

SUSTAINABILITY IN FOCUS

2024 SUSTAINABILITY REPORT

A SOLID FOUNDATION



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HONOURING OUR LEGACY

A Word from our Chief Operating Officer



Eric Ashby
Executive Vice President
and Chief Operating Officer

At Kruger, we are proud of our enduring legacy of sustainability, which has been at the heart of our vision and operations for decades. Our unwavering commitment has guided us to consistently set ambitious goals and make meaningful contributions to a better future.

Today, we are taking this legacy further by looking through the lens of sustainable prosperity. This broader approach reflects our belief that true success lies in fostering harmonious relationships between economic growth, environmental health, and social equity so that all stakeholders can continue to thrive.

Sustainable prosperity requires us to act on all fronts, from fighting climate change and protecting our resources to investing in greener technologies, improving energy efficiency, cultivating a healthy work environment, supporting education, investing in research, and partnering with our communities and Indigenous Peoples to drive positive outcomes for all.

In this 2024 Sustainability Report, we are proud to present some of our recent achievements in all these areas. It provides insight into each of our activity sectors and their contributions to our collective progress, highlighting our efforts to reduce our carbon footprint throughout our entire value chain.

While we take pride in the achievements highlighted in this Report, we recognize that there is still much to be done. Going forward, with the steadfast support of our Board, leadership team, and employees, we will continue to forge a path forward.

A handwritten signature in dark ink, appearing to read "Eric Ashby", written in a cursive style.

OUR COMPANY

Founded in Montréal in 1904, Kruger is a fourth-generation family-owned Canadian company that operates 19 manufacturing sites across Canada and the United States. Our activity sectors include tissue products, eco-friendly containerboard and packaging products, pulp, publication and specialty papers, recycling, and renewable energy. Kruger is one of the leading paper and cardboard recyclers in North America.

Sustainability Pioneers

Even before sustainability emerged as a global trend, its principles were an integral part of our mission to transform renewable resources into environmentally friendly everyday essentials. And over the decades, we mastered the art of doing more with less, which has helped to reduce our environmental impact and positioned us as leaders in the circular economy.

Today, Kruger's performance extends well beyond profits and productivity. We are more than ever focused on health and safety and energy efficiency, as well as on reducing greenhouse gas (GHG) emissions, creating stable jobs, and generating economic and societal prosperity for our regions and communities.

As we advance into a future where every one of our actions will consider the triple bottom line of people, planet, and profit, we are adopting a broader mindset that aims to maximize corporate value creation for the benefit of all: sustainable prosperity. We are doing so by leveraging Kruger's green circular value chain in more innovative ways that will continue to strengthen our business.

Diversity, Our Greatest Strength

Kruger happens to be one of the most diversified privately-owned manufacturing companies in North America. Our 6,000 employees carry out our mission within five activity sectors and across 19 production facilities and 47 renewable energy power plants.

Over time, our business units evolved into an integrated ecosystem that maximizes synergies and optimizes resource management wherever possible, which enhances operational efficiency.

Guided by a Strong, Independent Board of Directors

We believe that long-term vision requires not only entrepreneurial courage and the instinctive drive to seize opportunities, but also robust corporate governance. Guided by a strong, independent board of directors and a highly experienced management team, Kruger embraces the following guiding principles throughout all areas of our operations:

- Safety, environmental stewardship, and community relations
- Empowerment and responsibility
- Business judgment
- Operational excellence across our value chain
- Customer focus

We are committed to continuously refining these principles to ensure that our governance not only upholds business ethics but also aligns with future priorities and possibilities. More than an ethical imperative, sustainability is also a significant business opportunity for an organization like ours.

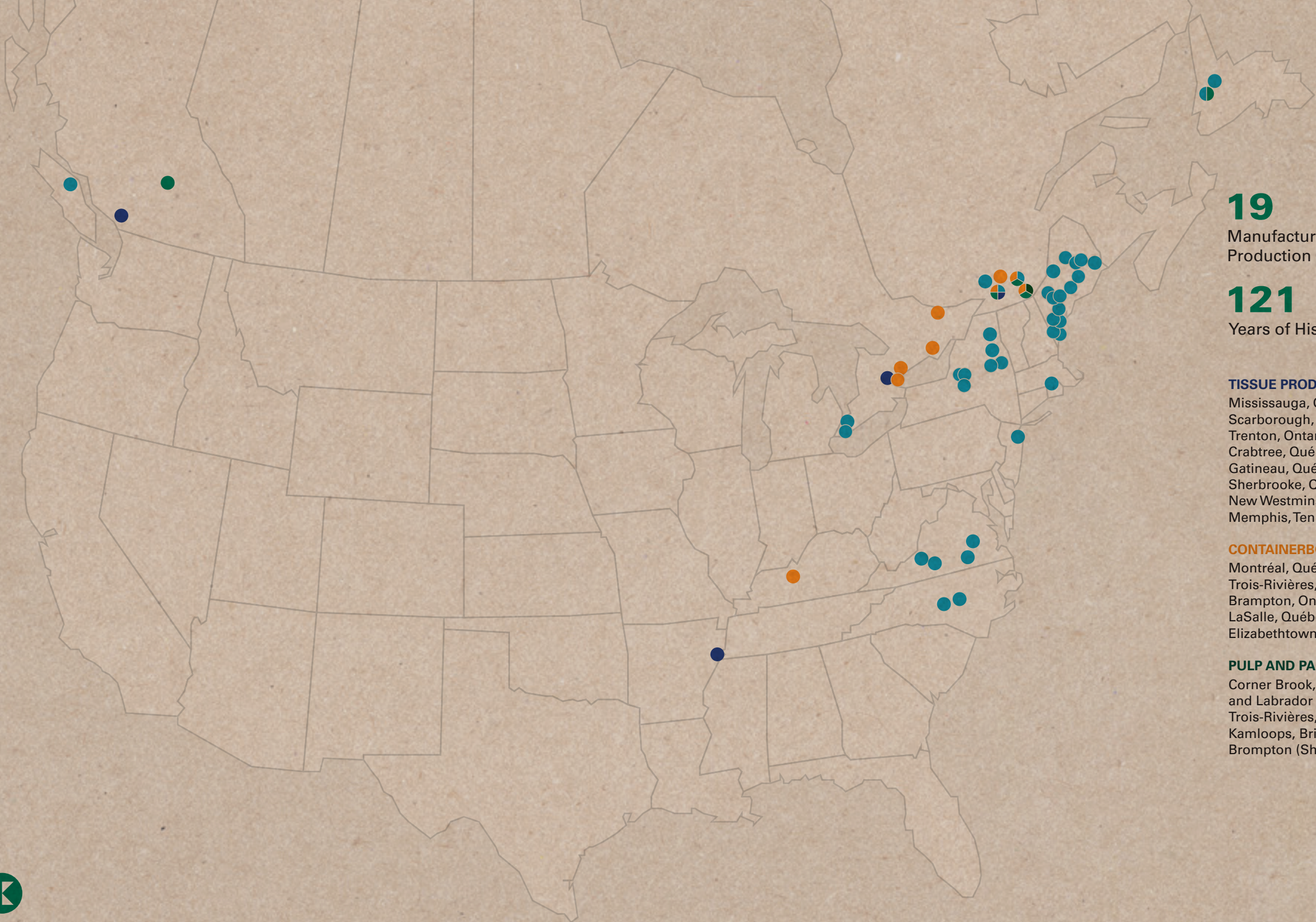
Our People: A Powerful Driving Force

As early as 1961, Kruger was one of the first companies in North America to manufacture 100%-recycled cardboard. Inspired by this legacy and driven by our collective mission to transform renewable resources into sustainable everyday essentials, our 6,000 employees are the ones who bring our green value chain to life every day, using the lens of sustainability to expand it transversally and vertically across our business sectors.

On our path to sustainable prosperity, our employees are a powerful driving force. They are the ones who enable us to achieve our goals. Therefore, it is crucial to empower them with the technology, knowledge, and resources they need to excel and contribute meaningfully to our mission.

In recent years, leveraging the knowledge and expertise of our people, we have refined our corporate structure to make our business more efficient and increasingly responsive to our customers' needs. As part of this process, we have established shared services to optimize resources in such areas as Sales, Customer Service, Human Resources, Logistics, Supply Management, Finance, Legal Services, and Information Technology.





