



2016-2020
SUSTAINABLE DEVELOPMENT PLAN
3 PILLARS - 10 PRIORITIES

MESSAGE FROM MANAGEMENT

Cascades was founded on a desire to think differently, and we continue to build on more than half a century of green innovation. We have always believed in the importance of transparency—a principle that forms the basis of one of our most cherished values: respect. In 1996, we decided to go beyond financial reporting and published our first social balance sheet, which was an uncommon practice at the time. These were our first steps towards sustainable development reporting. Since then, we have refined our approach year after year. Following our first Sustainable Development Plan for 2010-2012, we learned to define the most relevant issues with respect to our industry and our expertise more clearly; our 2013-2015 plan was simpler and more concise. With this second exercise, we were able to channel our energies and consolidate our strengths to deploy our strategy more effectively at each of our sites.

2016-2020: EXPANDING OUR HORIZONS

Guided by our determination to progress even further for our planet, our prosperity and our partners, we are adopting a new formula that spreads our sustainable development strategy over five years. This will enable us to set even more ambitious targets while giving us the flexibility to improve our methods along the way.

With our 2016-2020 Sustainable Development Plan, we are also going from nine to ten priorities, with greenhouse gas now constituting a distinct target in its own right rather than simply being the outcome of our energy efficiency initiatives. You will see that our progress in this area makes our target all the more remarkable.

A KEY STRATEGY

The values underpinning sustainable development are deeply rooted in the nature of Cascades and unify our employees with a sense of belonging. For this reason, we are very proud of this third sustainable development plan and we hope that it goes beyond our walls to inspire all our stakeholders.

Cascades blazed a trail with its first plan in 2010 and many companies in our industry have since followed in our footsteps. Today, no one doubts the relevance of a sustainable development plan in business management—its advantages are numerous and its benefits are tangible.

Seeing our once unconventional initiative become mainstream gives us more confidence in the future than ever before.

Mario Plourde
Mario Plourde
President and Chief Executive Officer

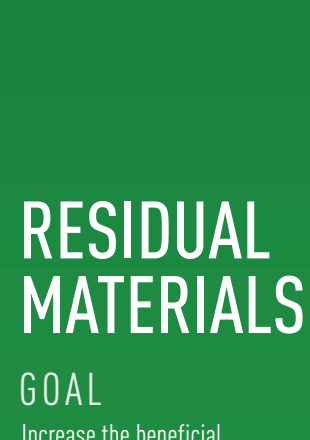
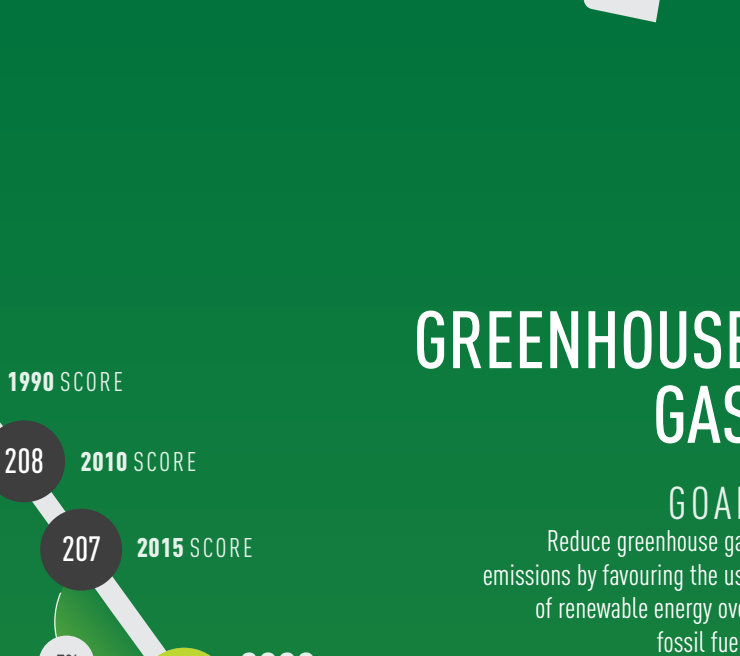


