



TRANSFORMATIVE GROWTH. SUSTAINABLE INNOVATION.

REIMAGINE 2030

2021 RESULTS

GUIDED BY OUR MISSION



Every day, Kruger Products and our 2,700 employees across Canada and the U.S. are driven to continue making everyday life comfortable for our consumers, for each other, for our communities and for our customers, all while finding opportunities to reduce our impact on the environment.



In 2021, we launched Reimagine 2030, our ten-year strategy to grow as a company while minimizing our impact on our planet. And we didn't let the backdrop of the global pandemic slow us down. We set new, bold targets and made progress against key pillars during its first year.

From being the first Canadian tissue manufacturer to join the Canada Plastic Pact as part of our commitment to reducing virgin plastic by 50%, to using 100% third-party certified fibre in our products, we are pushing ourselves to think bolder and do more. We've started the rollout of Artificial Intelligence to help streamline operations, which also helps to lower GHG emissions, improve energy efficiency and reduced waste.

Likewise, I'm proud of our team for making the Corporate Knights Best 50 Corporate Citizens in 2021 for the fourth consecutive year. We've also created programs to support our communities through the extraordinary circumstances of 2021, including the global pandemic, British Columbia wildfires and flooding, and programs that support the people in our communities, like the Kruger Big Assist.

We've also been developing innovative new products to meet consumers' sustainability needs. These products will bring our Reimagine 2030 initiatives to the retail shelf.

We know that now is the time to act. The next ten years at Kruger Products will consist of decisive actions because we know that our stakeholders are concerned about both the state of the environment and our shared future. We're concerned about that, too. That's why we developed Reimagine 2030. We are reimagining what our world can be. But it takes commitment, it takes innovation, and it takes teamwork. It's encouraging to see everyone at Kruger Products embrace our goals. Together, we are reimagining the world of the future.

I invite you to read our report and learn about all the ways Kruger Products is making a difference.

Regards,

*Dino Bianco
Chief Executive Officer*

REIMAGINE 2030 OVERVIEW



VISION
To be the most trusted, best loved tissue company in North America

MISSION
Making everyday life more comfortable

PILLAR: PRODUCTS EMPOWER

- FIBRE & FORESTS
- PACKAGING
- PRODUCT INNOVATION

PILLAR: PLANET CONSCIOUS

- CLIMATE CHANGE
- WATER
- WASTE

PILLAR: EMPLOYEE IMPACT

- HEALTH & SAFETY
- DIVERSITY & CULTURE
- TRAINING & DEVELOPMENT

PILLAR: COMMUNITY EMBRACE

- COMMUNITY INVESTMENT
- EMPLOYEE VOLUNTEERING
- COMMUNITY RELATIONS

OUR 2030 TARGETS

To utilize **100%** third-party certified fibres

To reduce Scopes 1 + 2 GHG emissions by **25%***

To reduce water consumption by **50%***

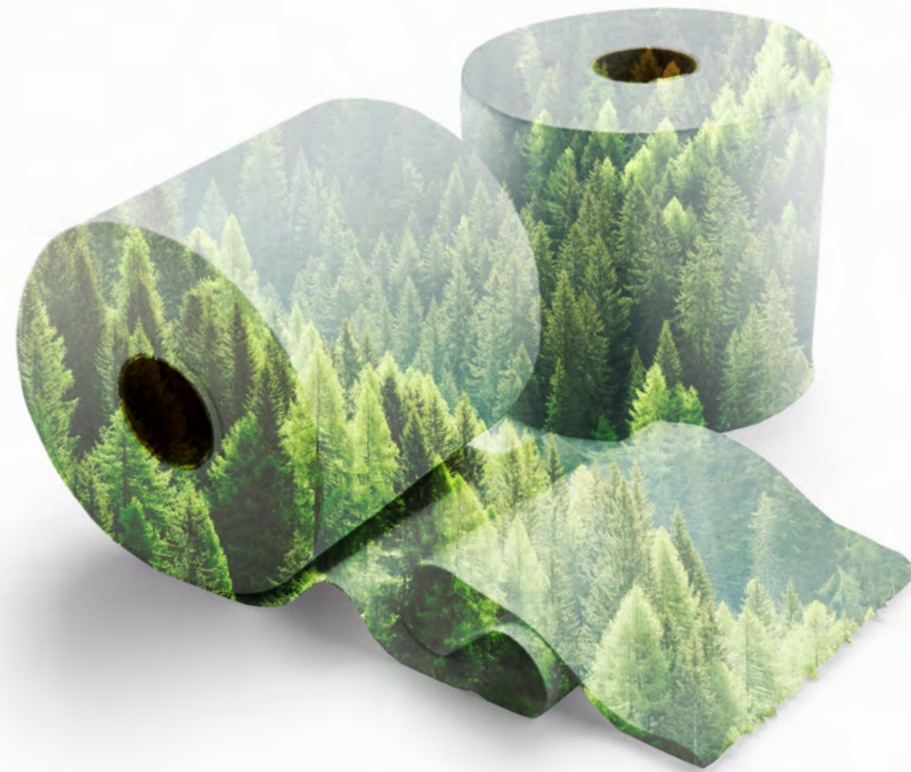
To reduce virgin plastic packaging in branded products by **50%†**