19
Manufacturing and
Production Operations

121
Years of History

TISSUE PRODUCTS
Mississauga, Ontario
Scarborough, Ontario
Trenton, Ontario
Crabtree, Québec
Gatineau, Québec (2 plants)
Sherbrooke, Québec (3 plants)
New Westminster, British Columbia
Memphis, Tennessee

CONTAINERBOARD AND PACKAGING
Montréal, Québec
Trois-Rivières, Québec
Brampton, Ontario
LaSalle, Québec
Elizabethtown, Kentucky

PULP AND PAPER
Corner Brook, Newfoundland
and Labrador
Trois-Rivières, Québec
Kamloops, British Columbia
Brompton (Sherbrooke), Québec

6,000
Employees

47
Renewable Energy
Power Plants

ENERGY
Wind
Chatham-Kent, Ontario (2 wind farms)
Montréal, Québec (2 wind farms)

Hydroelectricity
Brompton (Sherbrooke), Québec
Deer Lake, Newfoundland and Labrador
Zeballos, British Columbia
State of Maine (15 power plants)
State of New York (7 power plants)
State of Rhode Island
State of Virginia (4 power plants)

Biomass cogeneration
Brompton (Sherbrooke), Québec
Corner Brook, Newfoundland
and Labrador

Solar
North Carolina
Zacapa, Guatemala (not shown on map)

RECYCLING
Montréal, Québec
Sherbrooke, Québec
Trois-Rivières, Québec



SUSTAINABLE PROSPERITY: OUR PATH TO A BRIGHTER FUTURE



OPERATING THROUGH THE LENS OF SUSTAINABILITY

Over the years, as Kruger embraced the principles of sustainable prosperity, we have come to view sustainability as a lens that sharpens our focus on key aspects of our business where we can generate the most significant impact.

This lens symbolizes our vision of operating within an integrated and interconnected framework that maximizes prosperity and well-being for all our stakeholders, including our employees, our customers and business partners, our communities, the regions where we operate, and our ecosystems.

At Kruger, this holistic concept is anchored in the circular economy, compelling us to optimize resources at every stage of our products’ life cycle. More importantly, it requires us to measure our success beyond productivity and financial performance by focusing on the creation of long-term collective value.

A CIRCULAR ECONOMY MODEL

Our goal is to give materials a second life, while contributing to the local economy:

- We collect paper, cardboard, and wood from local manufacturers.
- We recycle them in our plants.
- We transform the material into high-quality packaging and household paper products.
- Waste from our paper and tissue plants is recycled and repurposed for various applications such as biomass cogeneration and soil conditioning in agriculture.



PULP & PAPER

TISSUE PRODUCTS

PACKAGING

RECYCLING

ENERGY



KRUGER RECYCLING

The Largest Recycler of Paper and Cardboard in Canada

With recyclability at the very core of our mission, our Recycling group naturally became a centerpiece of our business. It interacts extensively with our other business units, playing a key role in sourcing recycled materials for our manufacturing facilities. Kruger Recycling supplies not only fibres for the manufacture of tissue, paper, and packaging products, but also various materials that are recovered for energy production.

Key Positive Impacts

- 972,877 metric tonnes of materials were diverted from landfill in 2024.
- Kruger Recycling is implementing a sequencing and optimization module to improve route efficiency. This initiative aims to include additional customers on each route, thereby reducing costs, increasing the volume of materials collected, and minimizing the environmental impact by reducing the distance travelled.

Our Sites

- Montréal Recovery Centres (2), Québec
- Sherbrooke Dry Materials Recovery Centre, Québec
- Trois-Rivières Recovery Centre, Québec
- Several Storage Sites in Québec

“Kruger Recycling has been instrumental in shaping Kruger’s leadership in the circular economy. Over the years, our team has cultivated unparalleled expertise, helping to drive innovation and to create lasting value for our planet and stakeholders.”



Erin Geldard

Senior Vice President
Corporate Services
Kruger Inc.



KRUGER PACKAGING

North American Pioneers in Eco-Friendly Packaging Products

Kruger Packaging was among the first to manufacture 100%-recycled linerboard as early as 1961. Over the years, it has set ambitious goals to reduce its carbon footprint and help its customers reach their own sustainability targets. Leveraging cutting-edge technologies, we manufacture ultra-light products using less fiber and energy, delivering optimal performance while minimizing environmental impact. These innovations not only enhance product efficiency but also contribute to a more sustainable future.

Key Positive Impacts

- In 2024, our packaging plants made over 4,22 billion square feet of eco-friendly corrugated packaging, which is comparable to the size of nearly 73,000 football fields.
- A true pioneer in the manufacture of eco-friendly packaging products in North America, Kruger was the first to introduce 100%-recycled saturating kraft board to be used in high-pressure laminate applications.

Our Sites

- Brampton Packaging Plant, Ontario
- Elizabethtown Packaging Plant, Kentucky
- LaSalle Packaging Plant, Montréal, Québec
- PlaceTurcot Containerboard Mill, Montréal, Québec
- Trois-Rivières Linerboard Mill, Québec

“At Kruger Packaging, we are addressing every aspect of our operations to minimize our carbon footprint. We strive not only to achieve our own sustainability goals but also to support our customers in meeting their targets.”



Michael Lafave
Senior Vice President
and Chief Operating Officer
Kruger Packaging



“Consistent with our mission of making everyday life more comfortable, we have embedded sustainability in every one of our decisions and actions. As Canada’s leading tissue company, our goal is not only to provide high-quality products, but also to contribute to the well-being of our employees, our communities, and our planet.”



Dino Bianco
Chief Executive Officer
Kruger Products

KRUGER PRODUCTS

Canada’s Leading Manufacturer of Tissue Products

Our tissue subsidiary is dedicated to making everyday life more comfortable for consumers and businesses. In addition to delivering exceptional products and remarkable brands, Kruger Products has received countless accolades as a sustainability leader. And year after year, it has been recognized as one of Canada’s top employers focused on employee well-being and development, as well as a dedicated corporate citizen that promotes sustainable innovation to benefit both people and the planet.

Key Positive Impacts

- Launched in 2022, our Bonterra® brand of responsibly sourced tissue products has helped to remove 210,000 pounds of plastic from our oceans and to plant more than 100,000 trees through its partnerships with 4ocean and OneTree Planted.
- In 2024, our New Westminster, B.C., plant upgraded its aging hoods and ducts, which is expected to reduce its GHG emissions by nearly 2,400 MT per year.

Our Sites

- Head Office, Mississauga, Ontario
- Crabtree tissue papermaking and converting plant, Québec
- Gatineau tissue papermaking and converting plants (2), Québec
- Lennoxville tissue papermaking plant, Sherbrooke, Québec
- Memphis tissue papermaking and converting plant, Tennessee
- New Westminster tissue papermaking and converting plant, British Columbia
- Scarborough tissue papermaking and converting plant, Toronto, Ontario
- Sherbrooke tissue papermaking and converting plants (2), Québec
- Trenton tissue converting plant, Ontario



KRUGER ENERGY

Powering our World with Renewable Resources

Leading the charge in the energy transition, Kruger Energy is committed exclusively to renewable energy sources, including hydroelectricity, wind, solar energy, and biomass cogeneration. It is also involved in energy storage and electric transportation. Founded in 2004, Kruger Energy has spent two decades developing and expanding Kruger’s power plant portfolio which currently comprises 47 facilities across Canada, the United States, and Latin America.

Key Positive Impacts

- Kruger’s power plants have a combined installed capacity of 650 MW.
- Our power plants generated 1,416,908 MWh in 2023, which is equivalent to the energy consumed by approximately 130,000 Canadian households.

Our Sites

WIND

Chatham-Kent, Ontario (2 wind farms)
Montréal, Québec (2 wind farms)

BIOMASS COGENERATION

Brompton (Sherbrooke), Québec
Corner Brook, Newfoundland and Labrador

SOLAR

North Carolina
Zacapa, Guatemala

HYDROELECTRICITY

Brompton (Sherbrooke), Québec
Deer Lake, Newfoundland and Labrador
State of Maine (15 power plants)
State of New York (7 power plants)
State of Rhode Island
State of Virginia (4 power plants)
Zeballos Lake, British Columbia

“Our projects deliver long-term value for communities and ecosystems while powering a greener, more resilient future for all. We are proud to drive the transition to clean energy.”



Jean Roy
Senior Vice President
and Chief Operating Officer
Kruger Energy



“In an industry deeply rooted in tradition, Kruger has consistently embraced innovation to redefine standards. Guided by a commitment to sustainability, we have pioneered thoughtful practices and advanced technologies to create paper that respects both the planet and its resources.”



Roman Gallo
Senior Vice President
and Chief Operating Officer
Kruger Pulp & Paper

KRUGER PULP & PAPER

Responsibly Sourced and Sustainably Crafted Pulp and Paper Products

With decades of experience and innovation in pulp, newsprint, coated paper, and specialty paper manufacturing, Kruger is at the forefront of developing next-generation products that contribute to a more sustainable future. The Company manufactures its products in Canada and our facilities are certified to the highest standards of environmental protection and social responsibility as part of our commitment to protecting our forests, biodiversity, wildlife, and resources.

