

2022 ESG Report



Bringing fiber and paper products full circle with sustainable innovation

Table of Contents

03	About this Report
04	Letter from the CEO
05	Progress on Sustainability
06	Sustana at a Glance
07	FY2022 Highlights and Actions
08	Our Sustainability Strategy
10	Environment
15	Social
18	Governance
20	Appendix

About this Report

Clear and transparent reporting on our sustainability progress is critical to our business success. This report serves as an introduction to the work happening across Sustana and highlights essential Environmental, Social, and Governance (ESG) initiatives.

Data and disclosures in this report were determined by our materiality assessment and in consultation with our most important stakeholders. This report is in conformance with the **Sustainability Accounting Standards Board (SASB)** Pulp and Paper Products industry standard and references the **Global Reporting Initiative (GRI)** Standards disclosures for select material topics. To disclose our progress towards the **United Nations (UN) Sustainable Development Goals (SDGs)**, each material disclosure topic indicates its respective SDG. This report also highlights how our progress and strategic initiatives support the **UN Global Compact's (UNGC)** Ten Principles, to which we committed in 2022. Combined, these frameworks take a multi-stakeholder approach to disclosing data that supports our mission as a sustainable, transparent, and responsible business.

This report includes data for the reporting year beginning on January 1, 2022 and ending on December 31, 2022. Unless indicated otherwise, the scope of this report reflects the activities of all Sustana's business units and operations within this period.

Our Board and Senior Management ESG Committees are responsible for ESG oversight and approval of sustainability strategies, targets, and disclosures. The VP of Sustainability leads our sustainability reporting efforts in collaboration with subject matter experts across the business responsible for the oversight, management, and collection of our ESG data.

Letter from the CEO

Sustana is proud to be recognized as a pioneer and leader in environmental sustainability, recycling, and circularity. Our premium, sustainable recycled fiber and paper make sustainability an ingredient in products people use every day.

We define success by the quality of our products and our ability to exceed our customers' expectations, as well as by the effect our behavior, operations and products have on people and the planet. This means behaving responsibly, thinking strategically for the long term, and being good stewards of the shared resources that benefit communities and drive the economy.

Sustana's dedication to the planet is reflected in our continually improving sustainability efforts. In 2022, Sustana committed to the United Nations (UN) Global Compact corporate responsibility initiative and its ten principles in the areas of human rights, labor, environment, and anti-corruption. We further demonstrated our dedication to preventing the most severe impacts from climate change by committing to science-based emissions reduction targets externally validated by the Science Based Targets initiative (SBTi). Sustana has committed to reduce absolute Scope 1 and Scope 2 GHG emissions 42% by 2030 and pledged to measure and reduce its Scope 3 (value chain) emissions. We extended our sustainability ambition to our value chain and launched a sustainable procurement program in 2022. Additionally, we have established a robust ESG governance structure and launched a suite of sustainability-related policies.

Our sustainability strategy is collaborative, relevant, and multidisciplinary. As a trusted voice in packaging, printed materials and specialty markets, our portfolio of sustainable products benefit our customers, suppliers, investors, and other

stakeholders through environmental stewardship, social responsibility and improved economic performance. We help our partners in achieving their sustainability goals with unique, responsibly produced products with high recycled content.

We don't just promote sustainability, we practice it. Our vision extends beyond the recycled content in our fiber-based sustainable solutions; we embrace a circular economy mindset where sustainability and value creation coexist. We invest in specialized equipment, develop innovative proprietary systems, and put serious thought into our impact at every stage of a product's life cycle. We are deeply dedicated to safety, diversity, equity and inclusion. We are committed to continually reducing our environmental footprint.

We strive to achieve sustainable growth by investing in our processes, our people, and the planet. We believe in striking a responsible balance between prosperity and purpose. By launching this Sustana ESG Report we underline our commitment to being a sustainability leader.



Fabian de Armas
CEO, Sustana

July 2023

Progress on Sustainability

Sustana recognizes its responsibility to support sustainable outcomes and report transparently on our progress. We are committed to setting and progressing towards ambitious, science-based sustainability targets that consider the need to operate within safe and just planetary boundaries. This ESG Report constitutes a major step in this direction.

2022 was a seminal year for Sustana. Through our materiality assessment, we engaged key stakeholders — including customers, employees, investors, NGOs, and suppliers — in meaningful dialogue to better understand our most important sustainability topics. We invested heavily in laying a foundation to manage ESG risks and opportunities for our business and impacts extending throughout our value chain. This entailed not only establishing ESG governance structures, teams, and policies, but also deploying and improving ESG data management systems, processes, and controls.

I'm proud of our performance in 2022 and want to underscore the following achievements:

- **Just Transition to Net-Zero:** We decoupled revenue and production growth from GHG emissions through an absolute reduction of 27% in Scopes 1 and 2 GHG emissions. This puts us on track to meet our near-term, 1.5°C-aligned science-based target. We accomplished this, in part, through procuring renewable energy credits (RECs) produced within disadvantaged and underserved populations to advance a just transition.
- **Nature Impact:** We assessed our nature impact, confirming that:
 - Zero facilities were adjacent to key biodiversity areas (KBAs);
 - Zero percent water was withdrawn from high water-stress areas; and,
 - We maintained a zero-deforestation virgin fiber supply chain.

- **Circularity:**

- 100% of our products were compostable and recyclable
- We diverted 88% of waste generated from landfills

- **Responsible Policy Engagement:** We strengthened public policy engagement in line with our values and sustainability principles, supporting proposals for increased corporate disclosures on climate and nature.

2023 will mark a new phase in the development of our sustainability strategy. We plan to build climate and nature (biodiversity) roadmaps based on more advanced risk and opportunity assessments that apply comprehensive scenario analysis. We will continue to integrate a focus on human rights and diversity, equity, and inclusion as we refine this strategy. We look forward to continued collaborations with partners across our value chain to support a more circular, nature-positive, and just world.



Renée Yardley

Senior Vice President Sustainability, Sales and Marketing

July 2023

Sustana at a Glance

WHO WE ARE

Sustana is the leading manufacturer of sustainably produced, premium recycled fiber and paper, utilizing post-consumer material to create high-quality, low-carbon products. We supply paper and fiber solutions to a broad range of brands and industries including Starbucks, Sonoco (Kellogg's), Patagonia, and Burton. As a trusted voice in sustainable paper and fiber manufacturing, we help customers, suppliers, investors, and other stakeholders achieve their sustainability goals. Our mills have an enduring commitment to sustainable manufacturing. This includes energy efficiency, water conservation, wastewater treatment technology, and recycling of process by-products.