* Intensity-based from 2009 baseline

† Intensity-based from 2020 baseline



PRODUCTS EMPOWER



PILLAR 1

Create products made from responsibly sourced materials that minimize our impact on the environment and reduce our use of plastic.

We connect with our customers and consumers through our products. As such, we have a responsibility to find ways to improve our environmental impact so that we are shrinking our footprint as a company and enabling our consumers and customers to reduce their environmental impact.

We have been focused on packaging because we know we can make important changes. As part of our commitment to reduce our use of virgin plastic by 50% in our trademark brands, Kruger Products was the first tissue manufacturer to join the Canada Plastic Pact (CPP). We're working with other industry and government leaders to move towards a circular plastics economy.

At the same time, we explored alternative packaging materials and dedicated resources to developing a 100% fibre-based package for a portion of our consumer products, including bath tissue and paper towel cores, facial tissue cartons and our shipping cases.

In 2021, 90% of our packaging material by weight was fibre-based, all of which was made from primarily recycled material and which is 100% recyclable.

We remain committed to sourcing sustainable fibre, and we are a strong supporter of sustainable forest management. In 2021, 100% of our fibre was third-party certified. As our business grows and we use more fibre, we are committed to continue to use only third-party certified fibre. In 2021, 80% of our fibre was FSC® certified, while the remaining 20% was SFI or PERFC certified. 69% of our total fibre was sourced from Canada, a global leader in sustainable forestry. The remainder of our fibre was sourced in the U.S. (<1%), Europe (<1%) and Brazil (31%). All our fibre from Brazil was FSC® certified.

We believe that chain of custody certification is important because it verifies that materials are handled correctly at every stage of production, from harvest to finished product. Chain of custody certification addresses the most important pressing issues facing forests, including deforestation, protection of habitat for species at risk like woodland caribou, upholding Indigenous People's rights, workers' rights and landscape management and conservation to ensure we have a healthy supply of forest materials for generations to come.

**IN 2021 WE REDUCED
VIRGIN PLASTIC
PACKAGING BY**

5%**

** intensity-based versus
2020 baseline on
branded products

PILLAR 2

Minimizing our impact on the land, water and air to do our part to create a more sustainable world.



PLANET CONSCIOUS

We believe we can operate and grow our business while minimizing our impact on the planet well into the future. Through Reimagine 2030, we are exploring how to infuse sustainability even deeper across our operations and value chain so we can make an even greater impact.

Reducing our GHG emissions has been one of our top sustainability priorities since we launched our first sustainability program in 2010. Through 2021, we reduced our Scopes 1 and 2 GHG emissions by 15%¹.

We are also proud to be part of a new community development project with Zibi in Gatineau, Quebec. Our plant is providing excess energy to help heat the tenants and residents of the 34-acre waterfront city, making it the National Capital region's first zero-carbon-emission community and the first in North America to use post-industrial waste heat in a master-planned community.

Water is essential to the daily operations of our facilities, so water quality goes through rigorous monitoring to ensure we meet local environmental standards. We have also made great strides to reduce water consumption throughout our journey. Process efficiencies and new technologies, such as the integration of through air-dried (TAD) machines in both our Memphis, Tennessee and Sherbrooke, Quebec plants have helped to reduce our water consumption by 41%¹ through 2021.



¹ Intensity based versus 2009 baseline



PILLAR 3

Cultivate our workplace practices so that every employee feels inspired and even more supported to achieve their aspirations and make their desired impact.

