

Sustainability Action Plan

2021-2025



driving
positive
change

At Cascades, sustainability is in our DNA. Nearly 60 years ago, long before businesses began incorporating environmental principles into their practices, our company became a pioneer in the circular economy by making products from recycled materials.



True to our values and dedicated to helping our customers reduce their environmental footprint, Cascades is pleased to be raising our commitment to sustainable development standards with the launch of our fourth action plan that sets bold objectives for 2021–2025 and 2030. This plan was developed using renewed and updated targets that reflect the advances of recent years, and the new and growing challenges facing our communities and our planet.

These include the fight against climate change, managing water use, developing responsible packaging, and ensuring employee health, safety and well-being, as well as equity, diversity and inclusion.

This plan was designed to address the priorities of our stakeholders with regard to environmental, social and governance (ESG) issues. It's the result of the hard work of more than 60 employees who came together to imagine the Cascades of the future and who will ensure that we continue to work alongside our partners to unlock the full potential of materials, people and ideas. As pioneers of the past and future, we are always ready to roll up our sleeves to promote positive development for the environment, society and the future of our company.

We continue to think big, do more and support the circular economy. That's our formula for driving positive change.



A handwritten signature in black ink, reading "Mario Plourde". The signature is fluid and cursive, written in a professional style.

Mario Plourde
President and CEO

Founded in 1964 through the ingenuity, drive and strong entrepreneurial instinct of brothers Bernard, Laurent and Alain Lemaire, Cascades has paved the way for the industry in eco-friendly recycling, packaging and hygiene solutions.

The company's leadership in sustainable development has grown over time and is now reflected in a multitude of ways.

Our leadership in sustainable development



Sustainable development action plans since 2010



A leader in fibre recovery and recycling in Canada



Reporting

on social and environmental indicators since 1996



SUSTAINABLE PACKAGING COALITION*

A member of recognized organizations, such as Energy Star® and the Sustainable Packaging Coalition



Ranked among

Canada's Top 100 Employers

by Mediacorp Canada Inc.



Founded the Energy Action Group in 1997

State of the art

Pulp and Paper Research and Development Centre

GOVERNANCE AND STRUCTURE

Cascades has a governance and process structure that enables the company to effectively manage existing and emerging ESG issues. For each objective in this plan, one individual has been appointed and made accountable for its achievement. This accountability is reflected in the inclusion of targets in his or her annual objectives.

RISK MANAGEMENT

Our teams incorporate ESG issues into Cascades' business risk assessment and management processes, which are regularly reviewed by management.

TRANSPARENCY AND REPORTING

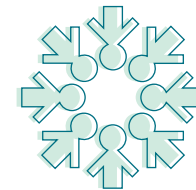
Cascades has 25 years of experience in the disclosure of extra-financial information and takes a proactive approach in this regard. The company annually discloses its results based on standards, such as those set by the Sustainability Accounting Standards Board, and reports directly to relevant rating programs and agencies (e.g. Carbone Disclosure Project, MSCI, Sustainalytics and Vigeo Eiris). As the ESG reporting landscape changes rapidly, our internal teams continually review the prioritization of standards and programs.

Reaffirmed ESG governance

The various objectives of our plan are monitored through all the committees of the Board of Directors. Progress is monitored by the Health and Safety, Environment and Sustainable Development Committee.