- Employees: 480
- Facilities and locations:
 - Fiber facility located in De Pere, Wisconsin, USA
 - Fiber facility located in Lévis, Québec, Canada
 - Paper facility located in Saint-Jérôme, Québec, Canada

VISION AND CORE VALUES

Our Vision

We don't just promote sustainability, we practice it. Sustana's vision extends beyond the recycled content in our paper-based sustainable solutions; we embrace a circular economy mindset where sustainability and value creation coexist. Not only do we invest in specialized equipment, develop innovative proprietary systems and put serious thought into our impact at every stage of a product's life cycle, we are deeply dedicated to safety, equity and diversity.

Our Mission

Sustana sees a world where sustainability is a core value that runs throughout a company's operations. That means behaving responsibly, thinking strategically, and being good stewards of the shared resources that benefit communities and drive the economy. Sustana achieves this with traceable and transparent sourcing across our business for streamlined logistics our customers can trust.

Our Core Values

- **Integrity:** Transparency, accountability and trust are the pillars of our business. We say what we mean and do what we say.
- **Safety:** Our culture is built upon caring for people, providing a safe workplace and making them accountable, proactive and vigilant.
- **Customer Focus:** Customer service is a team effort. We work together to do what is needed to deliver exceptional service and meet and exceed the needs of our customers.
- **Teamwork:** The strength of our organization lies in the shared knowledge and expertise of our employees. We reward team effort and embrace new ideas that deliver results. We are fully committed business partners.
- **Sustainability:** Sustainability is in every fiber of our business. We look for ways to continue to shrink our environmental footprint. All employees and stakeholders are invested in a sustainable business and planet.

FY2022 Highlights and Actions

Governance

- Established ESG governance structures, including the Board ESG Committee and the internal ESG Committee comprised of senior management
- Created ESG Technical Working Group and Sustainability Team
- Appointed Vice President of Sustainability

Principles

- Committed to the Ten Principles of the United Nations Global Compact

Materiality

- Conducted our ESG materiality assessment using a double materiality approach with support from a third-party consulting firm, BSI

Policies

Developed the following policies:

- Environmental Policy addressing climate, nature, water, and waste
- Sustainable Procurement Policy
- Anti-Corruption and Whistleblower Policy

Data and Technology

- Identified KPIs aligned with material ESG topics and measured performance
- Established ESG data management platform using Sphera SCCS
- Selected ESG supply chain risk assessment software platform, EcoVadis

Climate

- Collected GHG Scope 1 and 2 emissions at corporate level
- Commenced collection of GHG Scope 3 emissions (to be completed in 2023)
- Developed a GHG Inventory Management Plan
- Set a near-term GHG emissions reduction target validated by the Science Based Targets initiative
- Identified and initiated Scope 1 (operational) decarbonization CapEx projects
- Preliminarily assessed selected climate, physical and transition risks against net-zero 1.5°C and 4°C scenarios

Supply Chain

- Directly engaged 214 target suppliers on ESG topics to inform our Scope 3 emissions calculations and environmental and social risk assessments
- Conducted high-level screenings and assessments of suppliers for ESG risks using supply chain sustainability assessments from EcoVadis, a provider of business sustainability ratings.

Our Sustainability Strategy

Sustana's Sustainability Strategy centers around strengthening the resilience of our business to drive long-term value creation and environmental and social impact. It is largely informed by our 2022 ESG materiality assessment, which applied a double materiality approach that followed guidance from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) and prepares us well to meet the high-quality, comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets drafted by the International Sustainability Standards Board (ISSB).

The materiality assessment evaluated potential business impacts, both positive and negative, and stakeholder concerns and priorities to determine the issues that should be strategically prioritized. Sustana views the acknowledgment and integration of a wide variety of interested parties' concerns and perspectives as a valuable and crucial step in the development of strategic risk management and business planning. Consequently, the assessment focused on engagement with key internal and external stakeholders whose interests are or could be affected by the organization's activities. This included desktop research and surveys and interviews with investors, employees, customers, suppliers, and non-governmental organizations (NGOs). Select key ESG issues identified through this assessment and outlined within this report include:

- Business Ethics
- Circularity and Product Quality
- Climate Change & Energy Management
- Diversity, Equity and Inclusion
- Employee Health and Safety
- Labor Practices
- Nature (e.g., Biodiversity)
- Sustainable Procurement and Supply Chain Management
- Water and Waste Management

Based on this assessment, and with the support from various subject matter experts, we identified relevant metrics from leading sustainability standards and frameworks for each material topic to measure our performance and impact. We also commenced numerous ESG topic risk assessments both for our own operations and throughout our supply chain.

As we move forward, Sustana plans to conduct more structured and comprehensive risk and opportunity assessments, including climate scenario analysis. For our most material topics we will develop additional action plans and roadmaps. It is our hope that this effort will strengthen the resilience of our sustainable business strategy and drive long-term value creation in the face of a rapidly evolving environmental and socioeconomic risk landscape.

Clear and transparent reporting on our sustainability progress is critical to our business success. This streamlined report serves as an introduction to the work happening across Sustana and highlights essential ESG initiatives.

OUR SUSTAINABILITY OVERSIGHT

Oversight of priority ESG issues and transparent reporting of performance to key stakeholders is critical to fulfilling our mission as a sustainable company. To this end, ESG oversight has been integrated across all major corporate governance structures and levels. The Board is the highest level of sustainability oversight. The Board ESG Committee oversees all ESG-related matters and is responsible for approving sustainability strategies and external targets. Executive-level compensation linked to ESG performance is managed by the Board Compensation Committee. Responsibility for external disclosures, audits, and financially material ESG-related topics rests with the Board Audit Committee.

Our internal ESG Committee is composed of senior management and is led by our Vice President of Sustainability. This committee reports directly to the Board and works closely with the internal Enterprise Risk Management (ERM) Committee. Both Board and internal ESG committees oversee risks and opportunities from a double materiality perspective, which identifies ESG issues that significantly affect our value creation as well as the ways in which Sustana impacts the economy, environment, and people.