Key Positive Impacts

- Kruger will be the first in the world to test an innovative carbon capture technology that will enable its Wayagamack Mill to capture up to 5 tonnes per day of high-quality CO₂ that can be reused in the papermaking process. In addition to reducing the Plant’s carbon emissions by approximately 5%, the pilot project will pave the way for future scaling to other Kruger facilities.
- The Corner Brook Mill’s Woodlands Operations plant 2.1 million trees annually as part of their commitment to sustainable forest management practices.

Our Sites

- Corner Brook Newsprint Mill, Newfoundland and Labrador
- Kamloops Pulp Mill, British Columbia
- Wayagamack Publication and Specialty Paper Mill, Trois-Rivières, Québec





AN ONGOING LEGACY OF SUSTAINABLE POLICY COMMITMENT

Being an intricate ecosystem of businesses and stakeholders, Kruger understands the importance of nurturing every aspect of its environment. That’s why our Environmental Policy encompasses the protection of all types of wildlife, including plants, forests, lakes, animals and their habitats, as well as the vital connections between them, to sustain the natural ecosystems that our health and wellness depend on.

Kruger’s Environmental Policy outlines specific actions that every employee must take to help us realize our potential. Living up to our commitments requires rigorous daily application of procedures, protocols, performance indicators, and disclosure. To facilitate this, we have adopted a wide range of operational initiatives and integrated standards. For example, several of our facilities have achieved ISO 14001 certification for their environmental management systems, while others have also achieved ISO 50001 certification for their energy management systems, including the Gatineau tissue manufacturing and converting facilities, in 2019, the Crabtree and New Westminster tissue mills, in 2023, and the Sherbrooke tissue manufacturing and converting facilities, in 2024.

Our aim is to achieve certifications for all remaining sites in the future, providing the necessary training and support for our employees to help us succeed.

Aligning With the United Nations Global Compact

Under the leadership of Joseph Kruger II, our Chairman and Chief Executive Officer, Kruger joined the United Nations Global Compact (UNGC) in 2021. By aligning with the UNGC’s principles on human rights, labour, environment, and anti-corruption, we are actively advancing the Sustainable Development Goals (SDGs) in areas that are relevant to our activity sectors. Our membership reinforces our commitment to creating a positive impact through our operations and products.



UN GLOBAL COMPACT SUSTAINABLE DEVELOPMENT GOALS (SDGS)	COMMITMENTS AND PROGRESS	PAGES
PLANET AND CLIMATE FOCUSED <div><div>13CLIMATE ACTION</div><div>15LIFE ON LAND</div><div>6CLEAN WATER AND SANITATION</div></div>	<p>Successfully implemented three flagship projects to enhance energy efficiency and significantly reduce greenhouse gas (GHG) emissions across its operations. These initiatives, deployed at the Sherbrooke, Place Turcot, and Crabtree sites, led to a combined 26,596-tonne annual reduction in CO₂e emissions.</p> <p>Improve water efficiency and consumption and manage wastewater effectively across our operations.</p> <p>Invest in protecting natural habitats by following the FSC®, SFI®, and PEFC standards and support local forest research initiatives.</p>	32-33, 69
PEOPLE FOCUSED <div><div>5GENDER EQUALITY</div><div>4QUALITY EDUCATION</div><div>8DECENT WORK AND ECONOMIC GROWTH</div></div>	<p>Ensure a healthy and safe work environment by dedicating resources to minimize workplace risks.</p> <p>Attract and retain talent by fostering a supportive work environment, offering career growth, ensuring fair labour practices, and providing competitive compensation.</p> <p>Place inclusion at the core of our values, ensuring that everyone who works at or joins our Company feels like a valued member of the Kruger family.</p> <p>Support education by providing scholarships for employees and their families, along with career development plans, internal learning platforms, and leadership training.</p>	50-59
COMMUNITY FOCUSED <div><div>10REDUCED INEQUALITIES</div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div></div>	<p>Support local initiatives, invest in community projects, and foster community engagement through initiatives like the “Kruger Big Assist” program, our financial support to the Québec Games Finals, and partnerships with Indigenous Peoples to provide education programs like Kahnawà:ke’s STEAM camp.</p> <p>Encourage our employees to participate in community initiatives and support local charities and organizations that they cherish.</p>	43, 46

NURTURING A FLOURISHING PLANET





FIGHTING CLIMATE CHANGE TO PRESERVE NATURAL HABITATS AND CREATE OPPORTUNITIES

The products we manufacture come from natural resources, which is why we strive to maintain a harmonious relationship with the environment across all our divisions. Not only do we respect this relationship, but we consider the forest and environment that provide these resources as essential stakeholders that we must protect and preserve in return.

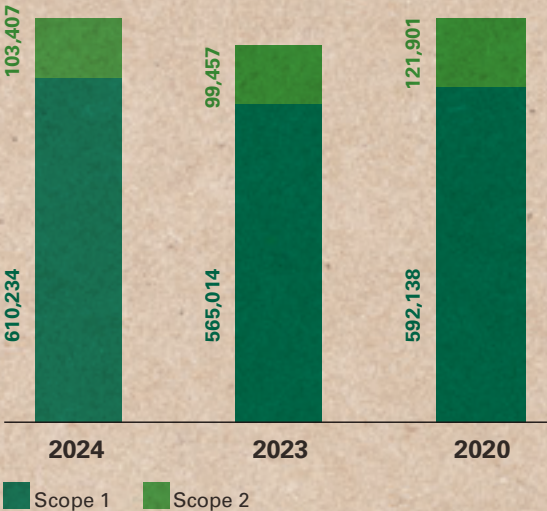
Each year, we work to improve our energy efficiency, to use a greater proportion of recycled materials in our manufacturing processes, to reduce our water consumption, to recover biosolids generated by paper production, and more.

Investments That Reflect Our Commitment

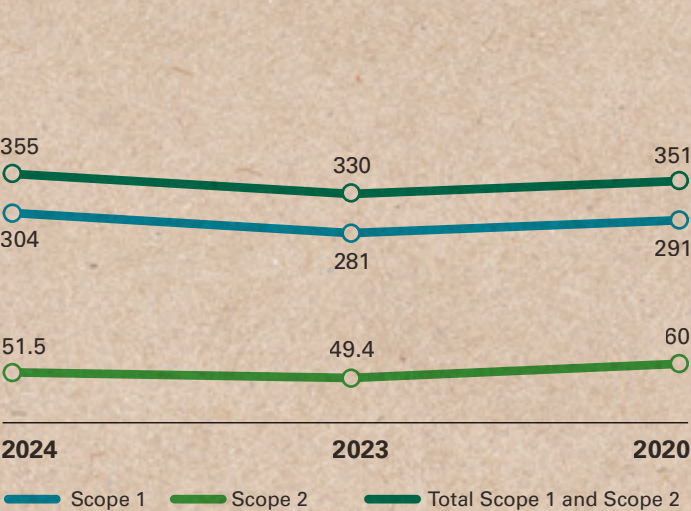
Since 2018, our business units have spent nearly \$63 million to carry out 44 climate-related projects. As a result of these projects, our operations lowered their overall greenhouse gas emissions by 76,000 MT.

Our Performance:

Absolute GHG Emissions (MT CO₂e)



Intensity-Based GHG Emissions (kg CO₂e/MDMT)



From 2020 to 2023, we achieved a significant reduction in our greenhouse gas (GHG) emissions, reflecting the success of our climate initiatives. Absolute GHG emissions declined consistently over this period, demonstrating our commitment to lowering our environmental impact. Similarly, intensity-based emissions showed a downward trend, decreasing from 351 to 330 kg CO₂e/MDMT—an overall reduction of 5.98%. This progress underscored Kruger’s dedication to reducing its carbon footprint through strategic investments and process optimizations, reinforcing our role as a leader in sustainable industrial practices.

The increase in GHG emissions in 2024 compared to 2023 was primarily driven by the Kamloops site. A key factor was the temporary measure of increasing natural gas usage to ensure the Power Boiler No. 3 ID Fan could operate safely until its replacement in December 2024. As a result, an additional 30,000 metric tonnes of CO₂e were emitted. Additionally, higher production levels undertaken to meet market demands during this period further contributed to the increase in emissions.



FLAGSHIP INITIATIVES DRIVING OUR CLIMATE ACTION

As part of our ongoing efforts to fight climate change, three of our projects stand out for their significant impact on energy efficiency and GHG emissions reduction. These initiatives led to a combined annual reduction of 26,596 tonnes of CO₂e, which represented 35% of the Company’s overall GHG emissions reduction. Kruger invested \$17.5 million in these three projects, underscoring our commitment to sustainability and operational efficiency. Below is a detailed overview of each initiative.

