talent Management, <a href="#">page 47</a>
401-3	<b>Parental leave</b>	Key Performance Indicators: People, <a href="#">page 65</a>
<b>402 Labour/Management Relations</b>		
3-3	<b>Management of material topics</b>	Most Kruger Products employees are unionized, and relations would be governed by collective agreement. Kruger Products <a href="#">Code of Ethics</a>
402-1	<b>Minimum notice periods regarding operational changes</b>	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.
<b>403 Occupational Health and Safety</b>		
3-3	<b>Management of material topics</b>	Health and Safety, <a href="#">page 46</a>
403-1	<b>Occupational health and safety management system</b>	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.
403-2	<b>Hazard identification, risk assessment and incident investigation</b>	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	<b>Occupational health services</b>	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	<b>Worker participation, consultation and communication on occupational health and safety</b>	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.



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
403-5	<b>Worker training on occupational health and safety</b>	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	<b>Promotion of worker health</b>	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	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>	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.
403-8	<b>Workers covered by an occupational health and safety management system</b>	Kruger Products' EH&S Management System covers the 2,910 employees on site and in the offices, as well as the contractors present on site. Our EH&S management system 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	<b>Work-related injuries</b>	<p>In 2025, there were 21 recordable work-related injuries (mostly hands, legs and back injuries) during a total of 5,422,428 hours worked with a total incident rate (TIR) of 0.77, a record low for the Company and an 81% 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>Key Performance Indicators: People, <a href="#">page 62</a></p>
403-10	<b>Work-related ill health</b>	There were 21 cases of work-related ill health during the reporting period noted above, with a TIR of 0.77. 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.



GRI DISCLOSURE NUMBER	GRI DISCLOSURE NAME	DISCLOSURE RESPONSE
<b>404 Training and Education</b>		
3-3	Management of material topics	Learning and Development, <a href="#">page 47</a>
404-1	Average hours of training per year per employee	Key Performance Indicators: People, <a href="#">page 65</a>
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, policy training, 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 71 yellow belts with 50 in progress, 13 green belts with 11 in progress, and four black belts. All of the Leadership Team members have been at least white belt trained and certified.
404-3	Percentage of employees receiving regular performance and career development reviews	Key Performance Indicators: People, <a href="#">page 65</a>
<b>405 Diversity and Equal Opportunity</b>		
3-3	Management of material topics	Diversity, Equity & Inclusion, <a href="#">page 48</a>
405-1	Diversity of governance bodies and employees	Key Performance Indicators: People, <a href="#">page 62</a>
<b>406 Non-discrimination</b>		
3-3	Management of material topics	Kruger Products <a href="#">Code of Ethics</a> , page 24 Our Commitment to Integrity, <a href="#">page 21</a>
<b>413 Local Communities</b>		
3-3	Management of material topics	Community Embrace, <a href="#">pages 49-52</a>
413-1	Operations with local community engagement, impact assessments, and development programs	Community Embrace, <a href="#">pages 49-52</a> Key Performance Indicators: People, <a href="#">page 65</a>
<b>416 Customer Health and Safety</b>		
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.



## SASB Index

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2025 DISCLOSURE RESPONSE
<b>Pulp &amp; Paper Products (Version 2023-06)</b>					
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions	Quantitative	Metric tonnes (MT) CO <sub>2</sub> e	RR-PP-110a.1	Key Performance Indicators: Planet, <a href="#">page 56</a>
	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	How We're Working to Reduce Our Footprint, <a href="#">page 30</a> ; Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a>
<b>Air Quality</b>	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	Key Performance Indicators: Planet, <a href="#">page 58</a> We calculate our air emissions using energy consumption data and emission factors provided by the Government of Canada.
<b>Energy Management</b>	(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	Key Performance Indicators: Planet, <a href="#">page 55</a>
<b>Water Management</b>	(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	Key Performance Indicators: Planet, <a href="#">page 58</a>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RR-PP-140a.2	Managing Our Resources, <a href="#">pages 35–37</a> <a href="#">2025 CDP Corporate Questionnaire (Water Extract)</a>
<b>Supply Chain Management</b>	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	Key Performance Indicators: Products, <a href="#">page 60</a>
	Amount of recycled and recovered fibre procured	Quantitative	Metric tonnes (MT)	RR-PP-430a.2	Key Performance Indicators: Products, <a href="#">page 60</a>
<b>Activity Metrics</b>	Pulp production	Quantitative	Air-dried metric tonnes (MT)	RR-PP-000.A	Key Performance Indicators: Products, <a href="#">page 60</a>
	Paper production	Quantitative	Machine dried metric tonnes (MDMT)	RR-PP-000.B	Key Performance Indicators: Products, <a href="#">page 61</a>
	Total wood fibre sourced	Quantitative	Metric tonnes (MT)	RR-PP-000.C	Key Performance Indicators: Products, <a href="#">page 60</a>



TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	2025 DISCLOSURE RESPONSE
<b>Household and Personal Products (Version 2023-12)</b>					
<b>Water Management</b>	(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 (%)	CG-HP-140a.1	Key Performance Indicators: Planet, <a href="#">page 58</a>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	CG-HP-140a.2	Water Consumption and Treatment, <a href="#">pages 35–36</a> <a href="#">2025 CDP Corporate Questionnaire (Water Extract)</a>
<b>Product Environmental, Health and Safety Performance</b>	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.
<b>Packaging Life Cycle Management</b>	(1) Total weight of packaging, (2) Percentage made from recycled and/or renewable materials, and, (3) Percentage that is recyclable, reusable and/or compostable	Quantitative	Metric tonnes (MT), percentage (%)	CG-HP-410a.1	Key Performance Indicators: Products, <a href="#">page 61</a>
	Discussion of strategies to reduce the environmental impact of packaging throughout its life cycle	Discussion and Analysis	N/A	CG-HP-410a.2	Products Empower, <a href="#">pages 38–43</a>
<b>Environmental and Social Impacts of Palm Oil Supply Chain</b>	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
<b>Activity Metrics</b>	Units of products sold, total weight of products sold	Quantitative	Number, metric tonnes (MT)	CG-HP-000.A	Key Performance Indicators: Products, <a href="#">page 61</a>
	Number of manufacturing facilities	Quantitative	Number	CG-HP-000.B	Who We Are, <a href="#">page 9</a>



## Climate-related Disclosures (IFRS S2)

### Governance: KP's 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.

Grounded in Governance, [page 20](#)

[2025 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.

Grounded in Governance, [page 20](#)



## Strategy: KP’s 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.

Listed in the table below are climate-related risks that we have identified 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.

[2025 CDP Corporate Questionnaire \(Climate Extract\): 2.1](#)

### 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.

[2025 CDP Corporate Questionnaire \(Climate Extract\): 2.3, 2.4, 3.1.1, 3.6.1, 4.5.1, 5.2, 5.3.1, 5.3.2](#)

RISK/OPPORTUNITY IDENTIFIED	DESCRIPTION OF IMPACT
<b>Risks</b>	
Carbon pricing mechanisms	<p><b>Potential financial impact:</b> Increased direct costs</p> <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	<p><b>Potential financial impact:</b> Increased indirect (operating) costs</p> <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 2025, we continued to increase the use of EV trucks in our fleet and are developing plans for further expansion. This could pave the way for reducing our risk of transportation cost increases due to petroleum fuel price increases.</p> <p>Transportation, <a href="#">page 34</a></p>
Supply chain	<p><b>Potential financial impact:</b> Decreased revenues due to price increases</p> <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>



RISK/OPPORTUNITY IDENTIFIED	DESCRIPTION OF IMPACT
Certified sustainable materials	<p><b>Potential financial impact:</b> Decreased revenues due to reduction in demand</p> <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	<p><b>Potential financial impact:</b> Increased direct costs</p> <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)	<p><b>Potential financial impact:</b> Decreased revenues due to reduced production capacity</p> <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>Our Facilities, <a href="#">page 85</a></p>
Wildfires	<p><b>Potential financial impact:</b> Increased direct costs</p> <p>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.</p>
Heat stress	<p><b>Potential financial impact:</b> Increased direct costs</p> <p>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.</p>
<b>Opportunities</b>	
New technologies	<p><b>Potential financial impact:</b> Decreased indirect (operating) costs</p> <p>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.</p> <p>Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a></p>
Plastic packaging	<p><b>Potential financial impact:</b> Increased revenues through demand for products</p> <p>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.</p> <p>Sustainable Packaging, <a href="#">page 42</a></p>
Fibre and water	<p><b>Potential financial impact:</b> Decreased indirect (operating) costs</p> <p>The new Sherbrooke, QC facility uses LDC technology that reduces fibre and water usage.</p> <p>Managing Our Resources, <a href="#">pages 35–37</a></p>



### 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.

[2025 CDP Corporate Questionnaire \(Climate Extract\)](#): 5.1, 5.1.1, 5.1.2

### **Risk management: KP's processes to identify, assess, prioritize and monitor climate-related risks and opportunities, including how those processes are integrated into and inform our 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.