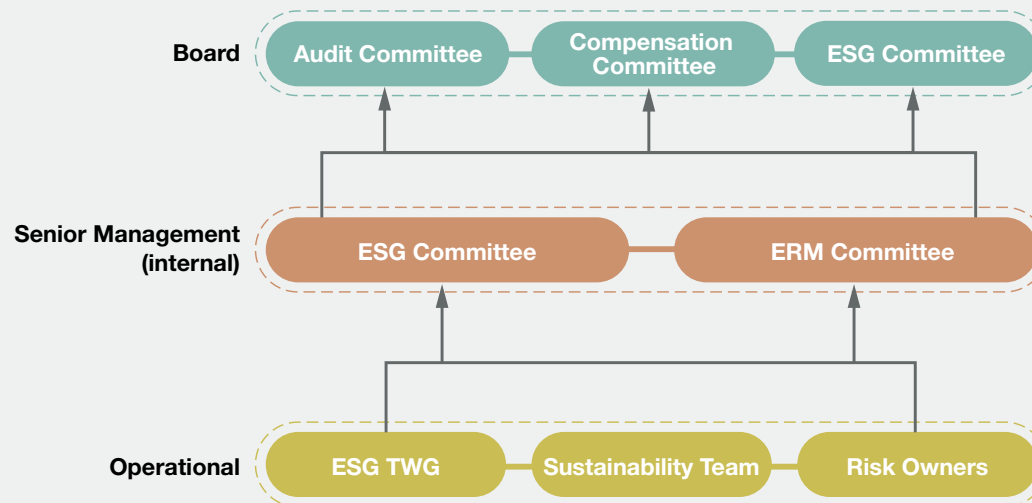
ESG topics that are financially material are formally included in the risk register and also monitored and managed by the Board Audit and internal ERM committees.

At the operational level, the Sustainability Team directs strategy and design of priority ESG initiatives in close cooperation with the ESG Technical Working Group (TWG). The ESG TWG is responsible for policy and program implementation and comprises individuals responsible for key functions (e.g., procurement, health and safety, finance, human resources) across all Sustana's facilities, brands, and business units. For their respective function and facility/ies, members are responsible for supporting the:

- Internal collection, monitoring, and reporting of ESG data; and
- Implementation of ESG-related projects, standard operating procedures, and policies at various operational levels and locations

The ESG TWG is led by the Vice President of Sustainability, reports to the internal ESG Committee, and is supported by the Sustainability Team.

Sustainability Governance Structure



Environment

We target our environmental impact across four major areas: circularity (with a particular focus around waste), climate & energy, water management, and nature, including biodiversity. We continually assess our operational impact on these areas to understand where we can improve the broader footprint of our products and processes.

CIRCULARITY

The core of our business is focused on leading the transition to a circular economy by utilizing post-consumer recovered fiber from waste streams and recycling it into new fiber and paper through sustainable manufacturing processes. When our processes require sourcing virgin wood fiber for paper production, we only use Forest Stewardship Council (FSC)-certified wood fiber, which better ensures we utilize regenerative materials from sustainably managed forests.

Wood fibers can be recycled up to seven times, greatly extending their potential useful life as a raw material and reducing the need to use virgin material. We work closely with brands to identify opportunities to recover their fiber for utilization in our post-consumer recycled content fiber and paper products as an alternative to plastics and virgin materials.

In 2022, we achieved the following on our circularity journey:

- 100% of our products identified as compostable and recyclable
- 93% of our products identified as FSC-certified
- 72,220 metric tons (t) of post-consumer recycled fiber recovered from the waste stream and utilized in our production processes
- Diverted 88% of the waste we generated from landfills
- Over 1 million GJ of renewable energy sourced from biogas, solar, and wind technologies
- 0% of our water withdrawn from high or extremely-high water stressed areas
- Continuous water recycling in our production processes
- No plastic used in the packaging of our fiber and paper products

OUR CIRCULARITY STRATEGY

Collaboration is key to the success of circularity, and we work with brands, material recycling facilities, policy makers, and standards providers to address strategic priorities:

- Innovate through testing and developing processes for recycling new fiber waste streams (e.g., coffee cups and aseptic and gable top containers)
- Raise awareness about the importance of recycling and the benefits of transitioning to a circular economy
- Improve the potential of a broader circular economy through supporting legislation like extended producer responsibility that seeks to drive investment in collection and recycling infrastructure and more complete corporate sustainability disclosures
- Increase the recovery of post-consumer fiber in waste streams, particularly in underserved communities with legacy pollution
- Optimize the recycling of post-consumer fiber waste into new fiber-based products and packaging, maximizing the products' circularity value
- Minimize the use of virgin, non-regenerative materials in our customers' products
- Reduce the weight and amount of fiber materials needed in packaging through innovative packaging technologies using post-consumer waste (PCW) content fiber
- Boost our sales to customers of 100% PCW content paper relative to our 30% PCW

CASE STUDY

New life for traditional food packaging



We partnered with leading packaging company Sonoco and Kellogg's to better understand the potential of recycling paper containers with steel bottoms, which are common for packaging food products. After Sonoco confirmed that paper containers with steel bottoms can be recycled in the steel stream, the next step was to further increase the recyclability of paper containers in the paper stream. There was already proven success in producing 100% recycled paperboard with up to 85% post-consumer fiber from bales of mixed paper at all Sonoco U.S. paper mills, but it was still unknown at that time if paper containers could be recycled further.

We worked with Sonoco to confirm that paper containers could be processed in the paper stream and made into reusable materials through an additional trial, thus creating the potential for ongoing circularity. The positive result may lead to great potential in reducing the amount of paper food packaging waste heading to the landfill.

CLIMATE AND ENERGY

For almost two decades, we've invested in energy efficiency and renewable energy technologies like biogas to reduce our energy costs and make our business more resilient in the face of climate change.

Since 2016 and 2019 we've conducted peer-reviewed life cycle assessments (LCAs) of our paper and fiber products, respectively, to measure their emissions and environmental impacts. Since then, we've used data from our LCAs to inform product R&D, manufacturing and technology improvements, and material procurement decisions (e.g., recovered fiber and FSC virgin fiber).