KEY PROJECT 1 Supplying Low-GHG Steam at the Sherbrooke Tissue Plant

To lower GHG emissions at Kruger Products’ Sherbrooke Plant, we invested \$8.1 million to implement a one-kilometre steam pipeline connecting the tissue manufacturing facility to Kruger’s nearby Brompton Cogeneration Plant.

Started in the last quarter of 2022, the project enabled the Sherbrooke Plant to replace natural gas-fired steam with low-GHG steam from biomass.

This transition resulted in a net GHG reduction of 14,738 tonnes of CO₂e per year, which represented 20% of the Sherbrooke Plant’s total emissions.

KEY PROJECT 2 Heat Recovery and Process Integration at the Place Turcot Containerboard Mill

To help decarbonize operations at its Place Turcot Containerboard Mill in Montréal, Kruger Packaging launched a two-phase project targeting natural gas consumption and GHG emissions. Starting in the third quarter of 2019, Phase One consisted in implementing a heat exchanger system at the thermal power plant to capture heat from boiler exhaust and redirect it back into the boilers to boost energy efficiency.

The following year, after conducting a process integration study to reorganize its energy flows, the Mill began Phase Two of the project which became fully operational in the fourth quarter of 2024. This phase included upgrading its control systems and installing additional heat exchangers to further reduce steam consumption.

Representing an investment of \$3.5 million, the project led the Place Turcot Mill to lower its GHG emissions by 5,680 tonnes of CO₂e annually, which represents a 14% decrease.

KEY PROJECT 3 Hot Gas Recovery and Paper Machine Hood Upgrades at the Crabtree Tissue Plant

To enhance energy efficiency and reduce GHG emissions, Kruger Products’ Crabtree Tissue Plant implemented upgrades in two phases, starting in the fourth quarter of 2019. Phase One, which started in the first quarter of 2019, consisted in the installation of a heat recovery system to capture heat from the exhaust gases of the tissue machine’s drying hood (Yankee hood). By being reintegrated into the paper machine’s process, the recovered heat reduces the need for additional energy.

Completed in the first quarter of 2022, Phase Two involved upgrades to the drying hood fan controls, which significantly reduced power consumption.

As a result of this project, the Crabtree Plant’s electricity consumption was reduced by 2,800,000 kWh per year.

Representing investments of \$5.8 million, these improvements led to a reduction of 6,178 tonnes of CO₂e annually, which is an 11% decrease in GHG emissions for Kruger Products Crabtree.





COORDINATING OUR EFFORTS TO ACCELERATE DECARBONIZATION

As a multifaceted organization, Kruger navigates the complex challenge of aligning distinct activity sectors under a unified decarbonization strategy. In doing so, we must take into consideration that our business units face different dynamics in their respective industries, and that they are at different stages in their sustainability journeys. For example, Kruger Packaging has set an ambitious goal to reduce its GHG emissions by 60% by 2030 from a 2020 baseline, while Kruger Products aims to lower its carbon emissions by 30% over these next five years from a 2015 baseline.

In 2025, Kruger is committed to setting a Company-wide target for GHG emissions reduction. This shared target will provide a clear and unified direction across all business units, ensuring alignment with our long-term sustainability approach.

KEY INITIATIVE AT KRUGER PACKAGING **Fostering a Culture Centred on Sustainability**

At Kruger Packaging, we are committed to providing sustainable solutions for life. To honour this commitment, we have pinpointed 36 ESG areas where we can have the most significant impact such as emissions, waste, ethics and accountability, community engagement, employee well-being, and more.

We have identified short-term priorities, like focusing on GHG reduction, water consumption, and diversity, equity, and inclusion (DEI). And for each priority, we have established a starting point and an objective, a policy or framework for action, on-the-ground initiatives, disclosure rules, and key performance indicators.

Our top priority and primary objective for 2030 is to reduce GHG emissions from the energy we produce and/or purchase by 60% compared to our 2020 levels. Every team and facility will undertake projects aimed at reducing GHG emissions.

From our engineers to our accountants, maintenance staff, and managers, everyone has a role to play in reaching this critical goal but also in fostering a culture centred on sustainability.

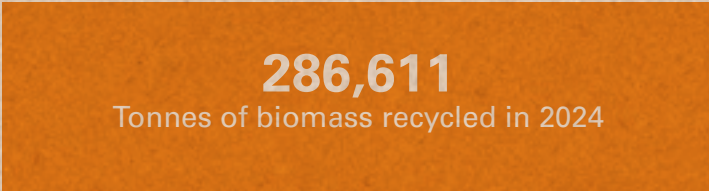
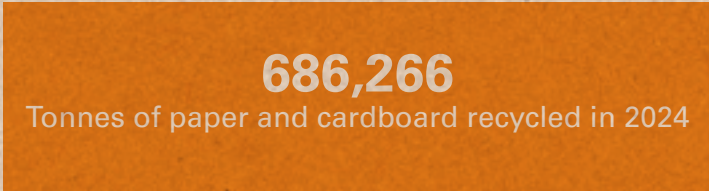
CIRCULAR ECONOMY: ADVANCING SUSTAINABILITY THROUGH RECYCLING AND RESOURCE RECOVERY

At Kruger, the principles of circular economy are embedded deeply within our operations, with a strong emphasis on recycling and sustainable resource management.

As the largest recycler of paper and cardboard in Canada, Kruger leads the way in diverting significant volumes of materials from landfill, helping to close the loop in the pulp and paper industry.

- Through our Recycling group, 686,266 tonnes of paper and cardboard were diverted from landfill in 2024. These fibres were supplied to three Kruger facilities to make new products, namely the Trois-Rivières Linerboard Mill, the Place Turcot Containerboard Mill (100% of its fibre supply), and the Crabtree Tissue Mill. Of this volume, 14% was fully integrated through Kruger Recycling’s collection routes.
- Additionally, 286,611 tonnes of biomass were diverted from landfill and supplied to the Trois-Rivières Linerboard Mill, the Wayagamack Paper Mill, and the Brompton Cogeneration Plant for energy recovery. Twenty-three percent (23%) of this biomass was fully integrated into Kruger Recycling’s activities, from our sorting centers.

Whether it is to make new products or to generate energy, our recycling and recovery efforts play a crucial role in reducing waste and promoting sustainable resource use across our supply chain. By continuously enhancing our recycling processes and embedding circular economy principles, Kruger remains at the forefront of sustainable industry practices, driving long-term value for both the Company and the planet.





PRIORITIZING OUR PLANET TOGETHER

In support of our Company-wide efforts to improve our environmental footprint, we believe in the importance of promoting sustainable practices through our stakeholders and partners. For example, Earth Day celebrations provide an opportunity each year to reaffirm our commitment to protecting our planet. That's why we encourage our facilities to organize Earth Day activities for employees. Also, we have sponsored the Urban Banquet in Montréal for the past seven years and counting, playing an active role on the Banquet's honorary committee. This annual event brings together professionals and leaders from various industries to support Earth Day Canada initiatives.

To amplify the impact of our commitment, we enable our employees to carve out time to get involved and support similar initiatives that make a difference for the planet.

What Positive Impacts Stand Out?

- We empower our people to act as ambassadors for the environment, thereby extending our reach through their efforts and contributions.
- We financially support like-minded organizations that fight climate change and promote sustainability.

How We Intend to Pursue Our Efforts

We plan to continue to inspire positive change within our people and our industry by leveling up our efforts year after year. We will do so by proactively seeking out new and emerging technologies to further improve our operations' environmental footprint, establishing even more ambitious targets for decarbonization and GHG emissions reduction. We will also strive to refine our measurement frameworks across our activity sectors to keep ourselves accountable and transparent.

A large group of people, mostly men and women, are posing for a group photo in a snowy, mountainous town. They are wearing winter clothing, including jackets, hats, and scarves. Many of them are wearing blue and white medals around their necks. The background shows snow-covered buildings, some with "SunLife" signs, and a clear sky. The overall atmosphere is festive and celebratory.

HELPING COMMUNITIES TO THRIVE



INVESTING IN COMMUNITY GROWTH, RESILIENCE, AND PROSPERITY

More than a business, we view ourselves as an integral part of the communities where we operate. After all, these are places where our employees live and raise their families. That’s why we partner with local stakeholders and organizations to foster growth, resilience, and shared prosperity for generations to come.

As part of our commitment to our communities, we prioritize areas that are consistent with our values, especially education and research, but also, youth sports, diversity and inclusion, and women’s health, to name just a few. Below are some examples of our recent and ongoing initiatives and their impact.

Some Highlights of 2024:

- Kruger was a Prestige Partner of the 58th Québec Games Finale in Sherbrooke, a community where Kruger Products has invested nearly \$1 billion over the past five years.
- We are Double Platinum Partners of the 59th Québec Games Finale to be held in the summer of 2025, in Trois-Rivières, a community that Kruger has called home for over 50 years.
- Our Tissue Products Division sponsored the 43rd edition of the Scotties Tournament of Hearts, maintaining Kruger Product’s record of the longest-running sponsorship of women’s amateur sport in Canada.
- We contributed over \$100,000 in scholarships through nine Canadian universities, supporting students in developing skills for the job market.

