



# Dedicated by Nature

**SUSTAINABLE  
DEVELOPMENT  
HIGHLIGHTS 2021**



# Know-how. People Skills.

## Mission

We turn renewable resources into sustainable, high-quality essentials made for everyday life.

## Values

- ▶ Entrepreneurship
- ▶ Family spirit
- ▶ Customer focus
- ▶ Integrity
- ▶ Commitment



# Table of contents

**02 Kruger in North America**

**03 Doing more for people and the planet**

**04 EcoVadis**

**05 United Nations Global Compact**

**05 An integrated sustainable development approach**

**06 Our areas of intervention**

08 ▶ Responsible sourcing and circular economy

10 ▶ Environmental protection

13 ▶ Ethics and integrity

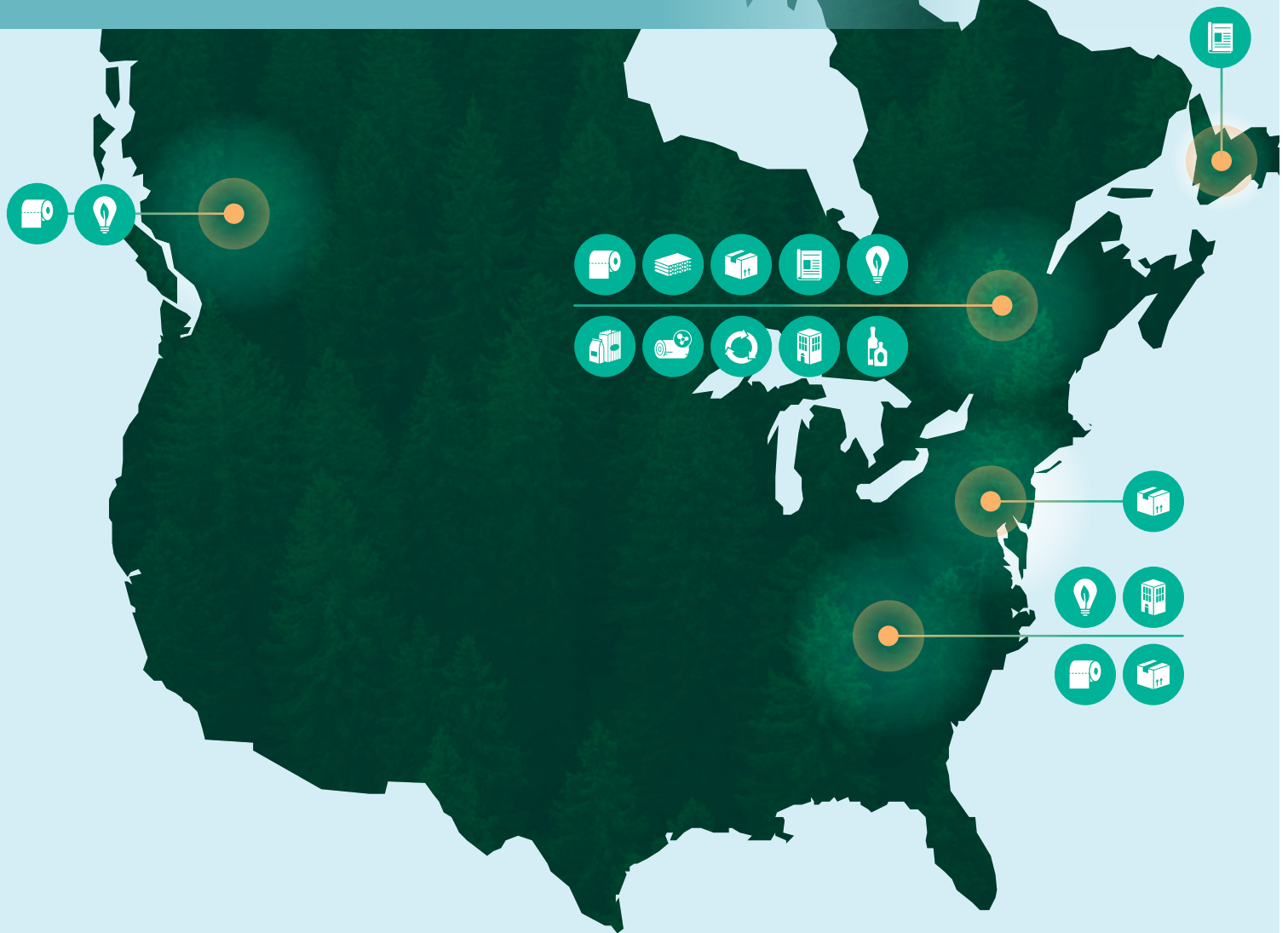
14 ▶ Employee well-being and community involvement