PILLARS OF OUR 2021–2025 SUSTAINABLE DEVELOPMENT PLAN

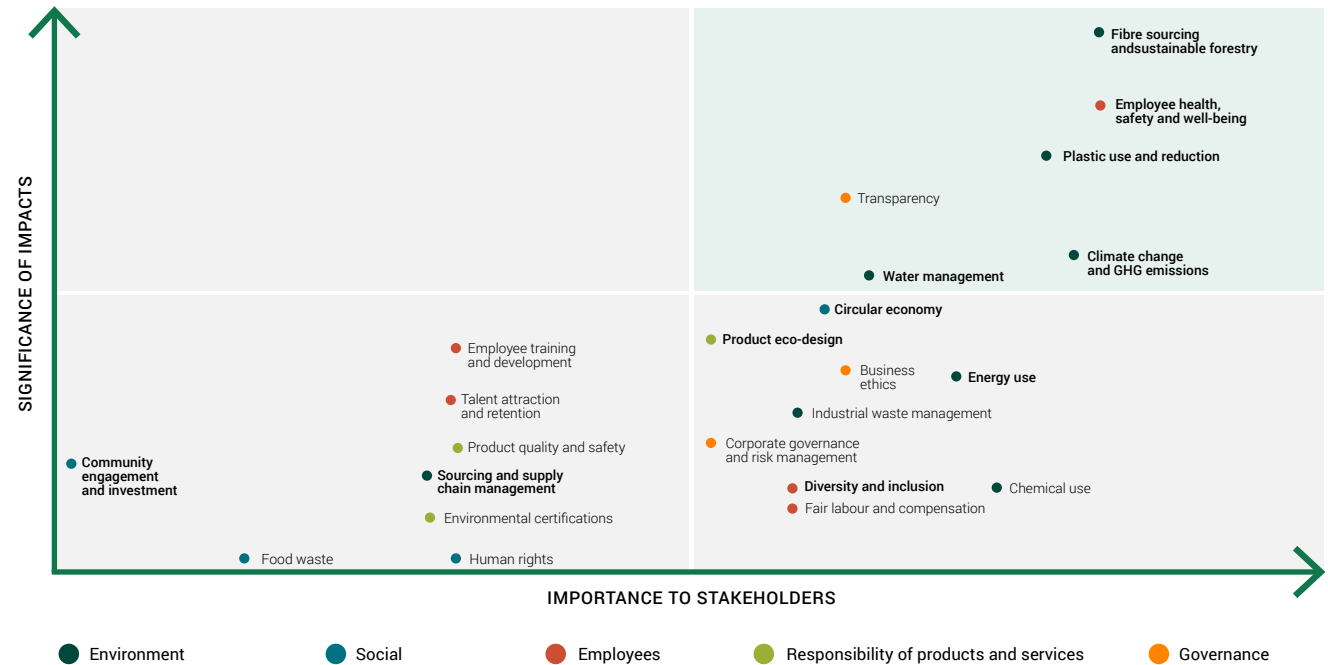


To clearly identify the key priorities of its sustainable development strategy, Cascades relies on stakeholder feedback.

To develop this new plan, Cascades worked with an independent external firm to carry out a broad consultation process with its stakeholders. This process took place in the summer of 2020 through an online survey and interviews.

The results of this exercise, which gathered feedback from a diverse selection of 850 people, helped us identify and position priority issues based on their importance to stakeholders and the impact Cascades can have on them.

Materiality matrix



Stakeholders



Our ambition statement



Driving positive change by supporting the circular economy through our commitments that are **respectful of the planet**.

Remain **solutions driven**, backed by our R&D and innovation experience, which enables our customers to reduce their footprint through our value-added eco-friendly products and services.

Make progress while remaining **community minded** and maintaining positive interactions.

Stay **people focused** and committed to the well-being of others through a culture of health, safety, equity, diversity and inclusion for all our employees.



Respectful

of the planet



Solutions driven



Community minded



People focused

8 areas for which we set 15 ambitious objectives

Scope of the objectives of this action plan: Business units consolidated and operated by Cascades in North America.

Legend



GOALS
(BASELINE: 2019)



TARGET YEAR



LINK TO THE UN'S SUSTAINABLE
DEVELOPMENT GOALS

Cascades has aligned this new plan with the United Nations Sustainable Development Goals. Each target is designed to contribute to this planetary agenda which unites governments and organizations.



**Climate
change**



**Water
consumption**



**Eco-designed
products**



**Responsible
procurement**



**Sustainable cities
and communities**



**Community
involvement**



**Health, safety
and well-being**



**Equity, diversity
and inclusion**

Respectful of the planet

Drive positive change by supporting the circular economy through our commitments that are **respectful of the planet**.

Climate change

Reduce our greenhouse gas emissions (scopes 1, 2 and 3) based on the Science Based Targets initiative

▼ **38.7%*** 2030 vs 2019
scopes 1+2, mills (kg of CO2 eq./MT)

▼ **27.5%*** 2030 vs 2019
scopes 1+2, other (kg of CO2 eq.)