KEY INITIATIVE IN YOUTH SPORT – KRUGER PRODUCTS

The Kruger Big Assist Program

Since 2021, our Tissue Products Division has donated \$800,000 through the Kruger Big Assist (KBA) program to help Canadian minor hockey associations cover registration costs for hockey families in need of an office assist. In 2024, five regional associations each received \$25,000 through KBA for demonstrating how they’re giving more kids the chance to achieve their hockey dreams. In addition, one of the five associations was granted an additional sum of \$75,000 in recognition of its efforts to make the sport more inclusive. This ongoing program received a Canadian Grocer Community Service Impact Award in 2022 and 2023.

What Positive Impacts Stand Out?

- We are helping to make Canada’s national sport more accessible and inclusive
- Strengthening communities by creating opportunities for kids to participate in active lifestyles and learn new skills through sports

ONGOING SUPPORT IN EDUCATION

Each year, through various endowments, universities and schools across Canada award over \$100,000 in Kruger scholarships in such areas as business administration, science, engineering, pulp and paper technology, and environmental studies. This is one of the many ways in which Kruger promotes advances in scientific knowledge and research, as well as skills development in the regions where we have operations.

- University of British Columbia
- Simon Fraser University
- College of the North Atlantic
- Memorial University
- HEC Montréal
- Bishop's University
- Université de Sherbrooke
- Université Laval
- Université du Québec à Trois-Rivières



A Hub for Forestry and Wood Science Excellence

Dedicated in 2005, the Gene-H.-Kruger Pavilion at Université Laval plays a central role in training future experts in forestry and wood sciences. This building stands out for its modern architecture, the use of sustainable materials, and state-of-the-art equipment. Designed to foster collaboration among researchers, students, and industry professionals, the pavilion houses laboratories, classrooms, workspaces, and advanced research facilities. Moreover, the research conducted here often directly impacts sustainable resource management and the fight against climate change.



BUILDING STRATEGIC PARTNERSHIPS WITH INDIGENOUS PEOPLES

In light of our partnerships with Indigenous communities across Canada, we view business decisions as opportunities to align join forces to promote their prosperity, longevity, and growth. Our Harmonious Relations Policy with indigenous peoples has long guided this direction and we will continue to evolve our approach going forward.

KEY INITIATIVE IN EDUCATION AND YOUTH SUPPORT – KRUGER ENERGY

Sponsoring a STEAM Camp for Kids

Working closely with Indigenous partners to develop renewable energy projects, Kruger Energy makes it a priority to support programs and initiatives that have a positive impact in Indigenous communities. The Kruger Energy team is proud to sponsor a new STEAM camp program for kids in Kahnawà:ke. Organized by Tewatohnhi'saktha, the local Economic Development Commission, the camp encourages youth aged 12 and 13 to explore the fields of science, technology, engineering, arts, and mathematics through engaging activities and day trips. The first one-week camp was held in 2024, and the program will run at least until 2026.

What Positive Impacts Stand Out?

- We are partnering with Indigenous communities to enhance access to educational opportunities in highly sought-after STEAM fields.
- We are helping the next generation acquire the skills and knowledge that will contribute to a more sustainable future.

KEY INITIATIVES IN INDIGENOUS RELATIONS – KRUGER PULP & PAPER

Kamloops Pulp Mill Achieves PAIR Certification

Our Kamloops Pulp Mill is proud to have achieved bronze certification under the Partnerships Accreditation in Indigenous Relations (PAIR) program with the Canadian Council of Indigenous Business (CCIB). The PAIR program includes commitments to enhancing relationships with Indigenous Peoples through four key pillars: Leadership Action, Employment, Business Development, and Community.

Some of the highlights of our Kamloops Mill initiatives include:

- Sponsorship of the 2025 Kamloops National Aboriginal Hockey Championships: Supporting Indigenous youth in celebrating their cultural heritage while pursuing athletic achievements.
- Annual Indigenous Student Bursary with Thompson Rivers University: Creating opportunities for Indigenous students to access higher education and build promising futures.
- Wildfire Wood Fiber Salvage Program: A collaborative effort with Central Chilcotin Rehabilitation Ltd. (CCR), an Indigenous business that has received the FPAC and CCIB Indigenous Leadership Business Award. This initiative not only supports sustainable forest management but also drives economic empowerment in Indigenous communities.



**SHAPING A
BRIGHTER FUTURE
FOR OUR
EMPLOYEES**



Engaging our Employees to Drive Sustainable Prosperity

At Kruger, every investment we make aims to strengthen our business so that we can sustain existing jobs and, where possible, create new ones. We care about our people, and we consider our colleagues as an extended family.

This vision influences our commitment to health and safety, training and development, employee experience, career progression, and personal development. It also leads us to support our employees in areas of their lives that matter most to them, both individually and collectively.

From comprehensive benefits packages to our scholarship program dedicated exclusively to our employees’ children, we regularly assess and improve our value proposition to create an environment where our 6,000 employees, wherever they are in North America, can thrive at every stage of their professional lives.

EXCELLENCE IN HEALTH & SAFETY

We are committed to providing our employees with the safest possible work environment. We value health and safety throughout all our operations, fostering a culture that ensures our people can return home safely every single day.

Every year since 2009, we have held an annual Health & Safety Meeting, bringing together colleagues from all our facilities across North America to share knowledge and best practices, highlight achievements, discuss alignment, and set goals for the future. This annual event has played a key role in shaping our safety culture.

ENHANCING WORKPLACE SAFETY USING HUMAN PERFORMANCE

To keep improving our overall safety performance and create even safer work environments, Kruger is increasingly adopting the principles of Human Performance Improvement (HPI). This approach focuses on understanding and enhancing human behavior and system interactions to reduce errors and improve workplace safety.

Feedback and learning are central to HPI, ensuring that employees receive constructive input from leaders, peers, and subordinates, and learn from past mistakes to avoid future incidents.

By understanding the latent conditions that can trigger accidents and involving all employees in developing a robust safety-first culture, we aim to make our Company a place where everyone feels secure and valued.