EMPLOYEE IMPACT

**IN 2021 WE
IMPROVED OUR
OSHA RATE BY
63%²**

We are committed to ensuring that Kruger Products is a place where everyone can be their best and let their greatness shine. We are always on the hunt for new ways to engage with and support our employees. Our efforts have been recognized by a variety of organizations, including receiving consecutive Women in Governance Parity Certifications, being named a Top Greater Toronto Area Employer since 2012, being named by Forbes as one of Canada's Best Employers for five consecutive years, and being on the Corporate Knights list of Best 50 Canadian Corporate for four consecutive years, ranking #19 in 2021.

In 2021, we continued to find new ways to connect with employees, strengthen our corporate culture while working remotely. We focused on training opportunities such as Connecting and Collaborating Virtual workshops, Microsoft Teams Training, and keynote presentations from a mental performance coach, as well as internal support groups led by the Kruger Products Women's Network that facilitated the Lean-In Circle.

As the pandemic endured, we maintained our stringent health and safety policies and protocols put in place to keep our workers, their families, and our communities safe. We also worked with the Gatineau Health Four and CISSS de l'Outaouais by providing funding to cover most of the operating costs and other resources for a mobile vaccination clinic to assist in reaching residents in more isolated communities.

Our people are our greatest strength, and we take great pride in providing a workplace that enables them to thrive. We have grown to 2,700 employees across nine plants in North America, and we directly impact our employees' lives and well-being.