▼ **22%*** 2030 vs 2019
scope 3 (kg of CO2 eq./MT)

Increase the share of renewable energy in our supply

100%
renewable electricity

Reduce energy consumption at our plants

▼ **6%** 2025 vs 2019
(GJ/TM)

Water consumption

Decrease effluents in our manufacturing plants

▼ **15%** 2025 vs 2019
(M³/TM)

Solutions driven

Remain **solutions driven**, backed by our R&D and innovation experience, which enables our customers to reduce their footprint through our value-added eco-friendly products and services.

Eco-designed products

Develop our products according to recognized eco-design principles and pioneer eco-friendly packaging solutions

100% 2030
of the packaging we manufacture and sell is recyclable, compostable or reusable

Responsible procurement

Source materials from responsible suppliers and ensure that all our fibre and paper inputs are recycled or certified, while ensuring to increasing the proportion of FSC® Mix

100% 2025
of the fibre and paper we use is recycled or certified

×**2** 2025 vs 2019
our FSC Mix® supply

70% 2025
of our purchases are sourced from responsible suppliers

Community minded

Make progress while remaining **community minded** and maintaining positive interactions.

Sustainable cities and communities

Invest in causes and organizations that have a positive social or environmental impact

Allocate at least **50%** 2025 of our annual donation and sponsorship budget to causes that support the UN's Sustainable Development Goals

Community involvement

Promote community involvement among our employees

15,000 hours PER YEAR of community involvement completed by employees

People focused

Stay **people focused** and concerned about the well-being of others through a culture of health, safety, equity, diversity and inclusion for all our employees.

Health, safety and well-being

Achieve an accident-free work environment

▼ **50%** 2025 vs 2019
the number of days lost due to workplace accidents

Promote preventive measures for health and well-being

100% 2025
of employees are committed to a positive health and wellness approach

Equity, diversity and inclusion

Foster a fair, diverse and inclusive work environment

100% 2025
of employees are trained on unconscious biases related to equity, diversity and inclusion

Respectful

of the planet





res- pect- ful of the planet

Work in partnership to develop methods that are regenerative and respectful of the environment, allowing us to continue to reduce our environmental footprint.

Cascades is committed to reducing its greenhouse gas (GHG) emissions, decreasing its energy and water consumption, and using 100% renewable electricity.

➤ Think big

The magnitude of climate change underscores the urgency to act.

Thinking big means bolstering our commitment to being part of the solution by reducing our GHG emissions by 2030, aligning our goals with scientific recommendations.

Cascades is proud to join a growing number of global leaders committed to reducing their GHG emissions based on the recommendations of the Science Based Targets initiative (SBTi), and to send a strong message that there is a pressing need for collective action.

Our new reduction targets cover our scope 1, 2 and 3 GHG emissions, i.e. emissions related to our operations, the energy we buy and those generated by our logistics and supply chain.

+ Do more

Cascades' environmental targets for 2025 and 2030 are all the more ambitious given that in 2019, the company was already an industry leader.

- Cascades emitted **33% fewer GHG** emissions (scopes 1 and 2) than the North American pulp and paper industry average.¹
- Cascades consumed **3.9 x less** water than the North American pulp and paper industry average.¹
- Cascades used **2.4 x less** energy than the North American pulp and paper industry average.¹

G Bring the circular economy to life

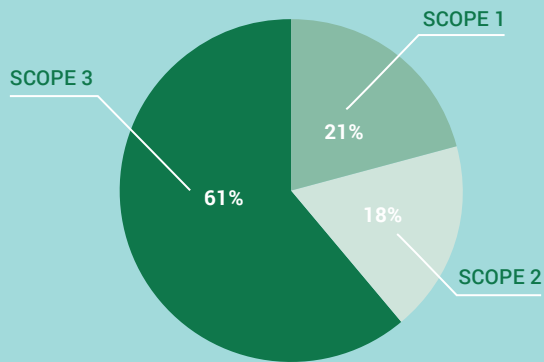
At Cascades, supporting the circular economy also means using resources responsibly and offering hygiene and packaging solutions with a smaller footprint. This commitment enables our customers to achieve their own sustainable development objectives. The recycled content we integrate into our solutions reduces their footprint, which we scientifically demonstrate through life cycle analysis (ACV) for many of our products.

1. Source : Fisher International, 2019

Cascades has chosen to contribute to global efforts to fight climate change by aligning its targets for reducing scopes 1, 2 and 3 GHG emissions based on a global warming scenario well below 2°C (ETP B2DS scenario).