CORNER BROOK



**250,000 HOURS WITHOUT
A RECORDABLE INJURY**
JUNE 2024

CRABTREE



**500,000 HOURS WITHOUT
A RECORDABLE INJURY**
APRIL 2024

DEER LAKE POWER



**8 YEARS WITHOUT
A RECORDABLE INJURY**
AUGUST 2024

KAMLOOPS



**500,000 HOURS WITHOUT
A RECORDABLE INJURY**
APRIL 2024

LASALLE



**250,000 HOURS WITHOUT
A RECORDABLE INJURY**
AUGUST 2024

SCARBOROUGH



**500,000 HOURS WITHOUT
A RECORDABLE INJURY**
MARCH 2024

SHERBROOKE



**1,000,000 HOURS WITHOUT
A RECORDABLE INJURY**
SEPTEMBER 2024

TROIS-RIVIÈRES

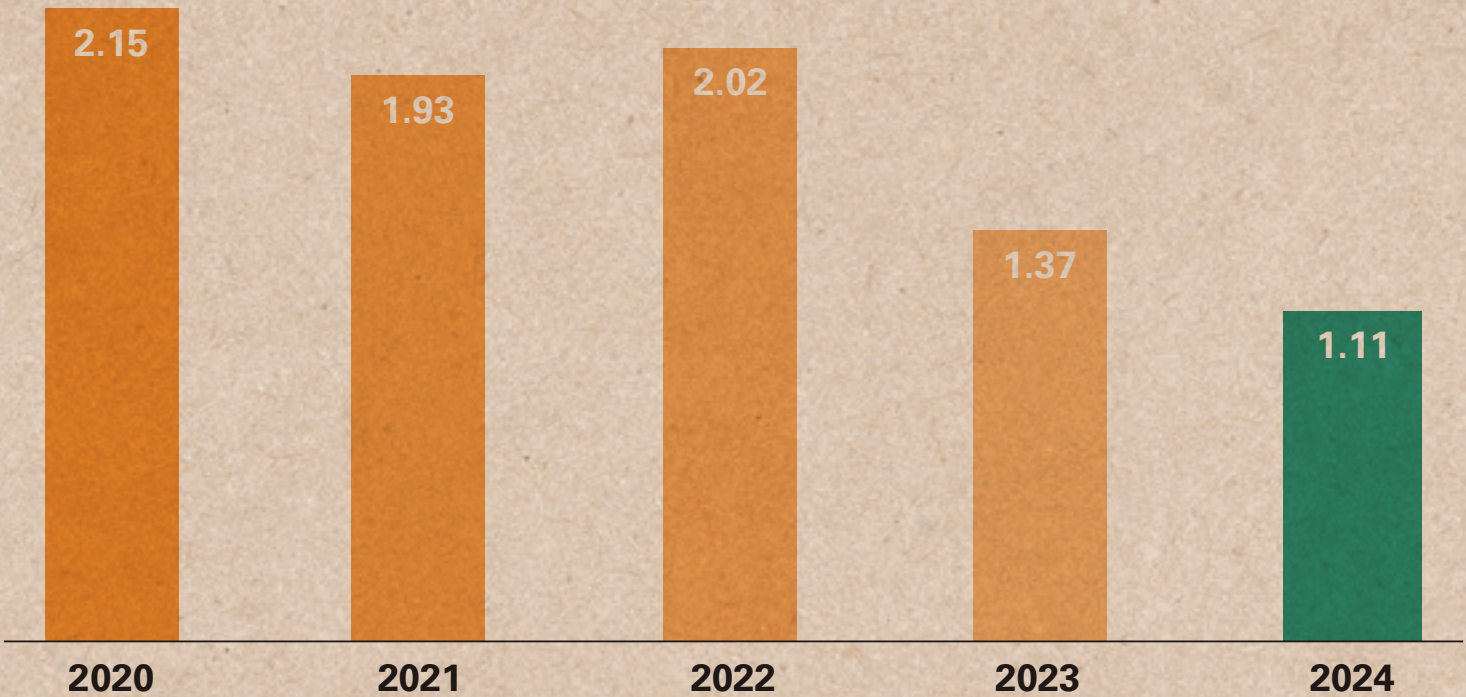


**250,000 HOURS WITHOUT
A RECORDABLE INJURY**
JULY 2024

Key Achievement in 2024

Kruger achieved an overall total incident rate (TIR) of 1.11, halving its TIR over the past five years. This success was driven by enhanced management oversight of health and safety at each manufacturing plant, the establishment of health and safety committees representing workers across all locations, comprehensive health and safety risk assessments at all sites, and active employee involvement in fostering a robust safety-first culture. We are dedicated to making every Kruger facility a workplace where our employees know their well-being is always our top priority.

Total Incident Rate (TIR)



KEY ACHIEVEMENT IN HEALTH AND SAFETY –
KRUGER PRODUCTS

Prioritizing Health and Safety Across Our Operations

Our unrelenting efforts to improve employee health and safety are exemplified by the remarkable achievements of our Tissue Products Division. In 2024, Kruger Products reached a record milestone of 0.82 OSHA total incident rate (TIR) against a target of 0.86. This represents an 80% improvement from their 2015 baseline.

Our Commitment to Health and Safety at Kruger:

- We lead by example and establish clearly defined roles, responsibilities, and expectations for all individuals.
- We implement relevant tools and processes to support compliance with regulations and obligations.
- We identify hazards, assess risks, and implement appropriate safeguards with a hierarchy of controls.
- We empower our employees to actively participate in identifying and implementing preventive and corrective measures.
- We allocate the necessary resources to minimize risks in the workplace.
- We emphasize vigilance and intervention to look out for each other while encouraging safe behaviors.
- We continuously improve our management practices, setting goals that are both relevant and achievable, communicating our expectations clearly, and measuring our progress.
- We create opportunities for our employees to participate in and be informed about our occupational health and safety discussions.



INVESTING IN OUR EMPLOYEES AND THEIR FAMILIES

Focusing on Education, Training, and Development

We believe that investing in employee training and development is key to our success and growth. Not only does it enhance skills and productivity, but it can boost employee morale and improve retention, as well as ensure that everyone’s efforts are aligned with our strategic goals.

In 2024, we gave our employees access to more than 9,000 different training modules through LinkedIn Learning. To help direct their focus on specific modules that are relevant to their individual needs and aspirations, we have developed different learning pathways in Litmos, our internal learning platform.

In addition, some of our facilities are now working with augmented reality and AI capabilities to tailor their training to specific jobs, making learning more engaging for employees and generating more positive outcomes and even improving workplace safety.

KEY INITIATIVE TO FOSTER EMPLOYEE WELL-BEING A Scholarship Program Dedicated to Our Employees’ Children

As part of our commitment to promoting the well-being of our employees, we also believe in helping their children achieve their own educational goals. For example, in 2024, we launched the Joseph Kruger II Scholarship Program to support our employees’ children in pursuing post-secondary education. Through this program, Kruger plans to award at least 40 \$5,000 scholarships per year to students enrolled in vocational schools, colleges, and universities. The first edition of the program was a resounding success, with 100 scholarships awarded for a total of \$500,000.



What Positive Impacts Stand Out?

- We are helping to develop the next generation of qualified candidates to continue to fuel innovation and growth, not only within Kruger, but across our communities in North America.
- We promote the well-being of our employees and their families and help them achieve personal, academic and professional goals.

Going forward, we will remain on the lookout for more opportunities to nurture every member of our extended Kruger family, including welcoming new graduates and encouraging our employees’ children to follow in their footsteps.



ACCELERATING DEI AND ENHANCING EMPLOYEE EXPERIENCE

Embracing Inclusion as a Core Value

Transcending generations, Kruger's corporate values have consistently embraced and upheld inclusion as a fundamental principle. Today, our efforts to promote inclusion are part of our broader DEI approach which aims to foster an environment where every team member feels recognized, respected, and genuinely valued. They are anchored in our belief that diversity, equity, and inclusion strengthen us and empower us to achieve greater impact.

At the corporate level, we are working to establish more formal assessment plans and measures to ensure our policies and practices align with contemporary realities and meet our employees' expectations.

As part of our commitment, all our leaders have completed DEI awareness training. While these priority topics are not necessarily new to our organization, we are reframing them and creating space for our employees to come together, listen, learn, and grow.

KEY MILESTONES IN 2024 AND Q1 2025

We achieved several significant milestones for our DEI initiatives throughout 2024 and the first quarter of 2025. Firstly, we completed the Intercultural Development Inventory (IDI) assessment for our extended executive team. This assessment, coupled with invaluable inclusion coaching, is set to empower our leaders to cultivate a truly inclusive environment.

Secondly, we successfully formalized our vision and mission for DEI. This milestone is a testament to our commitment to aligning our DEI efforts with our core values and long-term goals.

Additionally, we are in the process of nominating a working committee whose role will be to recommend initiatives and strategies for our executive team to implement over the next three to five years. This committee will be composed of a diverse cross-section of employees from various locations and diversity groups.

Finally, we established a Women's Committee that has developed an inspiring year-long program to accelerate the advancement of women within Kruger. This program includes lunch and learns, executive touchpoints, health segments, community service, and outreach to teenage girls to promote non-traditional roles.

In the past year, we also hired two female General Managers to lead key paper mills.

Expanding Recruitment Across Our Borders

In recent years, our recruiters have expanded their horizons, connecting with candidates in different countries to fill key positions in our Québec facilities. For example, a Kruger delegation travelled to Medellín, Colombia, to meet 40 potential candidates. They worked with translators on site while other members of the HR team dialled in remotely from Canada. As a result of this concerted effort, 17 candidates qualified for in-demand roles such as electricians, mechanics, electrotechnicians, and process engineers.

What Positive Impacts Stand Out?

- We are finding new and creative ways to build a sustainable pipeline of new talent to support our growth.
- We are cultivating a diverse employee base that will expand our perspectives, experiences, and backgrounds, which can spark even more innovation, and growth in the future.



EMPOWERING OUR LEADERS TO DRIVE EXCELLENCE

Concerted Efforts Toward Sustainable Growth

While every one of our employees plays a vital role in generating sustainable growth, it requires strong, purpose-driven leadership. To build this strong leadership, we have adopted the following principles:

- We integrate operational excellence as a fundamental mindset
- We connect our daily behaviours to the organization's core purpose
- We consistently work towards our goal while focusing on developing our people
- We engage with and empower the entire organization in our continuous improvement efforts

With this in mind, we provide employees with tools and learning opportunities that reinforce these principles. For example, we use internal and external learning platforms to provide training on key subjects that are consistent with sustainable growth and prosperity, ensuring that our employees play an active role in achieving our collective goals.

KEY INITIATIVE TO BUILD STRONG LEADERSHIP The Kruger Emerald Plan

Launched in 2024, the Emerald Plan is a leadership program that aims to develop our current and future leaders, not only to boost their performance or ensure their alignment with our organizational goals, but also to create a supportive work environment that can foster more job satisfaction and enhance retention.

This 15-month learning experience is delivered through external facilitation and internal mentoring to help participants gain the skills and abilities they need to reach the next level in their career path.

What Positive Impacts Stand Out?