Planet

ENERGY

GOAL
Reduce the amount of energy we buy to make our products

INDICATOR
Gigajoules of energy purchased / Metric tonne of saleable products



GREENHOUSE GAS

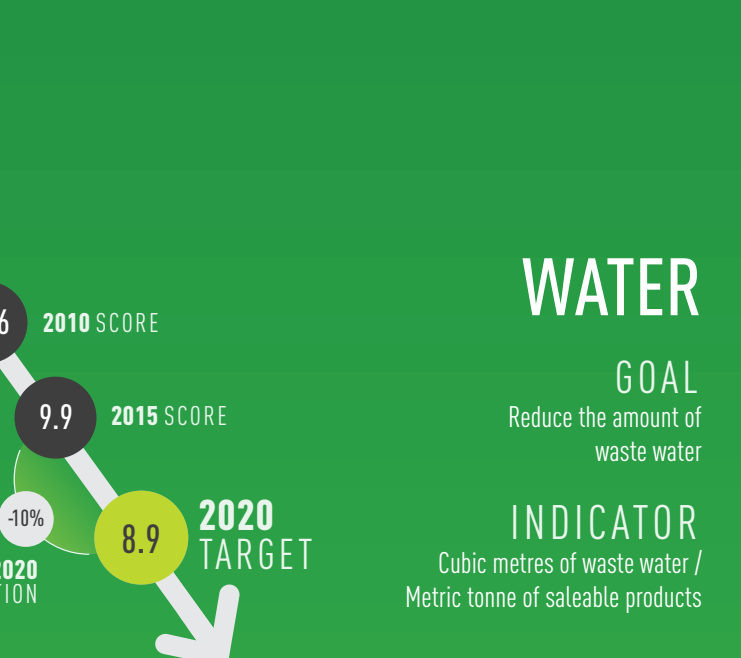
GOAL
Reduce greenhouse gas emissions by favouring the use of renewable energy over fossil fuels

INDICATOR
Kilograms of CO₂ equivalent / Metric tonne of saleable products

RESIDUAL MATERIALS

GOAL
Increase the beneficial use of residuals

INDICATOR
Kilograms of residuals recovered / Kilograms of residuals generated



WATER

GOAL
Reduce the amount of waste water

INDICATOR
Cubic metres of waste water / Metric tonne of saleable products

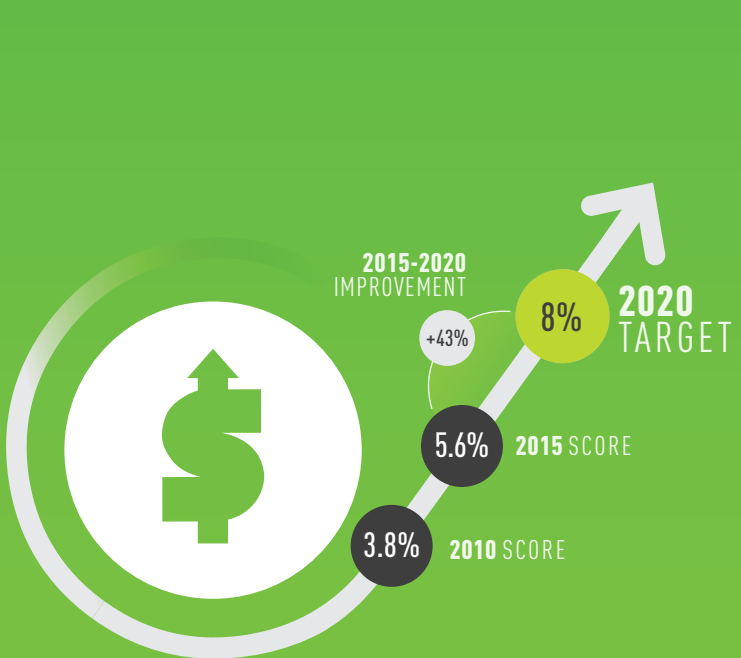
Prosperity

SUSTAINABLE PROCUREMENT

GOAL
Obtain supplies from responsible suppliers

INDICATOR
Purchases from suppliers whose practices were evaluated and considered responsible by a third party / Total purchases*

* purchases negotiated by Cascades' Corporate Procurement Department



INNOVATION

GOAL
Develop and market new products that are innovative and eco-responsible

INDICATOR
Sales from new products / Total sales

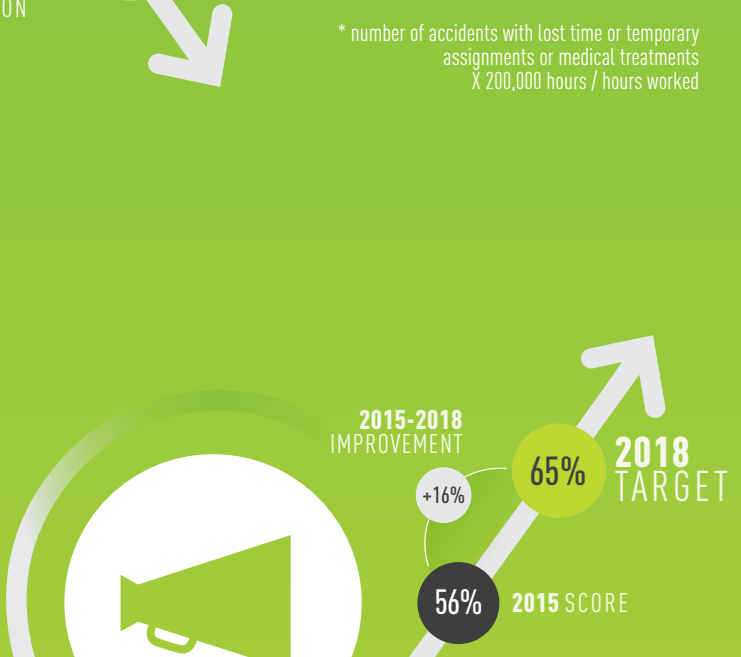
* A product is considered new for a five-year period.