We are aware of the challenge this commitment represents, and we are confident that our action plan will allow us to gradually decarbonize our activities while remaining competitive and generating value for our stakeholders.

2019 RESULTS



Snapshot of greenhouse gas emissions at Cascades

Categories of emissions prioritized in this action plan based on their materiality

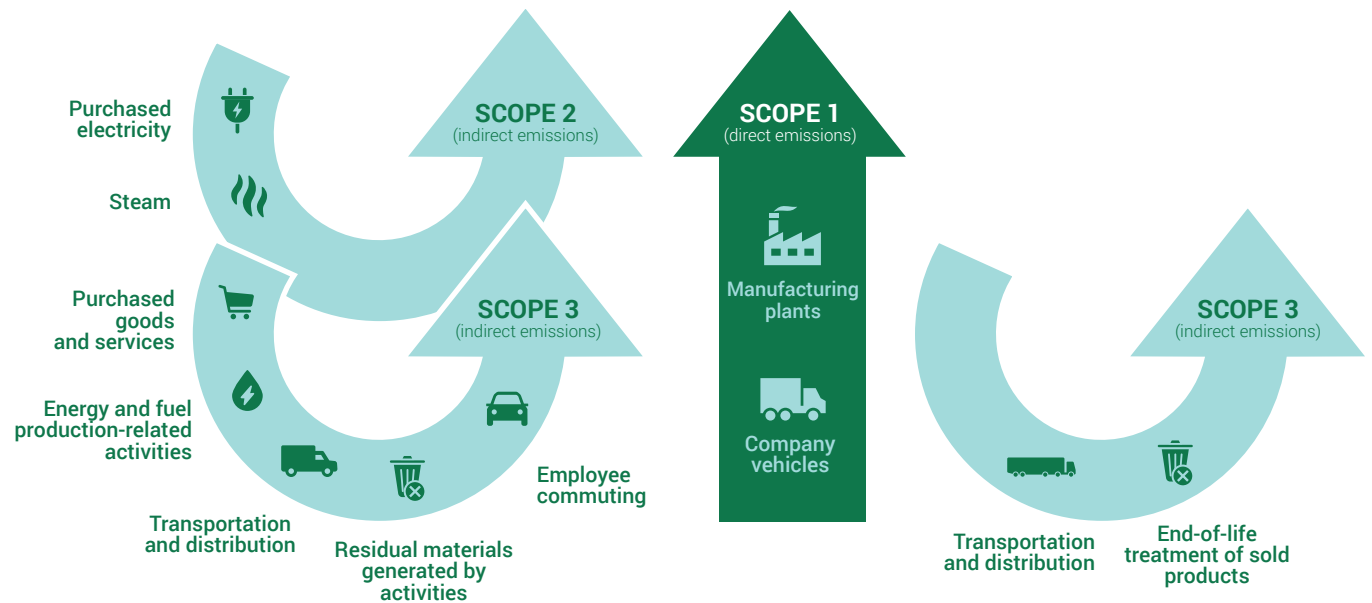


Diagram source: Greenhouse Gas Protocol.



Climate change

Reduce

our greenhouse gas emissions (scopes 1, 2 and 3) using the Science Based Targets initiative (SBTi) approach



▼ 38.7%*

scopes 1 + 2, paper manufacturing plants (kg of CO2 eq./MT)

2030 vs 2019



This objective includes scopes 1 and 2 GHG emissions for our paper manufacturing plants, calculated using the SBTi's sectoral approach and based on the paper industry's contribution to global GHG emissions.

Several measures will be implemented over the next 10 years: energy efficiency projects, renewable electricity purchases and a transition to low-carbon technologies.

▼ 27.5%*

scopes 1 + 2, other emissions sources (kg of CO2 eq.)

2030 vs 2019



This target covers scopes 1 and 2 GHG emissions that are not related to our paper manufacturing plants. This category includes GHGs emitted by our plants that convert paper and resins into finished products, as well as those related to the Cascades Transport division.

Among the initiatives aimed at achieving this target, we have planned energy efficiency projects and renewable electricity purchases.

▼ 22%*

scope 3 (kg of CO2 eq./MT)

2030 vs 2019



This target focuses on emissions generated by our activities over which we have no direct control. Achieving this objective will require us to work directly with our largest suppliers to ensure they join us in the global transition to carbon neutrality. The logistics optimization already carried out by our internal teams will also help reduce GHG emissions related to the transportation of our raw materials and products.