- We are enabling our current and future leaders to make better decisions and sharpen their skills in such areas as emotional intelligence, conflict resolution, team dynamics, and productivity.
- As part of our succession planning, we are creating a pipeline of skilled individuals who will be ready to step into senior leadership roles as they become available, ensuring a seamless leadership transition.

For the first year of the program, nearly 30 participants were enrolled. In the future, we will be looking to expand this program, opening it up to all employees so we can tap into valuable upskilling and learning that will help them grow within Kruger in years to come.

Cultivating Collaboration, Openness, and Respect

Throughout our operations, transparent and frequent communications are key to building trust and fostering collaboration. From our head office to our production sites, we maintain an open-door policy where everyone is encouraged to speak up, share feedback, and connect.

We also hold townhall meetings and create opportunities for employees to meet with our leadership teams.

Three times per year, we publish a corporate employee newsletter featuring projects, achievements and news from all our business sectors. The newsletter is printed and distributed to our 6,000 employees in Canada and the United States.

A Thoughtful and Holistic Approach to the Employee Experience

At Kruger, we strive to offer an employee experience that encompasses all aspects of life. While competitive compensation forms the cornerstone of our offerings, we recognize it is only one part of the equation. Therefore, we have implemented a comprehensive range of initiatives, including:

- Flexibility to balance family care and other personal priorities
- Comprehensive benefits programs
- Defined contribution retirement planning
- On-demand access to the Dialogue virtual healthcare platform and the TELUS Health Employee Assistance Program, offering immediate and confidential assistance in areas related to work, health, and a wide range of life issues
- Fitness facilities at some of our locations
- Electric vehicle (EV) charging stations and bicycle parking near our facilities



GOVERNING DIFFERENTLY



Charting a New Course

Kruger takes pride in being a company that stands out by doing things differently. With the support of our employees and stakeholders, we are forging a unique path that honours our history while embracing a bold vision for the future. Central to our governance is an unwavering commitment to building operations that are resilient, innovative, and aligned with the principles of sustainable prosperity for all.

THE PLAYBOOK, A GUIDE FOR INTEGRATED OPERATIONAL EXCELLENCE

One of the cornerstones of our evolving approach to governance is integrated operational excellence, or iOPEX. The principles of iOPEX are intended to guide our everyday actions and decisions, connecting everyone in our organization with our mission and purpose.

Integrating three known concepts: continuous improvement, manufacturing excellence, and human performance improvement (HPI), iOPEX is a set of operational guidelines that we have compiled into a guide called the iOPEX Playbook. It is the result of collective efforts between our industrial divisions, namely Kruger Packaging and Kruger Pulp & Paper.

More concretely, the Playbook is a decision support tool that helps to approach problem-solving in a structured manner. The end goal is to create a resilient environment through effective corrective measures, the adoption of new technologies, and the implementation of best practices. In short, the Playbook defines high performance and provides a framework to attain it while also fostering the growth of people.



DRIVING OPERATIONAL EXCELLENCE THROUGH INNOVATION AND COLLABORATION

Kruger has been implementing new technologies and AI capabilities to assist in decision-making, data analysis, resource management, and task automation. These bring significant and tangible benefits to our employees, allowing them to focus on higher-value tasks and making their daily work more engaging.

We also promote the sharing of knowledge and information through our Centres of Excellence which focus on three areas that we prioritize: Occupational Health & Safety, Environment, and Continuous Improvement. These annual meetings bring together colleagues from all our facilities across North America to discuss best practices, highlight achievements, and establish common orientations for the future.

Together, these measures help to make our operations even more sustainable. And by fostering a culture of continuous learning, collaboration, and innovation, we ensure that our employees not only grow individually but also drive our collective success.

KEY INITIATIVE TO MODERNIZE OUR BUSINESS PROCESSES Tailored Solutions for Our Diverse Business Units

In 2024, the newly created Atlas Project Team set out to conduct an in-depth analysis of technological tools in use across all Kruger business units. The goal of the Atlas Project was to get a clear picture of the current situation and to understand future needs to establish a five-year roadmap to modernize our business processes.

Having identified its first priorities for 2025, the Atlas Team is gearing up to start implementing new technologies by the end of this year to improve two key business functions: procurement and HR management.

Expected Impacts:

- New e-procurement capabilities will enable our Supply Management team to better control the procurement process and assist in contract management with our suppliers.
- In Human Resources, modernizing management systems will contribute to enhancing the employee experience while also streamlining the number of platforms currently in use.



EXCELLENCE IN SUSTAINABLE SUPPLY MANAGEMENT

Building a Sustainable Supply Chain

To achieve sustainable prosperity, we must address the challenges and risks within our supply chain. Kruger is committed to making our procurement processes more sustainable, reducing risks to our operations and reputation. By understanding and addressing these risks, we ensure our supply chain is both resilient and responsible.

We developed an ESG-focused Supplier Code of Conduct and Sustainable Purchasing Policy. Using tools like the EcoVadis platform and the Dun & Bradstreet supplier intelligence data cloud, we can rigorously assess and monitor our suppliers' performance on various indicators, including environment, labour relations & human rights, business ethics, and responsible procurement.

Additionally, we provide a dedicated Sustainability training module that empowers both our suppliers and buyers with the knowledge required to uphold our standards.

Through these comprehensive efforts, we not only mitigate risks but also foster a culture of continuous improvement and accountability within our supply management teams.

KEY INITIATIVE FOR RESPONSIBLE PROCUREMENT Working With Our Suppliers to Set Common Goals

Three years ago, Kruger embarked on a journey in partnership with some of our top suppliers to set common ESG goals. Focusing on areas that have a higher environmental impact, such as chemicals, packaging, and fibre suppliers, our strategic supply team requested ESG assessments from over 300 suppliers. Today, using a certified rating platform, we monitor the ESG performance of 157 top suppliers representing more than 50% of Kruger's total procurement spend.

What Positive Impacts Stand Out?

- We are aligning our procurement practices with our principles of responsible governance, carefully considering the environmental, social, and financial impacts of choices.
- We are optimizing Kruger's market position by generating sustainable value.

How Do We Intend to Pursue Our Efforts

In addition to strengthening ESG risk assessment surveillance throughout our value chain, we will aim to increase the percentage of spending covered by ESG assessment to 75% by the end of 2026. We will also add environmental and social clauses in contracts with suppliers and business partners, as well as increase the percentage of suppliers signing our supplier code of conduct. Other measures we plan to implement by 2027 include training buyers at our plants and restricting collaboration with high-risk suppliers that negatively impact Kruger.



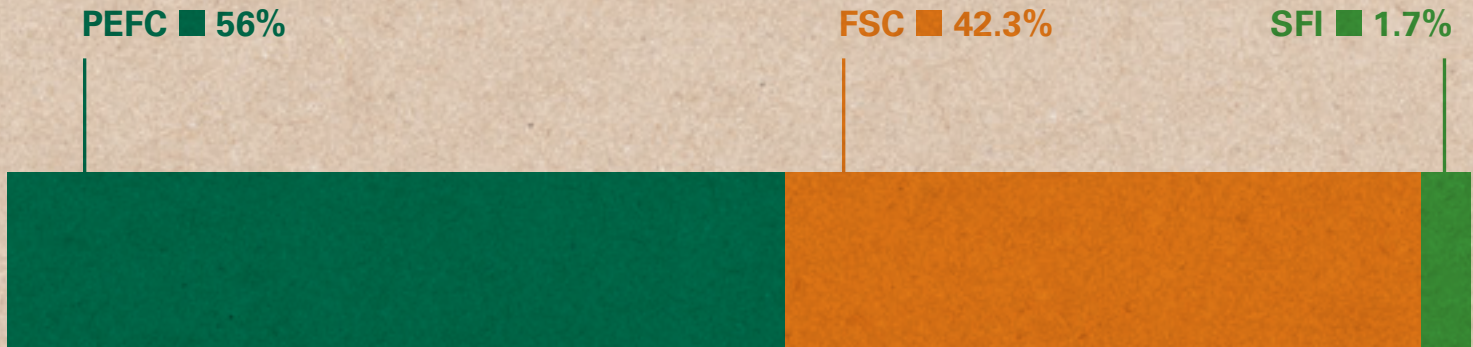
PROTECTING OUR FORESTS THROUGH SUSTAINABLE FIBRE SOURCING

At Kruger, responsible fibre sourcing is a fundamental pillar of our sustainability approach. Our Fibre Procurement Policy ensures that we source from responsibly managed forests, complying with internationally recognized certification programs such as the Forest Stewardship Council® (FSC®), the Sustainable Forestry Initiative® (SFI®) and the Program for the Endorsement of Forest Certification (PEFC).

These certifications help us safeguard biodiversity, protect forest ecosystems, and maintain the long-term health of natural resources. By prioritizing certified fibre and enforcing rigorous due diligence, we strengthen our commitment to sustainability while securing a responsible and traceable fibre supply chain.