² OSHA Total Incidence Rate versus 2015 baseline





COMMUNITY EMBRACE

SUPPORTED

45

LOCAL, REGIONAL
AND NATIONAL
CAUSES IN 2021

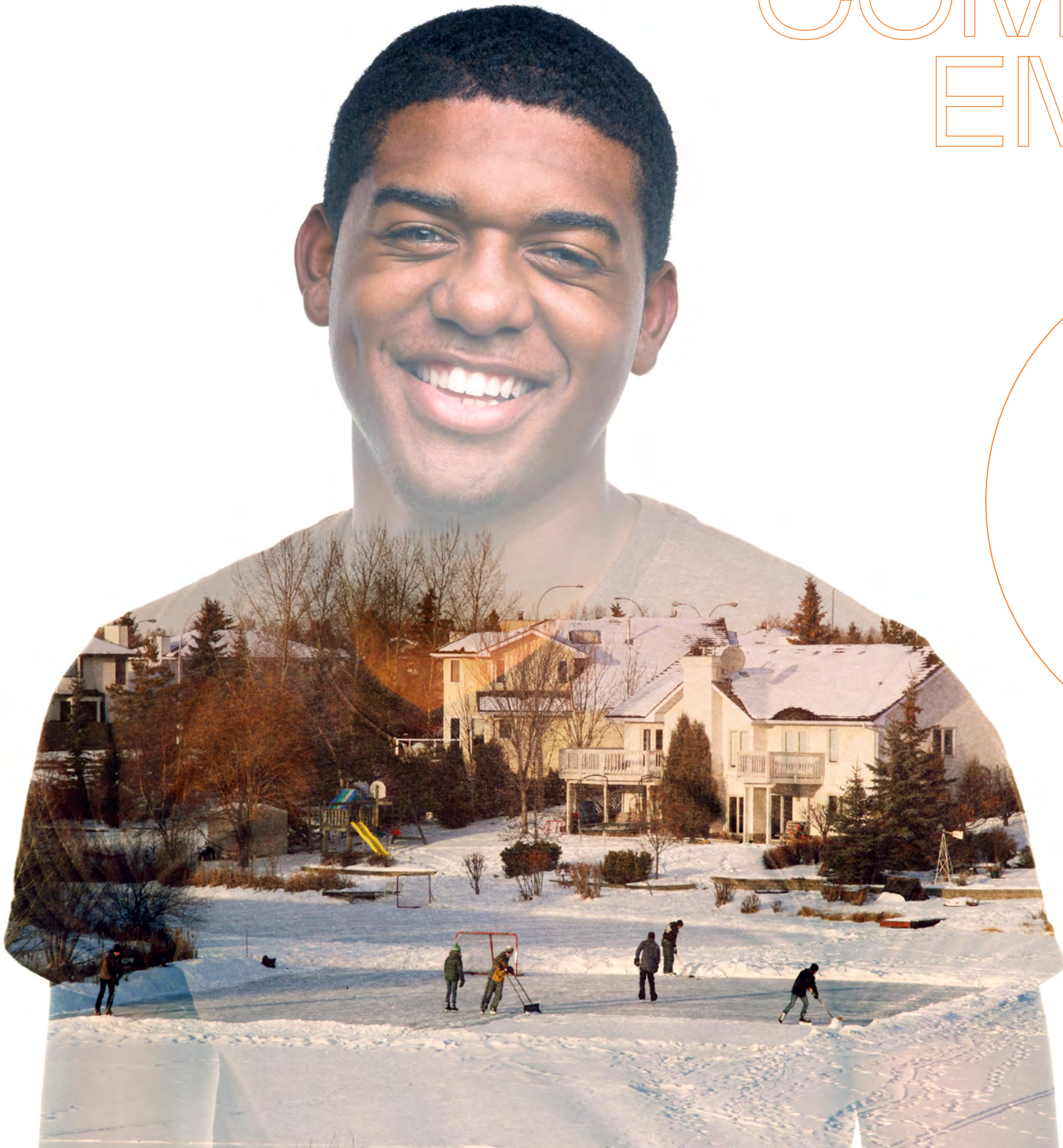
PILLAR 4

Create engagement with impact that makes everyday life in our communities more comfortable.

We're on a mission to make everyday life more comfortable, so community support has always been central to who we are at Kruger Products. We believe we are interconnected and depend on each other to make our world a positive place. We have long-standing partnerships through the Scotties™ Tournament of Hearts®, which supports women's curling; Crohn's and Colitis Canada; Ronald McDonald House Canada; and the breast cancer cause.

In 2021, we participated in the B.C. Flood relief with a \$50,000 financial donation to the Canadian Red Cross and \$100,000 in tissue products that were distributed through B.C. food banks.

We successfully completed the inaugural year of the Kruger Big Assist by donating \$200,000, split among 20 minor hockey associations across the country, to offset the cost of hockey registration fees and help families in need to keep their kids on the ice. With our company mission of making everyday life more comfortable, we believe that sport is a critical foundation of building healthy and happy communities.



**KEY PERFORMANCE
INDICATORS:**

OPERATIONS

ENERGY CONSUMPTION¹	UNIT	2021+	2020*	2015	2009 Benchmark
Natural Gas	Gigajoules	5,083,660	4,431,956	4,053,601	4,271,830
	% of Totals	62	63	61	65
Grid-Supplied Electricity	Gigajoules	2,724,954	2,311,861	2,187,507	1,992,136
	% of Totals	34	33	34	31
Biomass	Gigajoules	334,991	321,023	355,002	15,977
	% of Totals	4	4	5	0
Other (Diesel, Oil, Propane)	Gigajoules	32,283	22,517	31,392	287,585
	% of Totals	0	0	0	4
Total	Gigajoules	8,175,888	7,087,356	6,627,502	6,567,528
	GI/MDMT Produced	20.22	18.48	20.67	21.72
Energy from Renewables	% of Totals	28	26	27	26
GREENHOUSE GAS EMISSIONS¹					
Absolute CO ₂ e Scope 1 (Direct)	Metric Tonnes CO ₂ e	255,752	222,530	206,732	236,712
Intensity CO ₂ e Scope 1 (Direct)	kg CO ₂ e/MDMT Produced	632	580	644	783
Absolute Location-Based CO ₂ e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	84,258	96,044	142,432	63,843
Intensity Location-Based CO ₂ e Scope 2 (Indirect)	kg CO ₂ e/MDMT Produced	208	251	444	211
Absolute Total CO ₂ e Scopes 1+2	Metric Tonnes CO ₂ e	340,010	318,574	320,613	300,545
Intensity Total CO ₂ e Scopes 1+2	kg CO ₂ e/MDMT Produced	841	831	1060	994
Absolute Market-Based CO ₂ e Scope 2 (Indirect)	Metric Tonnes CO ₂ e	61,536	53,018	N/A	N/A
CAC EMISSIONS¹					
NO _x	Metric Tonnes	290.3	278.5	-	-
SO _x	Metric Tonnes	54.1	64.9	-	-
TPM ²	Metric Tonnes	83.7	82.0	-	-
VOCs ³	Metric Tonnes	17.0	15.8	-	-
CO	Metric Tonnes	308.2	288.2	-	-



**KEY PERFORMANCE
INDICATORS:**

OPERATIONS

WATER¹	UNIT	2021+	2020*	2015	2009 Benchmark
Absolute Effluent Hydraulic Flow	m ³	18,141,731	18,236,999	20,471,496	22,983,464
Intensity Effluent Hydraulic Flow	M ³ /MDMT Produced	45	48	64	76

EFFLUENT DISCHARGES¹

BOD	Metric Tonnes	1463	1196	-	-
Suspended Solids	Metric Tonnes	4573	4872	-	-
COD ⁴	Metric Tonnes	9153	6847	-	-
AOX ⁵	Metric Tonnes	14	6	-	-
p ⁶	Metric Tonnes	4	0	-	-