*These targets were developed according to the recommendations of the Science Based Targets initiative. Our targets were approved by SBTi on July 19, 2021. The baseline is 2019.



Climate change



Water consumption

Increase
the share of renewable energy in our supply

Reduce
the energy consumption of our manufacturing plants

Reduce
effluents in our manufacturing plants

100%
renewable electricity

-6%
(GJ/TM)

-15%
(M³/TM)

2030

2025 vs 2019

2025 vs 2019



Cascades is also proud to commit to purchasing only renewable electricity, thereby helping to make the electricity grid greener across North America. This target will be achieved by signing agreements with renewable energy project developers in Canada and the United States. Cascades already has a significant share of renewable electricity thanks to several of its plants having access to hydroelectricity.*

Energy consumption and greenhouse gas emissions are closely linked. By continuing to improve the energy efficiency of our plants, our teams will help make Cascades more resilient and reduce the carbon footprint of our operations.

To reach the 2025 target, we plan to both add and upgrade our equipment. Achieving our target will also involve strengthening governance in our operations to promote greater accountability and a closer monitoring of consumption.

Cascades is well aware of the importance of water in the manufacturing of its products and the daily operations of its plants, and it treats this resource with all the respect it deserves.

The 2025 target is based on action plans and investments that will be deployed for the plants concerned. The implementation of new governance and accountability processes will also improve and generally maintain the performances of our operating units.

*Hydroelectric energy is recognized as renewable by the US Environmental Protection Agency (US EPA).

Cascades Tissue Group plant in Lachute

Québec, Canada





Solutions **driven**





Solutions driven

Collaborate with our employees, customers and supply chain partners to develop environmentally friendly and sustainable solutions that create value and help build a better world for everyone.

Cascades supports the circular economy by offering eco-designed products that are recyclable or compostable for which inputs are sourced responsibly.

> Think big

Proud of its commitment to lead the way in eco-friendly hygiene and packaging solutions, Cascades has adopted new eco-responsible principles to guide the development of its products. These principles are based on recognized standards and cover every stage of life of our products, from their initial design to their end of life.

+ Do more

In 2012, we launched our first major initiative aimed at better understanding the social and environmental practices of our supply chain's players. We became one of the first companies in Canada to implement this strategy. Since then, a recognized independent third party has assisted us in this process and, by the same token, helps our suppliers better understand the strengths and weaknesses in their environmental, social and governance (ESG) practices. This win-win approach for all parties will be maintained in the coming years.

The protection of forests and biodiversity is a growing concern for our stakeholders. To respond to this challenge, we have committed to doubling our FSC® MIX certified supply. Through field checks, this standard guarantees compliance with high environmental standards, as well as respect for the rights of indigenous peoples, communities and workers.

G Bring the circular economy to life

Cascades has the advantage of being a major stakeholder in North America's recovery and recycling chain. With its 18 sorting centres and 2.2 million tonnes of waste diverted from landfills annually, the company is a key player in the circular economy.

Cascades is extending its commitment to manage the end of life of its products by aiming to ensure that 100% of the packaging manufactured by its plants is designed to be recyclable, compostable or reusable by 2030. This commitment covers both paper and cardboard products as well as plastic packaging.



Eco-designed products

Develop

our products according to recognized eco-design principles and pioneer eco-friendly packaging solutions

100%

of the packaging we manufacture and sell is recyclable, compostable or reusable

2030



As a major player in recovery and recycling, Cascades wants to ensure that all the packaging it manufactures is designed to be easily recovered, recycled, composted or reused at its end of life. We are joining a growing number of companies that have publicly committed to guaranteeing responsible end-of-life management of the packaging they offer in the market.

Over the next few years, our teams will focus on improving products that pose challenges at the sorting or recycling stages, and on developing innovative solutions.