14 • Health, safety, and well-being

15 • COVID 19: Kruger employees come together

16 • Community involvement

# Kruger in North America



## 10 innovative activity sectors



**Tissue Products**



**Containerboard**



**Packaging**



**Publication Papers**



**Energy**



**Specialty Papers**



**Biomaterials**



**Recycling**



**Real Estate**



**Wines & Spirits**

# Doing more for people and the planet

Our drive to innovate and transform the world is reflected daily through our:

10

activity  
sectors

5 000+

employees

117+  
years  
of history

20

manufacturing  
and production  
operations

42

renewable energy  
power plants

# EcoVadis: Kruger Achieves Gold Level Rating

In 2021, after earning a Silver rating three years in a row, Kruger achieved the EcoVadis Gold level rating in recognition of its sustainability efforts.

Kruger earned a 90% environment score – up from 70% in the previous year – by greatly improving its sustainability performance and considerably reducing its environmental footprint.

EcoVadis is among the world's most trusted providers of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains.

The EcoVadis rating is based on criteria assessing organizations' engagement and performance in four areas: environment, labour & human rights, ethics and sustainable procurement.



This ranking puts Kruger in the top 5% of the global industry in terms of our corporate social responsibility (CSR), compared to more than 75,000 companies in over 200 industry sectors worldwide.



# United Nations Global Compact

By joining the Global Compact Network Canada in 2021, Kruger strengthened its commitment to incorporate the United Nations Sustainable Development Goals (UN SDGs) into its actions. Developed as part of the 2030 Agenda for Sustainable Development and adopted by all United Nations Member States in 2015, the UN SDGs provide a blueprint for peace and prosperity for people and the planet, now and into the future.

As a member of the Global Compact, Kruger recognizes its corporate social responsibility and commits to align its operations and strategies with principles in the areas of human rights, labour, anti-corruption, and the environment.



**United Nations**  
Global Compact

## An integrated sustainable development approach

**Our decision-making processes take into account the impact of our actions on the environment, the viability of our operations, and the well-being of the communities where we operate.**

Our integrated sustainable development approach is based on three principles: **respect**, **responsibility** and **resilience**.



# Our areas of intervention

Our approach is built around **4 areas of intervention** that support some **UN Sustainable Development Goals**.

# 1

## RESPONSIBLE SOURCING AND CIRCULAR ECONOMY

Purchase environmental and community-friendly resources.



# 2

## ENVIRONMENTAL PROTECTION

Use resources effectively, responsibly manage waste from our operations, and help mitigate climate change.





# 3

## ETHICS AND INTEGRITY

Ensure the highest standards of integrity and fairness.



# 4

## EMPLOYEE WELL-BEING AND COMMUNITY INVOLVEMENT

Provide our employees with the safest and best work environment and engage with the communities where we operate.



# Responsible sourcing and circular economy

**Purchase environmental and community-friendly resources.**

## Circular economy

The concept of a circular economy is an integral part of our business strategy because it enables us to use resources efficiently and to eliminate waste at each stage of our products' life cycle.

In addition, the Company markets more than 56 ECOLOGO®-certified, reduced environmental impact products primarily in its bathroom tissue, facial tissue, towel, and table napkin lines.