[2025 CDP Corporate Questionnaire \(Climate Extract\)](#): 2.2, 2.4



PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

RISK/OPPORTUNITY IDENTIFIED	OUR APPROACH
<b>Transition risks</b>	
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. In late 2025, we started up a glycol heat recovery system at our Sherbrooke, QC plant. Once fully operational, the system is projected to save about 150,000 gigajoules of natural gas and avoid roughly 7,800 metric tonnes of GHG emissions each year. For more information, see <a href="#">page 33</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>Our Strategy, <a href="#">pages 14–18</a>; Managing Our Energy Use and Emissions, <a href="#">pages 32–34</a>; Responsible Sourcing, <a href="#">page 40</a></p>
<b>Physical risks</b>	
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 across Canada, with one in Memphis, TN, USA. Our highest-producing site is in Gatineau, accounting for 19% of production. This means if a worst-case scenario took place at our most active manufacturing site, we would see roughly a 19% reduction in revenue-generating capacity plus cost to rehabilitate the manufacturing operation.</p> <p>Who We Are, <a href="#">page 9</a></p>



RISK/OPPORTUNITY IDENTIFIED	OUR APPROACH
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.

Managing Risks and Opportunities, [page 22](#)

**Metrics and targets: KP’s performance in relation to its climate-related risks and opportunities, including progress towards our climate-related targets.**

**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, and (4) Waste Key Performance Indicators: Planet, <a href="#">pages 55–59</a>
Products	(1) Fibres consumed, (2) Certified products, (3) Packaging materials, and (4) Paper production and converted cases Key Performance Indicators: Products, <a href="#">pages 60–61</a>

[2025 CDP Corporate Questionnaire \(Climate Extract\)](#): 3.1.2, 3.6.2, 4.5, 4.5.1, 5.10, 5.10.1

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

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 a majority of our pulp suppliers through direct surveys, and others through sustainability reports. While we recognize that this category is for all purchased goods, we have calculated for pulp, packaging, chemicals and major OPEX costs for procurement of services or materials. 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: <ul style="list-style-type: none"> <li>A. Upstream emissions of purchased fuels</li> <li>B. Upstream emissions of purchased electricity</li> <li>C. Transmission and distributed (T&amp;D) losses</li> </ul>



SCOPE 3 CATEGORY	CALCULATION METHODOLOGY
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.

Key Performance Indicators: Planet, [pages 56–57](#)

**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 31% reduction from our baseline, which means we are 88% 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. In early 2026, we revised our target to reduce virgin plastic packaging in branded products by 25% from a 2020 baseline. 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 made some progress, reaching a 6% decrease relative to our base year of 2020.

Progress Against Our Targets and Commitments, [page 16](#)



## TNFD Index

### RECOMMENDED DISCLOSURES

### DISCLOSURE RESPONSE AND REFERENCES

#### Governance

a) Describe the board’s oversight of nature-related dependencies, impacts, risks and opportunities.

[Environmental Policy](#)  
[Fibre Procurement Policy](#)  
[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 4.11, 4.1.2, 4.2, 4.5, 4.5.1  
Grounded in Governance, [page 20](#)

b) Describe management’s role in assessing and managing nature-related dependencies, impacts, risks and opportunities.

[Environmental Policy](#)  
[Fibre Procurement Policy](#)  
[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 4.3, 4.3.1  
Grounded in Governance, [page 20](#)

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.

[Environmental Policy](#)  
[Fibre Procurement Policy](#)  
[Supplier Code of Conduct](#)  
[Code of Ethics](#)  
[Fighting Against Forced Labour and Child Labour in Supply Chains Act Report](#)  
[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 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, 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.

[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 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.

[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 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, 5.11.9, 5.12, 5.13, 8.8, 8.8.1, 8.9.1, 8.15, 8.16.1, 8.17.1

c) Describe the resilience of the organization’s strategy to nature-related risks and opportunities, taking into consideration different scenarios.

[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 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.

[2025 CDP Corporate Questionnaire \(Forest Extract\)](#): 2.3, 3.2  
Who We Are, [page 9](#); Our Facilities, [page 85](#)



**RECOMMENDED DISCLOSURES**

**DISCLOSURE RESPONSE AND REFERENCES**

**Risk and Impact Management**

<b>a.i) Describe the organisation’s processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 2.1, 2.2.2, 2.4, 2.5</a>
<b>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).</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 2.1, 2.2.1, 2.2.2, 2.2.7, 5.11.1, 5.11.2, 8.1</a>
<b>b) Describe the organisation’s processes for managing nature-related dependencies, impacts, risks and opportunities.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 2.2.2, 2.2.7</a> <a href="#">FSC® Certificate</a> <a href="#">SFI Certificate</a>
<b>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.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 2.2.2</a> Managing Risks and Opportunities, <a href="#">page 22</a>

**Metrics and Targets**

<b>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.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 3.1.1, 3.1.2, 3.2, 3.3, 3.6.1, 3.6.2</a>
<b>b) Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 3.1.1, 3.6.1, 5.11, 8.2, 8.9, 8.9.1, 8.10, 8.17.1</a>
<b>c) Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</b>	<a href="#">2025 CDP Corporate Questionnaire (Forest Extract): 8.7</a>