Responsible procurement

Source materials

from responsible suppliers and ensure that all our fibre and paper inputs are recycled or certified, while ensuring to increasing the proportion of FSC® Mix

100%

of the fibre and paper we use is recycled or certified

2025



×2

our FSC® Mix supply

2025 vs 2019



70%

of our purchases are sourced from responsible suppliers

2025



We have always favoured the use of recycled fibre in our products, and we will continue to do so. However, depending on the availability of recycled fibre and the specific technical needs of customers, we are sometimes forced to use virgin fibre and paper. In such cases, Cascades buys from suppliers with the highest forest management standards. Our virgin fibre and pulp are certified¹, and we are expanding the scope to include paper rolls we purchase externally to cover all of our fibre and paper inputs.

There are three levels of FSC® certification. FSC® Mix certification guarantees that products come from certified forests whose operations meet the highest environmental, social and economic standards. Cascades would like to work with its supply chain to promote inputs in this category.

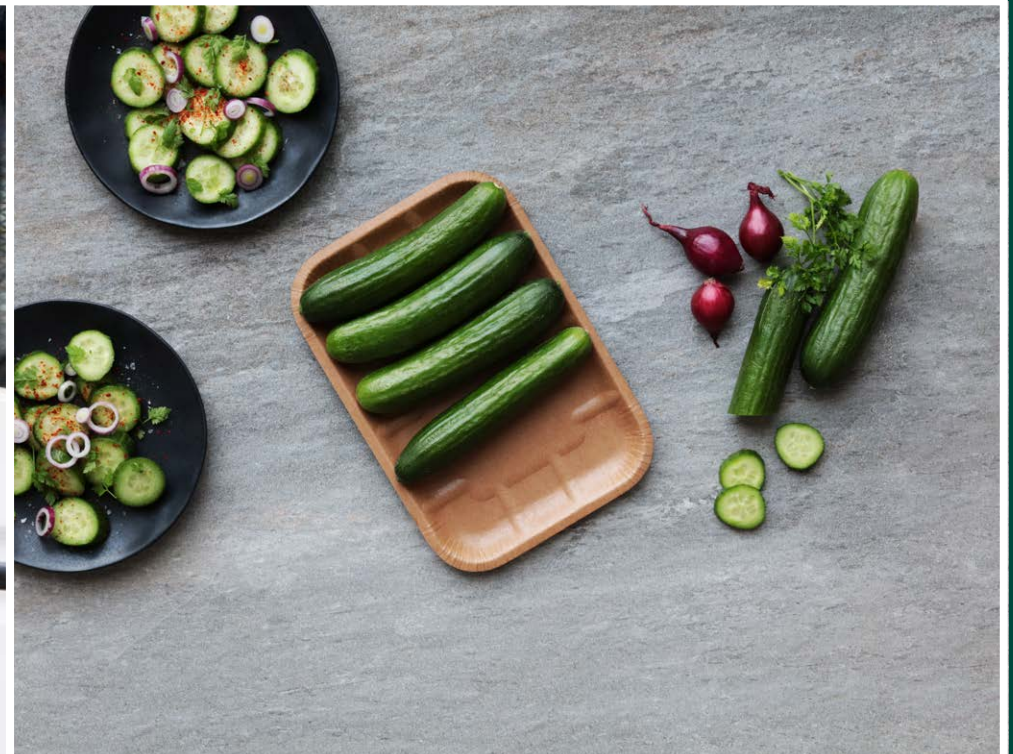
Cascades has committed its suppliers to a comprehensive evaluation of their business practices since 2012. In the coming years, we would like to take our responsible procurement program, which is based on eight general principles, even further by qualifying more suppliers and adding new categories to our strategic procurement portfolio.

¹ Cascades promotes Forest Stewardship Council (FSC®) certification

Marie-Hélène Charest, Microbiologist,

Cascades CS+ Research and Development, Kingsey Falls,
Québec, Canada







Community
minded



Community

min- ded

Make decisions based on their positive contribution to the health and well-being of our communities, and guide people to make responsible choices on a daily basis.

Cascades is reinforcing its commitment to the communities in which it operates.

> **Think big**

The communities in which Cascades is established are central to its social commitment. Year after year, our company fulfills its role as a responsible citizen by aligning with environmental and social causes and by contributing to the development of communities.

In addition to investing approximately \$4 million annually in our communities, we encourage our business units and employees to invest in the causes they care about. To show our appreciation of this commitment, we have implemented a program to recognize the extraordinary efforts of the most involved business units and employees based on the number of hours they have completed.