In 2022, we continued to reduce our total energy consumption by 3.74% and our energy intensity by 4.64% compared to 2021. We also expanded our renewable electricity consumption 26 percentage points through the purchase of Green-e certified renewable energy credits. These actions resulted in an absolute GHG emissions reduction of 25% and a 26% reduction in production intensity from a 2021 baseline.¹ Our 2022 performance was primarily driven by reducing Scope 1 greenhouse gas (GHG) emissions, expanding use of renewable energy, and measuring our GHG emissions across our value chain.

Our Climate and Energy Strategy

Sustana's energy and emissions reduction strategies focused on the following three areas in 2022. For a detailed overview of our climate and energy strategy, see [Appendix](#).

1. Reduce Scope 1 emissions

We launched a dedicated Scope 1 decarbonization initiative with the aim of further reducing energy intensity and costs, GHG emissions, and climate and supply chain risk. With most targeted for completion by our operations team by 2023 or 2024, these projects are estimated to result in more than USD 1.2 million in annual energy savings and approximately a GHG emissions reduction of 37,000 MTCO₂e.

2. Expand Renewable Energy (RE) use for Scope 2 reductions

Nearly 99% of all electricity produced in Québec is from renewable energy, and because we do not purchase steam anywhere in our operations, our Scope 2 GHG emissions from our Canadian facilities are minimal. Consequently, we focused our Scope 2 GHG reduction strategy on our USA fiber facility in Wisconsin where the grid emissions factor is much higher due to regional reliance on fossil fuel-based energy production.

To reduce our emissions in the short-term and support environmental justice, we purchased Green-e certified renewable energy credits (RECs) from many underserved and vulnerable communities.² Our total RECs investment reduced our Scope 2 GHG emissions by 99% in 2022.³

3. Tackle Scope 3 Value Chain Emissions

Approximately 81% of our emissions occur throughout our wider value chain. To address emissions in our supply chain, we focused on a main source of raw material (fiber waste from sorted office paper, cups and food packaging, including aseptic and gable top cartons), which we then recycle into new fiber. In 2022, we launched a broad stakeholder engagement campaign to raise awareness among our customers and suppliers about climate change and to collect their emissions and energy data to calculate our own Scope 3 GHG emissions. We also utilize collaborative initiatives to recover the fiber from our customers' products, recycling it into new fiber and paper.

Our Net-Zero Commitment

Sustana is committed to supporting the transition to a net-zero economy, limiting the rise in global average temperatures to 1.5 degrees Celsius and averting climate change's most serious impacts. We plan on doing this by continuing to focus on energy efficiency, expand the use of renewable energy, and work closely with our customers and suppliers to reduce emissions throughout our value chain.

To ensure our reductions are in accordance with the net-zero emissions by 2050 global target, our 2030 absolute reduction target was reviewed and validated by the Science Based Targets initiative (SBTi). This target is aligned with a 1.5-degree pathway. We also set a short-term intensity reduction target for 2024 that puts us on track for our 2030 target. These targets are detailed in the Sustana Company Targets chart in the [Appendix](#).

Canada has a Federal Carbon Pollution Pricing System and the Province of Québec has a Cap and Trade System in place. Canada's federal system is aligned closely with the IEA Net-zero Emissions by 2050 scenario. Sustana has taken these regulations and climate science into consideration in setting our 2030 near-term target, internal shadow carbon pricing for major capital expenditures, and our overall emissions reduction strategy and plan.

¹ Emissions reduction and production intensity were both calculated from Scopes 1 and 2 using a market-based approach for Scope 2

² Underserved and vulnerable communities are defined and were identified using the US Federal [Climate & Economic Justice Screening Tool](#).

³ Using the market-based method

Our Net-Zero Targets

1. 15% intensity (MTCO₂e/volume produced (t)) reduction of Scope 1 and 2 emissions by 2024 against a 2021 base year
2. 42% absolute emissions reduction of Scope 1 and 2 emissions by 2030 against a 2021 base year
3. Measure, disclose and reduce Scope 3 emissions

Future-focused Statements

Looking ahead, we are exploring shifting from natural gas to more sustainable fuel sources (e.g., renewable natural gas) and boiler technologies for additional Scope 1 GHG reductions over the medium and long-term, in addition to our current biofuel sourcing.

Sustana is focusing on assessment, engagement and target setting to tackle Scope 3 value chain emissions. In 2023, Sustana will be conducting a more robust climate risk assessment, testing the resilience of our business strategy and enterprise value creation model against multiple plausible future climate scenarios, including net-zero 1.5- and 4-degree scenarios. The results of our risk assessment will inform our future net-zero transition and climate adaptation and resilience plans and be disclosed in a future annual sustainability report or a Taskforce on Climate-related Financial Disclosure (TCFD) standalone report.

Building on our 1.5-degree aligned near-term SBT, we will update our inventories using the forthcoming GHG Protocol guidance on land use and removals and set a long-term and net-zero target that will include Scope 3 emissions. A large majority of our emissions lie in our wider value chain — over 20% from the processing of sold goods and 32% from the purchased goods and services. To this end, through our partnership with EcoVadis and Sphera, we will be engaging our customers and suppliers, assessing their climate risk management capabilities, working with them to set emissions reduction targets, and providing them with capacity development opportunities and technical expertise.

WATER MANAGEMENT

Water is a critical resource for paper production, and we are committed to preservation and conservation, diligently monitoring and reducing our water consumption and discharge, and avoiding water withdrawal from high-stress areas. Additionally, we recognize and support the following UN Sustainable Development Goals (SDGs) as they pertain to water: 6 (Clean Water and Sanitation) and 14 (Life Below Water); and the [5 Principles for Valuing Water](#) as defined by the UN High-Level Panel on Water.

Our approach to and principles for water stewardship are captured within our [Environmental Policy](#). We expect our employees, suppliers, and other major business partners to support our principles and help advance our water-related goals, which are outlined in our [Sustainable Procurement Policy](#) and [Supplier Code of Conduct](#).

Our Water Management Strategy

Sustana has a robust water management strategy as a part of our mission to be stewards of the shared resources that benefit communities. We monitor water-related risks and opportunities at each facility including country and global context using the World Wildlife Fund (WWF) Water Risk Filter and the World Resources Institute (WRI) Aqueduct Water Risk Atlas. For addressing short term risk, we evaluated an average of our three manufacturing sites¹ river basin scores and have identified risk in water withdrawals, consumption, and wastewater discharge as driven by ecosystem services and biodiversity importance. None of our facilities are currently in high water-stress areas and we have a low risk of water scarcity.