The following graph presents the combined certified chip consumption of the following four facilities in 2024: Kruger Kamloops Pulp Mill, Corner Brook Pulp and Paper, Kruger Wayagamack, and Kruger Packaging Trois-Rivières. Collectively, these mills consumed 625,484 MT of certified chips, with varying proportions of certification under PEFC, FSC®, and SFI® standards.

Certification Type



Other Positive Impacts:

- In 2024, our Tissue Products Division consumed 417,296 MT of virgin fibre, of which 91% was FSC® certified and 9% PEFC certified.
- 100% of fibres processed by our Recycling Division and sent to the Trois-Rivières, Place Turcot and Crabtree Plants in 2024 were FSC® certified.

KEY ACHIEVEMENT IN FIBRE PROCUREMENT – KRUGER PRODUCTS

Building North America’s Largest Portfolio of FSC®-Certified Branded Products

Demonstrating leadership in sustainable sourcing, Kruger Products has made significant strides toward expanding its portfolio of FSC®-certified products. In 2024, almost 90% of its fibre was certified under FSC® standards. Our Tissue Products Division offers more than 300 third-party certified products, including nearly 250 FSC® certified products, making it the largest portfolio of certified tissue products in North America. In 2024, the Company began to FSC® certify Scotties® and Purex® products, joining our already certified White Cloud® and Bonterra® products. In 2025, we intend to certify Cashmere® and SpongeTowels® to FSC®.

Driving Sustainable Logistics and Operational Efficiency

Since 2023, our Logistics Centre of Excellence has played a pivotal role in advancing Kruger’s performance and sustainability. Through our Value Creation Program (VCP), the Supply Management team achieved over \$40 million in cost reductions, representing an annual improvement of approximately 5% versus budget. Strategic sourcing initiatives were conducted across all transportation and warehousing modes — Over-the-Road, Rail, Ocean, Warehousing, and Freight Forwarding — ensuring both cost-effectiveness and reliable capacity. To further support responsible operations, the team led key trade compliance initiatives, including C-TPAT trainings and certifications, alignment with new government regulations such as CBSA’s CARM system, transitioning to a new customs broker, and implementing proactive strategies to mitigate the impact of potential tariffs. Additionally, the Centre of Excellence supported Kruger’s network optimization by securing and consolidating warehousing services, while fostering collaboration and sharing best practices across all business units. These actions strengthen the resilience, sustainability, and agility of our supply chain.



A photograph of three workers in a forest. Two workers in the foreground are wearing red hard hats and orange safety vests, looking towards the right. A third worker in the background is also wearing a red hard hat and an orange safety vest, looking down at a clipboard. The forest is dense with tall, thin trees and a mossy ground.

COMMITMENTS FOR 2027

Our Priorities:

- **Sourcing responsibly:**
Secure and manage raw materials responsibly and efficiently.
- **Water and energy stewardship:**
Reduce water and energy consumption and optimize water management across our operations.
- **Efficient operations:**
Optimize logistics, improve energy efficiency, and encourage reuse and recycling of products and materials.
- **People development:**
Ensure a healthy and safe workplace, foster creativity and continuous skills development, and strengthen internal sustainability awareness through employee training.
- **Community engagement:**
Collaborate with local communities to support impactful sustainability projects.
- **Governance and certifications:**
Strengthen sustainability governance, seek additional recognized certifications, and maintain open and transparent dialogue with all stakeholders.

As part of these commitments, we will continue to enhance the transparency and quality of our sustainability reporting. Future reports will provide more detailed and meaningful information on environmental and social topics, reinforcing our accountability to all stakeholders and enabling them to better understand our progress and impact.

KEY PERFORMANCE INDICATORS: ENVIRONMENTAL

All Divisions GHG Emissions

GREENHOUSE GAS EMISSIONS	Unit	2024	2023	2020
Absolute CO ₂ e Scope 1	Metric Tonnes CO ₂ e	610,234	565,014	592,138
Intensity CO ₂ e Scope 1	kg CO ₂ e/MDMT Produced	304	281	291
Absolute Location-Based CO ₂ e Scope 2	Metric Tonnes CO ₂ e	103,407	99,457	121,901
Intensity Location-Based CO ₂ e Scope 2	kg CO ₂ e/MDMT Produced	51.5	49.4	60
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	713,641	664,471	714,039
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	355	330	351

Kruger Packaging GHG Emissions

GREENHOUSE GAS EMISSIONS	Unit	2024	2023	2020
Absolute CO ₂ e Scope 1	Metric Tonnes CO ₂ e	124,172	121,189	151,841
Intensity CO ₂ e Scope 1	kg CO ₂ e/MDMT Produced	171	164	199
Absolute Location-Based CO ₂ e Scope 2	Metric Tonnes CO ₂ e	6,155	5,534	1,973
Intensity Location-Based CO ₂ e Scope 2	kg CO ₂ e/MDMT Produced	8.5	7.5	2.6
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	130,327	126,723	153,814
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	180	171	201

Kruger Products GHG Emissions

GREENHOUSE GAS EMISSIONS	Unit	2024	2023	2020
Absolute CO ₂ e Scope 1	Metric Tonnes CO ₂ e	261,576	253,234	222,530
Intensity CO ₂ e Scope 1	kg CO ₂ e/MDMT Produced	612	615	580
Absolute Location-Based CO ₂ e Scope 2	Metric Tonnes CO ₂ e	81,194	77,018	96,044
Intensity Location-Based CO ₂ e Scope 2	kg CO ₂ e/MDMT Produced	190	187	250
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	342,770	330,252	318,574
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	802	803	831

Kruger Pulp & Paper GHG Emissions

GREENHOUSE GAS EMISSIONS	Unit	2024	2023	2020
Absolute CO ₂ e Scope 1	Metric Tonnes CO ₂ e	224,486	190,591	217,766
Intensity CO ₂ e Scope 1	kg CO ₂ e/MDMT Produced	262	222	246
Absolute Location-Based CO ₂ e Scope 2	Metric Tonnes CO ₂ e	16,059	16,905	23,885
Intensity Location-Based CO ₂ e Scope 2	kg CO ₂ e/MDMT Produced	18.7	19.7	27
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	240,545	207,496	241,651
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	281	241	273

Brompton Biomass Cogeneration Plant Emissions

GREENHOUSE GAS EMISSIONS	Unit	2024	2023	2020
Absolute CO ₂ e Scope 1	Metric Tonnes CO ₂ e	33,498	53,085	16,832
Intensity CO ₂ e Scope 1	kg CO ₂ e/MWh Produced	199	314	215
Absolute Location-Based CO ₂ e Scope 2	Metric Tonnes CO ₂ e	46	48	31
Intensity Location-Based CO ₂ e Scope 2	kg CO ₂ e/MWh Produced	0.3	0.3	0.4
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	33,544	53,133	16,863
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MWh Produced	200	315	216

Energy Consumption: All Divisions

DIVISIONS	Metrics	Unit	2024	2023	2020
Kruger Products Facilities	Energy use	Gigajoules	8,583,312	8,302,262	7,087,356
	Production	Tonnes	427,133	411,520	383,477
	Intensity	GJ/Tonne	20	20	18.48
Kruger Packaging Facilities	Energy use	Gigajoules	7,069,117	7,566,741	8,737,223
	Production	Tonnes	725,300	740,521	764,643
	Intensity	GJ/Tonne	10	10	11.4
Kruger Pulp & Paper Facilities	Energy use	Gigajoules	15,399,067	14,425,565	17,100,195
	Production	Tonnes	856,871	860,097	884,373
	Intensity	GJ/Tonne	18	17	19.3
Kruger Total Energy Consumption	Energy use	Gigajoules	31,051,496	30,294,568	32,924,774
	Production	Tonnes	2,009,304	2,012,138	2,032,493
	Intensity	GJ/Tonne	15.5	15.1	16.2

CAC Emissions

CAC EMISSIONS	Unit	2024	2023	2020
NOx	Metric Tonnes	876.3	783.4	907.3
SOx	Metric Tonnes	113.6	99	148
TPM	Metric Tonnes	326.4	252.9	329.5
VOCs	Metric Tonnes	52.9	46.4	55.6
CO	Metric Tonnes	945.5	795.5	946.2

WATER	Unit	2024	2023	2020
Absolute Hydraulic flow	m ³	117,688,774	115,867,984	119,569,770
Intensity Hydraulic flow	m ³ /MDMT Produced	59	58	59

Key Performance Indicators: Social

HEALTH & SAFETY	Unit	2024	2023	2020
OSHA	Total Incident Rate	1.11	1.37	2.15
Lost Work Days	No. of Days	2,109	2,087	1,713
Lost Time Case Rate	Per 100 Employees	0.69	0.69	1.36
Fatalities	No. of Employees	0	0	0





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