+ **Do more**

We want to align our initiatives with the UN's Sustainable Development Goals (SDGs), which were adopted in 2015. The SDGs respond to the global challenges facing our society on a social, environmental and economic level. Cascades will allocate half of its donation and sponsorship budget to causes related to these goals.

**Over 400
causes and organizations supported annually**



Sustainable cities and communities

Invest

in causes and organizations that have a positive social or environmental impact

Allocate at least

50%

of our annual donation and sponsorship budget to causes that support the UN's Sustainable Development Goals

2025



Cascades will continue to actively invest in communities near its facilities and would like to focus its efforts on causes whose main mission is aligned with at least one of the UN's Sustainable Development Goals.



Community involvement

Promote

community involvement among our employees

15,000 hours

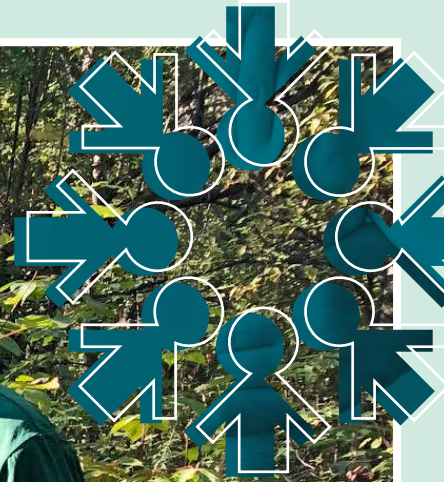
of community involvement completed by employees

PER YEAR



Cascades is proud to recognize and encourage its employees' community involvement. Since 2016, employees have been asked to record their business and personal volunteer hours using a digital platform.

Cascades compiles this data annually and awards grants to the employees and units that have accumulated the most hours, to be redistributed to the organizations of their choice. This approach, which is greatly appreciated, will continue in the coming years.



A group of employees
during a clean-up organized in partnership with PurNat, during
which they removed 2.8 tonnes of waste from the wilderness.



People
focused





People
**focu-
sed**

Foster a healthy, safe and stimulating work environment where our employees develop their full potential and feel a sense of accomplishment by helping to achieve the company's mission.

Cascades puts health, safety and well-being at the forefront by focusing on prevention and by helping to make its work environments fair and inclusive, so that diversity can flourish.

> Think big

We believe that health and safety must be based on a culture of prevention that promotes the interdependence and accountability of all employees. We provide a wide array of training to promote this culture and develop tight-knit teams, which create strong safety nets through their individual and collective efforts.

Cascades is proactive in keeping its employees healthy throughout their careers until retirement. We invest in prevention and awareness raising to encourage employees to adopt healthy lifestyles and promote sustainable improvement in their health and well-being.

Lastly, as respect is our number one value, we are committed to providing our employees with an open, inclusive and non-discriminatory work environment so that everyone can reach their full potential under the best conditions. We are firmly committed to providing opportunities for recruitment and advancement through fair and unbiased processes.

+ Do more

At Cascades, we care about the health and safety of our employees. Our OSHA frequency rate was 1.7 in 2019, an 85% decrease from 2002 levels. We have a new ambitious target and a new indicator to motivate us to go even further, as we believe that this issue requires constant attention and continuous improvement.

**Over 9,900
Cascaders in North America**



Health, safety and well-being



Equity, diversity and inclusion

Achieve

an accident-free work environment

Promote

preventive measures for health and well-being

Foster

a fair, diverse and inclusive work environment



50%

the number of days lost due to workplace accidents

100%

of employees are committed to a positive health and wellness approach

100%

of employees are trained on unconscious biases related to equity, diversity and inclusion



2025 vs 2019

2025

2025



At Cascades, we do our utmost to foster a safe and healthy workplace for all our employees. In addition to actions taken to secure our plants and improve our methods, we provide awareness raising and training to develop an accident prevention culture among all our teams. In this way, we aim to boost individual accountability and promote leadership among supervisors.

By encouraging healthy lifestyles, it is possible to change our employees' behaviour and increase their chances of staying healthy. To that end, we encourage them to complete a confidential self-assessment regarding their health and lifestyle.

We believe that promoting diversity is not just a matter of percentages and statistics. To ensure equity, diversity and inclusion, we must create fertile ground for them to flourish.

With this in mind, we are committed to training all our employees to become aware of their biases and overcome them.