Our Board and Senior Management ESG Committees are responsible for corporate-level water-related risk and opportunity oversight, external performance disclosures, target setting, and strategy development. In addressing short term water withdrawal and consumption risks, we have identified and evaluated anticipated water consumption cost increases which are not expected to be material. Using wastepaper as an input drastically reduces the demand for water resources compared to virgin fiber. To further reduce water demand, Sustana has invested in water efficient technologies and processes. We have taken measures to improve effluent testing and treatment and flood resistance including investing in flood barriers and water pumps. To address long term risks, we are conducting an in-depth risk assessment to evaluate operational materiality across our supply chain.

¹ Sustana owns and operates three manufacturing sites in De Pere, Wisconsin, Saint-Jérôme, Québec, and Lévis, Québec.

Since 2016 and 2019, we've used peer-reviewed LCAs of our paper and fiber products, respectively, to inform water-related investment decisions in manufacturing, withdrawal and effluent testing, and treatment technologies and processes. We have sought to maximize water efficiency in our current processes, recycling water many times over. As we move forward, we must carefully balance environmental impact trade-offs of production inputs; reducing water withdrawal and consumption are likely to result in increased energy or chemical usage. Based on our basin assessment indicating we are not in a high water-stress area we have evaluated this as the lowest financial and environmental impact option. Some of Sustana's facilities are subject to water withdrawal and effluent discharge regulatory permits. Sustana successfully maintains and satisfactorily operates within the set limits permitted. Our suppliers must sign our Supplier Code of Conduct, which includes our environmental principles and regulatory requirements for water stewardship.

Future-focused Statements

We are monitoring the development of the International Sustainability Standards Board (ISSB), Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, and the Science Based Targets Network (SBTN) target-setting guidance on freshwater, among others. We will seek to leverage methodologies, like the TNFD LEAP approach, to further develop and improve our water stewardship practices, set targets that are context and watershed-specific, and disclose publicly our management of water-related risks and opportunities and performance against set targets.

Building on our existing climate and water risk assessments, we plan to conduct our climate and nature-related risk and opportunity assessments with more water-specific scenario analysis. This will address water risk over short, medium and long-term timeframes against multiple potential future scenarios.

NATURE & BIODIVERSITY

Sustana recognizes the Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework and supports its goals and targets to preserve and protect nature. Our long-term value proposition is based on the ability of both our sector and governments to incentivize and ensure a regenerative and nature-positive economy.

In our approach to conserve nature and biodiversity, we prioritize the following:

Forests and Land Use: We aim to prevent deforestation and land conversion that adversely impacts nature. We will leverage internal and external assessments, where appropriate, and maintain external certifications (e.g, FSC of our own products, and source only FSC-certified virgin fiber).

Oceans: We strive to protect ocean biodiversity and prevent ocean acidification through reducing our carbon emissions, avoiding deforestation and forest land conversion, and increasing our production of recycled content fiber as an alternative to plastic.

In 2022, Sustana achieved:

- 100% of purchased virgin wood fiber was FSC certified
- No facilities in or adjacent to key biodiversity areas
- 0% of water withdrawn in locations with high or extremely high baseline water stress
- Signatory to the Business for Nature Call to Action that calls on governments to enact policies to reverse nature loss

Future-focused Statements

Sustana will work towards becoming nature-positive by continuing to identify, measure, report, and reduce our dependencies and negative impacts on nature. Through partnerships and collaboration, we will work to reverse the degradation of nature, and nature considerations will be integrated into business and procurement decisions. We will also avoid placing new facilities adjacent to Key Biodiversity Areas (KBAs) or areas of high biodiversity value.

Social

Connecting with our people and community is intrinsically important to our success as a company. We aim to ensure our employees feel supported and empowered to do their best work each day. We recognize the impact we can have in our communities as good environmental stewards and champions of education.

PEOPLE

We're dedicated to creating a workplace that appreciates the contributions of our employees and encourages employees to bring their whole selves to work. Our company values of safety, sustainability, integrity, customer focus and teamwork guide us in our journey to be an employer of choice and sustainable paper and fiber supplier.

Sustana's guiding principles are outlined in the following:

- [Employee Code of Conduct](#)
- [Human Rights Policy](#)
- [Health and Safety Policy](#)
- [Diversity, Equity and Inclusion Policy](#)

We integrate continuous improvements to our safety standards and equipment and ensure employee well-being through:

- Comprehensive health and safety program to all employees
- Comprehensive healthcare insurance and benefits
- Short and long-term disability insurance
- Offering flexible organization of work and remote work when possible
- Family-friendly programs and offering of parental leave
- Compensating extra work or atypical working hours

Table: Employees in the US and Canada

	TOTAL	US	CANADA
2021	447	76	373
2022	480	75	405

Full time equivalent (FTE), as per December 31, respectively

At Sustana, we seek to continuously improve our ability to achieve our customers' needs and our vision to be a leader in providing sustainable paper-based solutions. This begins by attracting, developing and retaining talented employees across our workforce. We recognize that nurturing a talented and engaged workforce is a journey and are proud to continue growing our solid 2022 achievements such as:

- Continuously increasing knowledge and expertise by having provided on average 46 hours of training per employee
- Participation of our employees to company profit sharing

Child Labor/Forced Labor

Sustana will not tolerate the use of any form of forced labor, nor will Sustana tolerate the exploitation of children or the use of child labor. This applies to any of Sustana's facilities and suppliers worldwide. We are committed to preventing and reducing the risk of both forced labor and child labor being utilized in our facilities or in our supply chain. For more details see our [Modern Slavery Statement](#) and [Human Rights Policy](#).

In 2022, all of Sustana's buyers, our Chief Operations Officer, and our Director of Logistics and Supply Chain were trained on sustainable procurement, including labor and human rights.

Future-focused Statements

As we look forward, we are adding several initiatives to continue our efforts including further developing our "One Sustana" company culture, further develop our talent development processes and standardizing our performance review in 2023.

Targets

1. Develop metrics and target setting for employee engagement in 2024
2. Conduct employee survey in 2024

DIVERSITY, EQUITY AND INCLUSION (DEI)

We believe that diversity, equity, inclusion and belonging foster new ideas and can create a competitive advantage. Sustana is committed to promoting a culture to continuously improve DEI across the organization and actively working to prevent discriminatory behaviors and attitudes. The most important guideline for all employees related to this is our [Diversity, Equity and Inclusion Policy](#) and our [Employee Code of Conduct](#).

