Independent practitioner's limited assurance report on Kruger Products Inc. Greenhouse Gas Emissions Report Appendix

To the Board of Directors and Management of Kruger Products Inc.

We have undertaken a limited assurance engagement on selected subject matter included in the Greenhouse Gas Emissions Report Appendix of Kruger Products Inc. ("Kruger Products") during the year ended December 31, 2022.

Selected subject matter

With reference to the "Greenhouse Gas Emissions Report Appendix'', our limited assurance engagement was performed on the following type of emissions:

#	Type of emission
1	Greenhouse Gas (GHG) emission – direct (scope 1) (metric tonnes CO_2e)
2	GHG emission – indirect (scope 2) (metric tonnes CO_2e: Location-Based)
3	Year-over-year variances - Scope 1 variance (metric tonnes CO_2e) - Scope 1 variance (%) - Scope 2 variance (metric tonnes CO_2e) - Scope 2 variance (%)

Management's responsibility

Management is responsible for the preparation of the selected subject matter in accordance with the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard ("the applicable criteria"):

Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected subject matter that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standards on Assurance Engagement (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we plan and perform this engagement to obtain limited assurance about whether the selected subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered

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material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the selected subject matter in accordance with the applicable criteria are likely to arise.

Our limited assurance procedures included, but were not limited to the following:

- Through inquiries, obtained an understanding of Kruger Products' control environment and information systems relevant to the selected subject matter and GHG emissions quantification and reporting. Our procedures did not evaluate the design of particular control activities, obtain evidence about their implementation, or test their operating effectiveness.
- Performed analytical reviews and trend analysis of reported data for selected subject matter.
- Evaluated whether Kruger Products' methods for developing estimates are appropriate and consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Kruger Products' estimates.
- Inspected a limited sample of items back to the underlying records for selected subject matter.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Uncertainty

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for the determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

We have not carried out any work on data reported for prior reporting periods. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the above-mentioned selected subject matter.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Kruger Products' selected subject matter in the "Greenhouse Gas Emissions Report Appendix" during the year ended December 31, 2022 is not prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction on distribution and use of our report

The selected subject matter has been prepared in accordance with the applicable criteria prepared by Kruger Products' management to help report on greenhouse gas emissions. As a result, the selected subject matter may not be suitable for another purpose. Our report is intended solely for Kruger Products.

We acknowledge the disclosure of our report, in full only, by Kruger Products at its discretion. We make no representations or warranties of any third party in respect of this report.

PricewaterhouseCoopers LLP [1]

Partnership of Chartered Professional Accountants

Montréal, Québec
July 18, 2023

[1] CPA auditor, Public Accountancy Permit No. A113424

Greenhouse Gas Emissions Report Appendix

The following report outlines the greenhouse gas (GHG) emissions, a concise description of each KPI, the organizational boundaries and the methodology and assumptions used in the calculation.

INTRODUCTION

This GHG emissions report was prepared with quantification methodology for Scope 1 and Scope 2 emissions aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Kruger Products' GHG emissions from scope 1 and 2 sum up to 361,920 metric tonnes of carbon dioxide equivalent (CO_2e) during the year ended December 31, 2022.

ORGANIZATIONAL BOUNDARIES

Kruger Products' applies the operational control approach to determine the organizational boundaries of reporting for its manufacturing plants. The following list identifies the Kruger Products' manufacturing plants included in the organizational boundaries:

- Sherbrooke TAD Plant
- Trenton Plant
- Scarborough Plant
- Lennoxville (Sherbrooke) Plant
- Gatineau Complex (Richelieu and Laurier Plants)
- Memphis Plant
- New Westminster Plant
- Crabtree Plant

Kruger Products

The table below reports Kruger Products' GHG emissions from scope 1 and 2 during the year ended December 31, 2022 (in metric tonnes of CO_2e).

GHG Emission Type	2022	2021[(1)]	Year-over-year variances (2022 vs 2021)[(1)]	
Scope 1	270,749	255,752	14,997	5.86%
Scope 2 (Location-Based)	91,171	84,258	6,913	8.20%
Total	**361,920**	**340,010**	**21,910**	**6.44%**

GHG EMISSIONS REPORT METHODOLOGY AND ASSUMPTIONS DETAILS

Applicable Criteria

The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard.

Scope 1

Stationary combustion:

Combustion of fuels in stationary equipment such as boilers, building heating and generators. Emissions from stationary combustion include consumption of natural gas, fuel oil, biomass, and biofuel.

Mobile combustion:

Combustion of fuels in devices such as forklifts, maintenance trucks, inter-mill transport trucks, and fire pumps. Emissions from mobile combustion include consumption of propane, diesel, and gasoline.

Emissions (metric tonnes of CO_2e) are calculated by multiplying the volumes of fuel combusted and released by the identified Kruger Products' manufacturing plants included in the organizational boundaries by the relevant CO_2e emission factors.

(1) The 2021 comparative data were not subject to PricewaterhouseCoopers LLP limited assurance engagement.

The CO_2e emission factors are calculated by multiplying the emission factor of each gas (CO_2, CH_4 and N_2O) by its global warming potential (GWP) and adding the resulting products.

The emission factors of Kruger Products manufacturing plants located in Canada are sourced from the following: *National Inventory Reports (NIR), Greenhouse Gas Sources and Sinks in Canada (Part 2, Table A6.1-1, A6.1-2, A6.1-3): NIR 1990-2020 - Released in April 2022.*

The emission factors of Kruger Products manufacturing plants located in the United States are sourced from the following: *USEPA - Emission Factors for Greenhouse Gas Inventories (Table 1): Released in April 2023.*

The GWPs are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2021 (100-year timeframe: GWP of CO_2 = 1, GWP of CH_4 = 27 and GWP of N_2O = 273).

Scope 2

Manufacturing plants' electricity consumption information is provided by the plants' corporate energy manager. Information is prepared using onsite electricity metering equipment reports that include kilowatt-hours (kWh) of electricity consumed per plant for the reporting period.

Emissions (metric tonnes of CO_2e) are calculated by multiplying the kilowatt-hours (kWh) of electricity consumed per province/state by the relevant CO_2e emission factors.

The CO_2e emission factors of Kruger Products manufacturing plants located in Canada are based on electricity generation intensity factors sourced from the following: *National Inventory Reports (NIR), Greenhouse Gas Sources and Sinks in Canada (Part 3, Annex 13): NIR 1990-2020 - Released April 2022.*

The CO_2e emission factors of Kruger Products manufacturing plants located in Canada are based on electricity generation intensity factors sourced from the following: *USEPA - Emission Factors for Greenhouse Gas Inventories (Table 6): Released April 2023.*

(1) The 2021 comparative data were not subject to PricewaterhouseCoopers LLP limited assurance engagement.

The GWPs are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2021 (100-year timeframe: GWP of CO_2 = 1, GWP of CH_4 = 27 and GWP of N_2O = 273).

(1) The 2021 comparative data were not subject to PricewaterhouseCoopers LLP limited assurance engagement.