



Independent practitioner’s limited assurance report on selected key performance indicators presented within Kruger Products Inc.’s Greenhouse Gas Emissions Report Appendix

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

We have undertaken a limited assurance engagement on the selected key performance indicators (“KPIs” as presented in the Greenhouse Gas Emissions Report Appendix of Kruger Products Inc.’s (the subject matter) outlined in the Appendix for the year ended December 31, 2023.

Kruger Products Inc.’s responsibility for the subject matter

Kruger Products Inc. is responsible for preparation of the subject matter in accordance with the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (“the applicable criteria”). Kruger Products Inc. is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of 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 or 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.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the International Auditing and Assurance Standards Board.

This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Kruger Products Inc.’s use of the applicable criteria as the basis for the preparation of the subject matter, assessing the risks of material misstatement of the subject matter whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and

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evaluating the overall presentation of the subject matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the subject matter;
- obtained an understanding of the process for collecting and reporting the data included in the subject matter;
- performed limited substantive testing on a selective basis of the subject matter to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the 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. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Kruger Products Inc.'s subject matter has been prepared, in all material respects, in accordance with the applicable criteria applied as explained in the Greenhouse Gas Emissions Report Appendix.

Significant inherent limitations

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for 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 emissions 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.

Limited assurance 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 the subject matter presented within the Kruger Products Inc.'s Greenhouse Gas Emissions Report Appendix for the year ended December 31, 2023 is not prepared, in all material respects, in accordance with the applicable criteria.



Purpose of the Greenhouse Gas Emissions Report and restriction on use of our report

The Greenhouse Gas Emissions Report has been prepared in accordance with the applicable criteria to assist Kruger Products Inc. in reporting on its sustainable development performance and activities. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for Kruger Products Inc.

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

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PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

Montreal, Québec
July 17, 2024

¹ CPA auditor, CA, public accountancy permit No. A113424



Appendix – Greenhouse Gas Emissions Report Appendix

The following report outlines the greenhouse gas (GHG) emissions, a concise description of each KPI (Key Performance Indicator), 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 Inc.'s GHG emissions from scope 1 and 2 sum up to 330,252 metric tons of carbon dioxide equivalent (CO₂e) for the year ended December 31, 2023.

ORGANIZATIONAL BOUNDARIES

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

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

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The table below reports Kruger Products Inc. GHG emissions from scope 1 and 2 for the year ended December 31, 2023 (in metric tonnes of CO₂e).

GHG Emission Type	2023	2022	Year-over-year variances (2023 vs 2022)	
Scope 1	253,234	270,749	(17,515)	(6.47%)
Scope 2 (Location-Based)	77,018	91,171	(14,153)	(15.52%)
Total	330,252	361,920	(31,668)	(8.75%)

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 CO₂e) are calculated by multiplying the volumes of fuel combusted and released by the identified Kruger Products Inc. manufacturing plants included in the organizational boundaries by the relevant CO₂e emission factors.

The CO₂e emission factors are calculated by multiplying the emission factor of each gas (CO₂, CH₄ and N₂O) by its global warming potential (GWP) and adding the resulting products.



The emission factors of Kruger Products Inc. 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 1990-2022 - Released in May 2024.*

The emission factors of Kruger Products Inc. manufacturing plants located in the United States are sourced from the following: *USEPA - Emission Factors for Greenhouse Gas Inventories (Table 1): Released in February 2024.*

The GWPs are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2021 (100-year timeframe: GWP of CO₂ = 1, GWP of CH₄ = 27 and GWP of N₂O = 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 CO₂e) are calculated by multiplying the kilowatt-hours (kWh) of electricity consumed per province/state by the relevant CO₂e emission factors.

The CO₂e emission factors of Kruger Products Inc. 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 1990-2022 (Confirmed numbers from 2021) - Released May 2024.*

The CO₂e emission factors of Kruger Products Inc. manufacturing plants located in the United States are based on electricity generation intensity factors sourced from the following: *USEPA - Emission Factors for Greenhouse Gas Inventories (Table 6): Released February 2024.*

The GWPs are sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, 2021 (100-year timeframe: GWP of CO₂ = 1, GWP of CH₄ = 27 and GWP of N₂O = 273).