Advancing DEI performance in our value chain through procurement

In 2022, we launched our corporate/group level sustainable procurement program directly engaging 214 of our largest suppliers, representing more than 90% of our total supplier spend. Through this engagement we assessed whether these suppliers had DEI policies in place. This work will inform future DEI-focused supplier engagement initiatives.

Anti-Discrimination and Anti-Harassment

Sustana provides a workplace free from harassment of any kind and/or any other offensive or disrespectful conduct. We expressly prohibit harassment in the workplace or anywhere business is being conducted and we comply with all applicable laws prohibiting harassment. For more information, please see our [Diversity, Equity and Inclusion Policy](#).

Sustana has a zero-tolerance policy towards any behavior (physical or verbal) that intimidates, injures, attempts to control, or otherwise threatens a person's emotional, mental or physical well-being. All threats, or insinuations of a threat, will be taken literally and seriously. For more information, please see our [Diversity, Equity and Inclusion Policy](#).

Demographic Data: Employees and Board of Directors

At the end of 2022, our Board of Directors consisted of six directors, among them one female and one director of a minority group, which meets the Board's target to include at least one-third of directors as identifying from an underrepresented group in leadership.

The female representation in our leadership is 27% and in 2022 we have continued our efforts to improve female representation in our production teams.

Sustana supports workplace diversity to bring in a variety of perspectives and foster creativity to better inform business decisions, including support for equality in all aspects, including gender, in the promotion of employees to managerial positions.

Employees by Gender and Age

ALL EMPLOYEES	2022	2021
Male	84%	86%
Female	16%	14%
ALL EMPLOYEES	2022	2021
Under 30 years old	16%	11%
30–50 years old	57%	57%
Over 50 years old	28%	32%
LEADERSHIP	2022	2021
Male	73%	64%
Female	27%	36%

As per December 31, respectively

Future-focused Statements

Looking ahead, we have specific targets to help Sustana become a more representative and equitable company. In 2023, we will establish a comprehensive DEI program across Sustana and expand manager and new employee training to include unconscious bias. We will build on 2022 work with our targeted suppliers, and continue to collaborate with them to strengthen their DEI policies and initiatives. EcoVadis will be used to screen and assess the social risk management capabilities of our suppliers and improve their capabilities and performance.

2025 Targets

- Involve 100% of our employees in our vision of diversity and inclusion
- Increase female-identifying representation in the Workforce council
- Train all employees on inclusion/unconscious bias at least every 24 months
- Increase share of female/under-represented groups

HEALTH AND SAFETY — PROVIDING A SAFE WORKPLACE

Our culture is built upon caring for people, providing a safe workplace and helping them be accountable, proactive, and vigilant. We believe in maintaining an environment that supports zero incidents, accidents, and unsafe behaviors; we expect all our employees to work safely every day. Safety is everyone's responsibility — we must help others around us be safe including co-workers, visitors, contractors and customers.

We strive to provide a workplace free from known occupational hazards and have high operating standards to meet or exceed all applicable laws, regulations, and standards to keep our employees free from harm. All Sustana employees and contractors whose work is controlled by Sustana are covered by our occupational health and safety management system.

Sustana strives to maintain a positive safety culture where all employees feel involved and empowered with their own safety and that of their co-workers. All Sustana employees are strongly encouraged to actively participate in some aspect of our safety program, Safety Committee, safety meetings, and facility audits. For more information see our [Health and Safety Policy](#).

In 2022, we reduced lost time injury (LTI) frequency rate for direct workforce from 12.38 in 2021 to 8.48 in 2022. The LTI severity rate for direct workforce was 0.70 in 2022, compared to 1.05 in 2021.

A full set of measures is in place to secure health and safety of all employees:

- All employees (100%) are covered by our occupational health and safety management system.
- A regular mandatory training of all relevant employees on health and safety risks and good working practices is in place.
- There is a mandatory health checkup for all new employees.
- Regular inspection to ensure safety of equipment takes place.
- There are Safety Committees in place which cover all four US and Canadian plants.
- A safety contractor checklist and contractors health and safety assessment scheme is in place.
- All workers (100%) who are not employees but whose work is controlled by Sustana are covered by our health and safety management system.

Future-focused Statements

Our ambition is to have zero accidents. To hold ourselves accountable for providing a safe workplace, we've set the following targets.

2023 Target

- Reduce the LTI frequency rate and LTI severity rate for direct workforce significantly.

2025 Targets

- Achieve a LTI frequency rate for direct workforce below 4.00
- Achieve a LTI severity rate for direct workforce below 0.3

COMMUNITY IMPACT & ENGAGEMENT

We understand the power of our impact in the smaller cities in which we operate across North America. We believe that making our planet a better place starts with education and awareness. That's why our community engagement efforts include financial contributions and donations to social and education initiatives in the communities where we operate in the United States and Canada.

Future-focused Statements

Looking ahead, we've set the following target to empower our employees in our community engagement efforts.

Target

- Launch a formal employee volunteer program in 2024

Governance

Part of our continued commitment to transparency, accountability, and good corporate citizenship is upholding our ethical standards both internally and with those we work with outside Sustana. Our governance structures, policies, systems, processes and disclosures drive accountability for our standards of operation, and we align with the UN Global Compact and UN Sustainable Development goals on priority governance issues like human rights, labor practices, and anti-corruption.

ANTI-CORRUPTION

Sustana recognizes and requires compliance with international and national laws and regulations on corruption, including the United Nations Convention against Corruption (UNCAC) and the U.S. Foreign Corrupt Practices Act (FCPA). We do not consider our overall exposure to corruption as high, and are committed to continuing oversight to ensure full accountability within our relatively small and regional supply chain.

The success of our business relies heavily on the trust we build and maintain with employees, customers, suppliers, investors, other partners and the communities within which we operate.

In 2022, Sustana rolled out our anti-corruption policy, whistleblower protection, and corruption grievance mechanism. We monitored for potential regulatory and corruption issues and violations committed by our suppliers through EcoVadis 360 degrees Watch Findings. Sustana had zero incidents of confirmed corruption in 2022 and 2021. We maintain a series of codes and standards to ensure we have a strong and sensible approach to governance and ethics:

- [Anti-Corruption and Whistleblower Policy](#)
- [Sustainable Procurement Policy](#)
- [Employee Code of Conduct](#)
- [Supplier Code of Conduct](#)

All Sustana employees, contract workers, interns, consultants, suppliers, and other business partners must understand these policies, and agree in writing to maintain Sustana's zero-tolerance to corruption.