**Ntoya Fernando Sebastiao,
Forklift Operator**

Cascades Recovery+,
Toronto, Ontario, Canada







Bring the circular economy to life



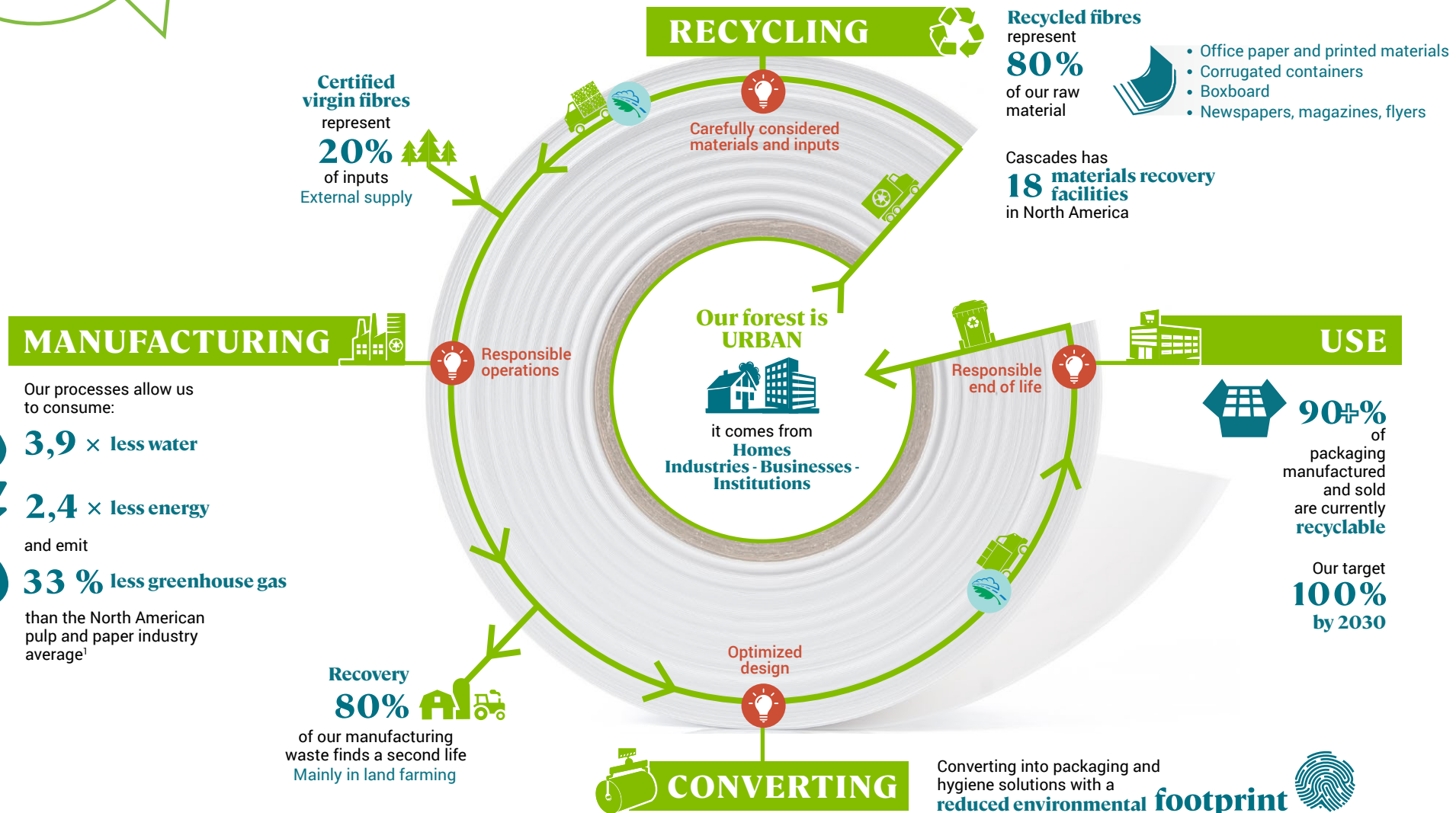
Transport

We work with SmartWay-certified carriers and use artificial intelligence for logistics optimization.



Eco-design

We apply eco-design principles to every stage of the life cycle of our products, from their design to their end of life.



¹ Source: Fisher International 2019

> + G