WASTE¹

Generated	Metric Tonnes	92,883	-	-	-
Recovered or Recycled ¹¹	Metric Tonnes	83,963	-	-	-
	% of Total	90.4%	-	-	-
To Landfill	Metric Tonnes	8,920	-	-	-
	% of Total	9.6%	-	-	-

**KEY PERFORMANCE
INDICATORS:**

PRODUCTS

FIBRE CONSUMED¹	UNIT	2021+	2020*	2015	2009 Benchmark
Purchased Recycled	Air Dried MT	3,501	3,782	6,264	7,026
	% of Total	1	1	2	3
Produced Recycled	Air Dried MT	59,295	60,455	77,066	78,921
	% of Total	16	16	24	27
Purchased Virgin	Air Dried MT	312,357	308,422	236,917	181,091
	% of Total	83	84	74	64
Produced Virgin	Air Dried MT	-	-	-	16,833
	% of Total	-	-	-	6
Total	Air Dried MT	375,153	368,877	320,247	283,871
Fibre per QCs	Lbs/QCs	12.66	12.86	-	-
FSC [®] Mix Certified	% of Total	63	41	33	0
FSC [®] Recycled Certified	% of Total	17	17	24	0
Non-Controversial Sources ⁸	% of Total	20	42	43	0



**KEY PERFORMANCE
INDICATORS:**

PRODUCTS

CERTIFIED PRODUCTS	UNIT	2021+	2020*	2015	2009 Benchmark
UL ECOLOGO (UL 175)	No. of Products	51	56	55	93
Forest Stewardship Council*	No. of Products	196	212	126	-
Sustainable Forestry Initiative	No. of Products	18	29	-	-
Green Seal	No. of Products	1	1	1	1
CERTIFIED PAPERMAKING					
ISO 9001	% of Total Production	89	100	100	-
PACKAGING MATERIAL					
Total Packaging Materials	Metric Tonnes	47,331	47,915	-	-
Total Packaging Intensity	Pounds per QCs	1.60	1.67	-	-
Total Fibre-Based Packaging	% of Total	90.0	89.2	-	-
Total Plastic Packaging	Metric Tonnes	1,628	2,082	-	-
Plastic Packaging Intensity	Pounds per QCs	0.147	0.155	-	-
PRODUCTION					
Paper	MDMT	404,421	383,477	320,613	302,414
Total Finished Cases	QCs (000s)	65,327	63,397	-	-
Branded Finished Cases	QCs (000s)	24,411	29,646	-	-



**KEY PERFORMANCE
INDICATORS:**

SOCIAL

HEALTH & SAFETY	UNIT	2021+	2020*	2015	2009 Benchmark
OSHA	Total Incidence Rate	1.48	1.67	4.01	-
Lost Work Days	No. of Days	986	506	907	-
Fatalities	No. of Employees	0	0	0	-
LEADERSHIP DIVERSITY					
Women in Board Roles	Percentage	20 ⁹	20 ⁹	25	-
Women in Senior Leadership Roles	Percentage	15	22	10	10
Visible Minorities in Senior Leadership Roles	Percentage	38	22	10	10
Women in Management Roles	Percentage	24	37	-	-



* Includes Trenton and Scarborough, ON Converting Plants Data

+ Includes Trenton and Scarborough, ON Converting Plants Data and Sherbrooke, QC Papermaking and Converting Plant Data

¹ Manufacturing operations only.

² For certain emission sources, an emission factor for TPM (total particulate matter) was not available. In these instances, PM10 or Filterable PM is used to represent TPM.

³ For certain emission sources, an emission factor for VOC (Volatile organic compound) was not available. In these instances, TOC (total organic carbon) or NMTOC (non-methane organic compound) is used to represent VOC.

⁴ Does not include New Westminster, BC Plant.

⁵ Only Gatineau and Crabtree, QC Plants included.

⁶ Only Crabtree and Lennoxville (Sherbrooke), QC Plants included.

⁷ Only Gatineau, Crabtree and Lennoxville (Sherbrooke), QC Plants included.

⁸ SFI Certified Forest Content

⁹ Includes KPT and KPGP Combined Boards

¹⁰ Does not include Scarborough and Trenton, ON and Sherbrooke, QC

¹¹ Includes organic, recycled and reused materials diverted from landfill.

MDMT=Machine Dried Metric Tonnes

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