## 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
<b>Crabtree, Québec, Canada</b>	<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>	594	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC UL ECOLOGO GMP CT-PAT
<b>Gatineau, Québec, Canada</b>	<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>	436	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC UL ECOLOGO GMP CT-PAT
<b>Lennoxville (Sherbrooke), Québec, Canada</b>	<ul style="list-style-type: none"> <li>Papermaking</li> </ul>	24,000	N/A	48	ISO 9001:2015 FSC® CoC SFI/PEFC CoC UL ECOLOGO CT-PAT
<b>Memphis, Tennessee, United States of America</b>	<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>Facial Tissue</li> <li>Paper Towels</li> </ul>	379	ISO 9001:2015 FSC® CoC SFI/PEFC CoC GMP
<b>Mississauga, Ontario, Canada<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Corporate Head Office</li> </ul>	N/A	N/A	329	FSC® CoC SFI/PEFC CoC UL ECOLOGO
<b>New Westminster, British Columbia, Canada</b>	<ul style="list-style-type: none"> <li>Papermaking</li> <li>Converting</li> </ul>	74,000	<ul style="list-style-type: none"> <li>Bathroom Tissue</li> <li>Facial Tissue</li> </ul>	421	ISO 9001:2015 ISO 50001:2011 FSC® CoC SFI/PEFC CoC GMP CT-PAT
<b>Scarborough (Toronto), Ontario, Canada</b>	<ul style="list-style-type: none"> <li>Converting</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Paper Napkins</li> </ul>	106	FSC® CoC UL ECOLOGO
<b>Sherbrooke, Québec, Canada TAD</b>	<ul style="list-style-type: none"> <li>Papermaking</li> <li>Converting</li> </ul>	75,000	<ul style="list-style-type: none"> <li>Bathroom Tissue</li> <li>Paper Towels</li> </ul>	274	ISO 9001:2015 ISO 50001:2011 FSC® CoC UL ECOLOGO GMP
<b>Sherbrooke, Québec, Canada LDC</b>	<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>	98	ISO 9001:2015 FSC® CoC GMP
<b>Trenton, Ontario, Canada</b>	<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>	225	FSC® CoC UL ECOLOGO GMP
<b>Totals</b>		492,000		2,910	

1 As of December 31, 2025.

2 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 as presented in the 2025 Sustainability Report

To the Board of Directors of Kruger Products Inc.

We have undertaken a limited assurance engagement of the selected key performance indicators that are part of the greenhouse gas statement of Kruger Products Inc. (KP) included in the 2025 Sustainability Report (subject matter) for the year ended December 31, 2025.

### SUBJECT MATTER

SELECTED KEY PERFORMANCE INDICATORS	ORGANIZATIONAL BOUNDARIES	APPLICABLE CRITERIA	2025 REPORTED VALUE	REFERENCE IN KP’S 2025 SUSTAINABILITY REPORT
Greenhouse Gas (GHG) emissions – direct (Scope 1) in metric tonnes CO <sub>2</sub> e	All sites listed on page 85 of KP 2025 Sustainability Report, except for the Mississauga Corporate Head Office	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).	280,368	Section <a href="#">Our Progress – Planet Conscious</a> Section <a href="#">Our Performance</a>
Greenhouse Gas (GHG) emissions – indirect (Scope 2 location-based) in metric tonnes CO <sub>2</sub> e		Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).	76,686	Section <a href="#">Our Progress – Planet Conscious</a> Section <a href="#">Our Performance</a>

### Responsibility for the subject matter

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

### INHERENT LIMITATIONS IN PREPARING THE SUBJECT MATTER

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.

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 KP'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;
  - gaining an understanding of the methodologies applied for each selected key performance indicator in order to ensure consistency and reliability in the reported data; and
  - gaining an understanding of the controls in place to ensure the accuracy and completeness of the data from which the subject matter is derived;
- evaluated whether all material information identified by management has been considered for reporting on the subject matter;
- performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter;
- performed substantive assurance procedures on selected information in the subject matter;
- evaluated the appropriateness of quantification methods and reporting policies; and
- considered the disclosure and presentation of the subject matter.



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 KP'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 KP's subject matter for the year ended December 31, 2025 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 KP to assist KP's 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 KP.

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 15, 2026

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

**Steven Sage**  
**Vice President Sustainability**

**Kruger Products Inc.**  
2 Prologis Boulevard, Suite 500  
Mississauga, ON L5W 0G8 Canada  
+1 905.812.6900  
[sustainability@krugerproducts.ca](mailto:sustainability@krugerproducts.ca)