**More than 1,250,000 tonnes of recycled material are used to manufacture our products and for energy recovery:**

- ▶ **More than 750,000 tonnes of recycled fibre, making Kruger one of the country's largest fibre recyclers**

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- ▶ **250,000 tonnes of wood**

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- ▶ **250,000 tonnes of biomass**

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- ▶ **More than 90% of paper sludge generated has been re-used and diverted from a landfill site**



La marque de la  
gestion forestière  
responsable



SUSTAINABLE  
FORESTRY  
INITIATIVE™

## Responsible fibre

We at Kruger know it is important to use forest resources responsibly. That is why all of our manufacturing facilities have a tracking system certified to FSC®1, SFI®2 or PEFC®3 standards. These standards enable us to attest that virgin fibre is sourced from well-managed, certified forests. The same is true for controlled or recovered sources.

Our Fibre Procurement Policy is available on our website at <https://www.kruger.com/corporate-responsibility/environmental-stewardship/>.



# Environmental protection

**Use resources effectively, responsibly manage waste from our operations, and help mitigate climate change.**

The efficient use of resources mainly targets our water, fibre, and energy consumption through innovative technologies and processes. In addition, we work to maximize the beneficial use of papermill biosolids.



**Energy  
consumption**

**↓ 30%**

**Reduced our GHG emissions  
by 30% since 2018:**

- Equivalent to more than 122,190 tonnes of CO<sub>2</sub>, while increasing production by 15%.
- Our energy consumption has fallen by 15%.



**Water  
consumption**

**↓ 14%**

**Reduced our water  
consumption by 14%  
since 2018:**

- Equivalent to more than 3 Olympic-size swimming pools.



A photograph of two large white wind turbines standing on a rolling green hill under a blue sky with scattered white clouds. The turbines are positioned on the left and right sides of the frame, with the hill's ridges leading towards them.

**Annual energy  
production**

**2,295**  
**GWH**

### **Renewable energy**

Our vision of a low-carbon future is mainly achieved through our *Kruger Energy* subsidiary, which is exclusively devoted to such renewable energies as hydroelectricity, wind energy, and solar energy, as well as to energy storage.

# Environmental protection *(cont'd)*

## INSTALLED CAPACITY IN 2021



HYDRO

197 MW

WIND

324 MW

COGENERATION

41 MW

SOLAR

2 MW

TOTAL

564 MW

## ELECTRIC TRUCK PURCHASE



In 2021, Kruger Energy purchased its very first Class 8 electric trucks that will be among the first all-electric heavy vehicles to hit the road in Canada! They will be hauling merchandise between our different sites in Québec, 24/7.

STORAGE CAPACITY

3.3 MW

## CLIMATE CHANGE MITIGATION

Our climate change mitigation efforts focus on improving energy efficiency, deploying greenhouse gas (GHG) mitigation technologies, and using renewable energy.

Since 2017, we have completed projects worth more than \$75 million.

# Ethics and integrity

We believe that acting ethically and with integrity guarantees business longevity. Kruger is committed to diversity, fairness, and inclusion in the workplace, to employee health and safety, and to reducing the environmental impact of its operations. We also ensure compliance with the applicable laws and regulations wherever we operate; this is reflected in the various policies we implement.

## OUR CORPORATE POLICIES

- ✓ **Code of Ethics**
- ✓ **Supplier Code of Conduct**
- ✓ **Environmental Health and Safety Standards**
- ✓ **Environmental Policy**
- ✓ **Fibre Procurement Policy**
- ✓ **Policy to Promote Harmonious Relations with First Nations**

## RECENT GOVERNANCE ADVANCEMENTS:

- Our Code of Ethics, updated in 2021, includes the deployment of a virtual training program for employees.
- Assess the sustainability performance of our largest suppliers through the EcoVadis platform.
- Implement an environmental, health, and safety qualification process that all contractors must undergo before entering our sites.