Sustana employees or third parties working with Sustana have the right to submit a confidential report concerning any potential malpractice or act of corruption identified in our business or supply chain. We have zero tolerance for any retribution within the company and recognize the right of whistleblowers and will work with them to ensure

there are no legal repercussions for their actions. Sustana has a dedicated team to immediately investigate any potential abuse of power or act of corruption and follow up on all reporting.

SUSTAINABLE PROCUREMENT

We recognize our responsibility and ability to influence positive social and environmental outcomes through sustainable procurement practices and meaningful engagement with our suppliers. We expect our suppliers to share our sustainability-focused values and aim to work closely with them to raise awareness, build competency, and promote the importance of social and environmental responsibility throughout our value chain. In 2016 and 2019, Sustana published peer-reviewed life cycle assessments (LCAs) of our paper and fiber products to measure their emissions and environmental impacts. Since then, we have used data from our LCAs to inform product R&D, manufacturing and technology improvements, and material procurement decisions (e.g., wastepaper and FSC virgin fiber). In 2022, we launched our [Sustainable Procurement Policy](#) and Sustainable Procurement and Supply Chain Program.

A major component of this program is ensuring our virgin wood suppliers contributing to our paper products adhere to responsible social and forest management standards. To this end, we require all our virgin wood fiber to be FSC certified. FSC certified virgin fiber is more expensive than virgin paper. However, we are committed to only using FSC certified fiber because it is critical for achieving our climate, nature, and social impact goals. In 2021 and 2022, 100% of all virgin wood fiber was FSC certified. To maintain their FSC certification, these suppliers have been audited. In addition, all non-virgin wood fiber utilized in our paper products is FSC certified post-consumer recycled content produced from our fiber facilities.

Throughout 2022, Sustana collaborated with Sphera through our annual survey and engaged 214 targeted suppliers representing more than 90% of our total spend. We gathered climate, energy, DEI, and human rights-related information to inform our Scope 3 emissions calculations and environmental and social risk assessments. All of our buyers were trained on sustainable procurement practices, and through EcoVadis IQ, we conducted a high-level screening of over 441 suppliers for social and environmental risks through a geographic and industry-based risk approach. We also assessed 18 suppliers through EcoVadis' broader platform for environmental and social risks.

During the COVID-19 pandemic, we faced challenges in sourcing sorted office paper waste to produce post-consumer recycled content wood fiber. To overcome this challenge, and in an effort to improve recovery rates and drive innovation in circularity, we expanded our capabilities to also recycle aseptic and gable top cartons. This achievement has greatly increased the resilience of our wastepaper supply chain and is helping increase waste recovery rates.

Despite these achievements, increasing investments in North American waste collection and recycling infrastructure is critical for transitioning to a circular economy and expanding the supply of PCW recycled content fiber products. To this end, we generally support Extended Producer Responsibility (EPR) legislation and have chosen not to join or fund industry groups and initiatives that publicly adopt opposing positions.

Targets

- Increase the number of target suppliers assessed through the EcoVadis platform in 2023
- Increase engagement with target suppliers around improving sustainability performance by 2023
- Share our improved Supplier Code of Conduct with suppliers and receive their agreement to it
- Set ESG topic-specific performance targets for our supply chain by 2023
- Gather more specific nature-related data from our suppliers by 2023 to better understand our nature-related dependencies and impacts

Appendix

20	Strategy and Risk Assessment
22	UN Sustainable Development Goals
23	Data and ESG Framework Alignment
31	SASB Index

STRATEGY AND RISK ASSESSMENT

Climate and Energy

Our climate and energy strategy supports UNGC Principles 7, 8, and 9. We apply the precautionary principle in our approach to climate impact management, promote greater environmental responsibility throughout our business, and support the development of environmentally friendly technologies. In 2022, we continued to reduce our total energy consumption by 3.74% and our energy intensity by 4.64% compared to 2021. Sustana also expanded our renewable electricity consumption through the purchase of Green-e certified renewable energy credits. Our 2022 performance was primarily driven by reducing Scope 1 emissions, expanding renewable energy use, and tackling Scope 3 emissions.

Reduce Scope 1 emissions

Building on an already advanced energy efficiency operations platform, we launched a dedicated Scope 1 decarbonization initiative with the aim of further reducing energy costs, GHG emissions, and climate and supply chain risk.

Objective: Partnering with Legence, coupled with additional technical support from Blackstone's decarbonization team, we conducted site-level assessments across all our facilities to identify and validate efficiency measures across a wide spectrum of manufacturing processes and energy systems.

Implementation: Based on these assessments, a range of decarbonization CapEx projects were developed and initiated in the areas of boiler technology improvement and replacement, waste heat recovery, renewable fuels, and compressed air, among others. With most targeted for completion by our operations team by 2023 or 2024, these projects are estimated to result in more than USD 1.2 million in annual energy savings and approximately a 37,000 MTCO₂e reduction in our Scope 1 emissions intensity.

To address emissions in our supply chain, we focused on a main source of raw material (fiber waste from sorted office paper, cups, and food packaging, including aseptic and gable top cartons), which we then recycle into new fiber. During the pandemic when sorted office wastepaper was in short supply, we invested in new technologies to recycle aseptic and gable top cartons to avoid using more virgin fiber in our paper production which limited increases in emissions.

Expand Renewable Energy (RE) use for Scope 2 reductions

Given that nearly 99% of all electricity produced in Québec is from renewable energy and we do not purchase steam, our Scope 2 emissions from our Canadian facilities are de minimis, and thus, present little opportunity for reduction.

Objective: Consequently, we focused our Scope 2 reduction strategy on our US fiber facility in Wisconsin where the grid emissions factor is much higher due to their reliance on fossil fuel-based energy production.