FINANCIAL PERFORMANCE

GOAL
Optimize the return on capital employed

INDICATOR
Return on capital employed (ROCE)*

* after-tax amount of the last twelve months (LTM) operating income excluding specific items / average LTM capital employed



Partners

HEALTH AND SAFETY

GOAL
Reduce the number of accidents

INDICATOR
OSHA frequency rate*

* number of accidents with lost time or temporary assignments or medical treatments / 200,000 hours / hours worked

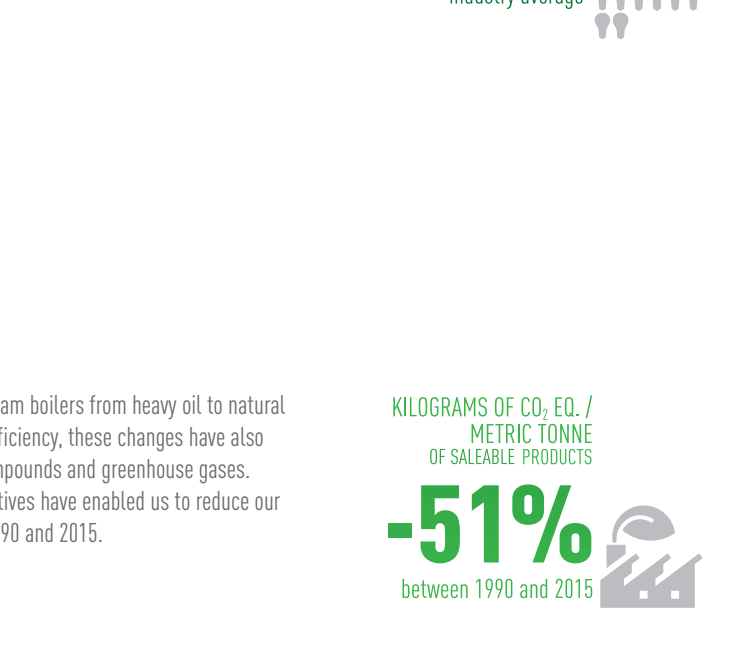


EMPLOYEE ENGAGEMENT

GOAL
Increase the level of employee commitment

INDICATOR
Engagement rate from the Aon Hewitt employee opinion survey*

* survey conducted every three years; the next one will be in 2018



COMMUNITY INVOLVEMENT

GOAL
Increase our involvement in the communities around us

INDICATOR
Number of hours volunteered by the employees / Year

* We do not have a reference for this goal because it was measured differently in the past.



ADDITIONAL INFORMATION ON CERTAIN PRIORITIES

ENERGY

With regard to energy efficiency, Cascades has a good head start on its competitors and the market in general. This is because, on the one hand, transforming recycled fibre takes less energy than wood and, on the other, we have a group of specialists among our ranks who have spent the past 20 years working on reducing the energy consumption of our plants. These strategic decisions are reflected in real savings: at the end of 2015, the average consumption of Cascades plants was 9.9 gigajoules¹ per metric tonne of saleable products, while the Canadian industry average is 25.76 GJ/mt².

¹ Ratio of energy used (includes the gigajoules that are generated internally from black liquor at one of our plants). Differs slightly from the ratio of energy purchased (9.67 GJ/mt).
² Forest Products Association of Canada, 2013

GIGAJOULES / METRIC TONNE OF SALEABLE PRODUCTS

9.9
Cascades plants average

25.76
industry average

GREENHOUSE GAS

In recent years, Cascades has converted its steam boilers from heavy oil to natural gas systems. In addition to improved energy efficiency, these changes have also reduced emissions of particulates, sulphur compounds and greenhouse gases. Combined with business decisions, these initiatives have enabled us to reduce our greenhouse gas emissions by 51% between 1990 and 2015.

KILOGRAMS OF CO₂-EQ. / METRIC TONNE OF SALEABLE PRODUCTS

-51%
between 1990 and 2015

WATER

In the paper industry, water is essential for processing and transforming fibres and other raw materials. It is also used in a slew of related activities such as washing, cooling and the production of steam energy. Once again, the nature of Cascades' activities constitutes an indisputable competitive advantage, as producing paper from recycled fibre requires much less water than processes involving the transformation of wood into wood fibre. At the end of 2015, Cascades plants' average water consumption was 9.9 cubic metres per metric tonne of saleable products, while the Canadian industry average is 65 m³/mt¹.

¹ Forest Products Association of Canada, 2013

CUBIC METRES OF WASTE WATER / METRIC TONNE OF SALEABLE PRODUCTS

9.9
Cascades plants average

65
industry average

DISCOVER MORE AT WWW.CASCADES.COM/SUSTAINABLE-DEVELOPMENT