# Employee well-being and community involvement

**Provide our employees with the safest and best work environment and engage with the communities where we operate.**

## Health, safety, and well-being

Our commitment to health and safety is fundamental to how we do business at Kruger. Our number one objective is employee, subcontractor, and community safety and well-being.



**SAFETY FOR EVERYONE,  
BY EVERYONE,  
IN EVERYTHING  
WE DO**

### WE COMMIT TO:

- Lead by example and have clearly defined roles, responsibilities, and expectations for everyone;
- Allocate the necessary resources to minimize risks in the workplace;
- Identify hazards, evaluate risks, and put in place adequate layers of protection by using a hierarchy of controls;
- Empower our people to ensure they participate in the identification and implementation of preventive and corrective measures and actions;
- Emphasize vigilance and intervention to look out for one another and encourage safe behaviour;
- Improve management practices, set meaningful and achievable targets, communicate expectations, measure progress, and continuously improve.



## COVID-19: Kruger employees come together

In the midst of the pandemic, there were many acts of generosity within the Company for those in need, for community organizations, and for front-line workers. This commitment demonstrates the resilience of our teams and the strength of family values that drive Kruger.



### Mobile vaccination clinic

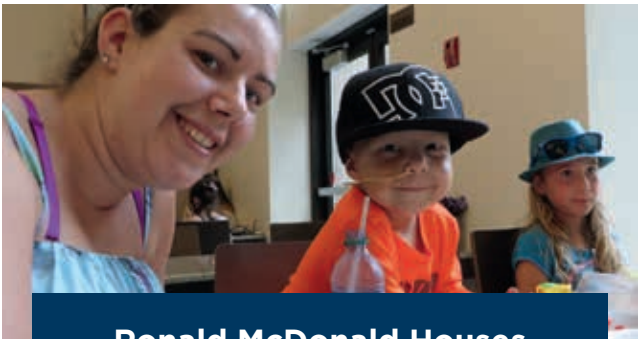
Kruger teamed up with the Integrated University Health and Social Services Centre for the Mauricie and Centre-du-Québec regions (CIUSSS MCQ) and the University of Québec in Trois-Rivières (UQTR) to dedicate the **very first mobile vaccination clinic** to hit the road in Québec. The initiative provided more than 7,950 vaccine doses.

Thanks to our national  
**#RollingItForward**  
initiative, we made significant  
tissue product donations and  
financial contributions to local  
food banks and hospitals  
in major metropolitan areas.

# Community involvement

Community involvement has always been in our DNA. It's why we support numerous health, environmental protection, education, scientific research, family, and amateur sports organizations.

HERE ARE SOME OF THE CAUSES WE HAVE PROUDLY SUPPORTED FOR MANY YEARS:



Ronald McDonald Houses



Crohn's and Colitis Canada



Scotties Tournament of Hearts



Earth Day Canada



Log-A-Load for Kids Canada



Vents d'espoir



**Canadian Cancer Society**



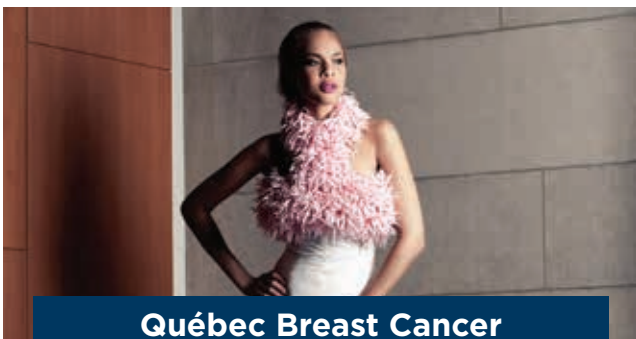
**Nature Conservancy of Canada**



**The Kruger Big Assist**



**Friends of We Care**



**Québec Breast Cancer Foundation**



**Various scholarships**





**KRUGER.COM**



The mark of  
responsible forestry



**100 % POST-  
CONSUMPTION**