Implementation: We deployed a two-pronged strategy to meet our short and long-term needs. For the medium to long-term, to reduce unstable electricity costs and enhance our energy resilience, we commenced researching options for a RE direct power purchase agreement, which will necessitate the development of new renewable energy infrastructure in close proximity to our facility. We expect this initiative to take 2-3 years to come to fruition. To reduce our emissions in the short-term and drive investments in RE in underserved and vulnerable communities, we purchased Green-e certified renewable energy credits (RECs). This investment reduced our Scope 2 emissions by 99% in 2022¹ and supported investment and contributed to social impact in vulnerable communities in the US across. Sustana plans to continue to purchase high quality, Green-e certified RECs until it can secure a direct RE electricity source for our US facility.

¹ Using the market-based method

Tackle Scope 3 Value Chain Emissions

In large part due to significant emissions reductions, we have already made within our direct control (Scope 1 emissions), approximately 81% of our emissions occur throughout our wider value chain. Our largest four areas in order of magnitude are:

- Purchased goods and services at 32%
- Processing of sold goods by our customers at 20%
- End-of-life treatment of sold products at 15%
- Upstream transportation at 11%, which also includes transportation of final products to our customers for which we cover the costs

Objective: In 2022, we launched a broad stakeholder engagement campaign to raise awareness among our customers and suppliers about climate change and to collect their emissions and energy data to calculate our own Scope 3 emissions.

Implementation: Given that almost 38% of our emissions occur downstream after our product leaves our facilities, it is critical that we engage our customers and encourage decarbonization efforts (e.g., low-emission transportation and renewable energy). We also utilize collaborative initiatives whereby we recover the fiber from the products our customers sell and recycle it into new fiber and paper, closing the loop to keep materials and their value in the economy for as long as possible. In addressing upstream emissions, we plan to work closely with our suppliers to more accurately measure and report their emissions, set decarbonization targets, and build internal capacity for climate mitigation and adaptation.











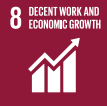


Emissions Reduction Targets based on Climate Science

TARGET	TYPE	PROGRESS AGAINST TARGET	% REDUCTION AGAINST BASE YEAR	THIRD PARTY VALIDATION	DETAILS
15% reduction of Scope 1 and 2 emissions intensity (MT of product using market-based approach for Scope 2) by 2024 against a 2021 base year	Intensity	Achieved	26%	N/A	In accordance with Blackstone's portfolio emissions target
42% emissions reduction of Scope 1 and 2 emissions by 2030 against a 2021 base year	Absolute	Positive and on track	25%	Science Based Targets initiative	Near-term target developed using the SME methodology
Measure, disclose and reduce Scope 3 emissions	Measure, Disclosure, and Reduce	Positive and on track	N/A	Science Based Targets initiative	This target is part of Sustana's approved near-term SBTi target. We measured our 2021 Scope 3 emissions for the first time in 2022 which are disclosed in this report.

UN SUSTAINABLE DEVELOPMENT GOALS

Sustana is a member of The United Nations (UN) Global Compact which aims to mobilize a global movement of sustainable companies and stakeholders. The UN Global Compact (UNGC) encourages companies to do business responsibly by aligning strategies and operations with Ten Principles on human rights, labor, environment and

anticorruption. Sustana joined in 2022. The UNGC encourages companies to advance broader societal goals. The 17 UN Sustainable Development Goals (UN SDGs) serve as a call for action to tackle global challenges by 2030. Alignment of our sustainability strategy with the UN SDGs is detailed in the following list.

SDG ALIGNMENT	ESG TOPIC		SDG ALIGNMENT	ESG TOPIC	
	Employee Health & Safety Energy GHG Emissions	Non-GHG Air Emissions Waste Water		Energy Waste	
	Labor			Energy GHG Emissions Nature & Biodiversity Non-GHG Air Emissions	Procurement & Materials Product Quality & Safety Waste Water
	Diversity, Equity & Inclusion Labor Procurement & Materials			Energy GHG Emissions	
	Nature & Biodiversity Non-GHG Air Emissions	Waste Water		GHG Emissions Non-GHG Air Emissions Water	
	Energy			Energy GHG Emissions Nature & Biodiversity	Non-GHG Air Emissions Procurement & Materials Water
	Diversity, Equity & Inclusion Employee Health & Safety Energy	Labor Procurement & Materials		Employee Health & Safety Ethics & Anti-Corruption Labor	
	Diversity, Equity & Inclusion Labor				

DATA AND ESG FRAMEWORK ALIGNMENT

Sustana is committed to continuous improvement in reporting and transparency and strives to disclose accurate, complete, and material ESG data. The following tables include ESG data for the reporting years of 2021 through 2022, that began on January 1, 2021 and ended on December 31, 2022. Unless indicated otherwise, the Scope of this data reflects the activities of all Sustana's fiber and paper business units and operations.

When applicable, we have identified alignment with international ESG reporting standards established by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). We also identify the United Nations Global Compact Ten Principles and Sustainable Development Goals that guide our sustainability strategy.

ENVIRONMENT DATA

GHG EMISSIONS (MTCO ₂ e)	2022 TOTAL	% OF TOTAL	2021 TOTAL	% OF TOTAL	STANDARD REFERENCE
Scope 1 Emissions	84,400		84,700	12.72%	GRI 305-1; UNGC E6
Scope 2 Emissions (Market-Based)	106		28,141	4.22%	GRI 305-2; UNGC E6
Scope 2 Emissions (Location-Based)	30,956		28,391		
Scope 3 Emissions (Total)			491,858	81.34%	GRI 305-3; UNGC E7
Cat. 1: Purchased Goods and Services			180,430	32.61%	
Cat. 2: Capital Goods			3,879	0.70%	
Cat. 3: Fuel and Energy Related			28,854	5.22%	
Cat. 4: Upstream Transportation			65,317	11.81%	
Cat. 5: Waste Disposal			9,905	1.79%	
Cat. 6: Business Travel			203	0.04%	
Cat. 7: Employee Commuting and Homeworking			891	0.16%	
Cat. 8: Upstream Leased Assets			232	0.04%	
Cat. 10: Processing of Sold Products			114,656	20.73%	
Cat. 12: End-of-Life Treatment of Sold Products			87,491	15.81%	
TOTAL Scope 1, 2 and 3 (Market-Based for Scope 2)			604,699	100.00%	
TOTAL Scope 1 & 2 (Market-Based)	84,507		112,841	16.94%	
TOTAL Scope 1 & 2 (Location-Based)	115,355		113,091		
GHG Intensity					GRI 305-4
Total GHG emissions (MTCO ₂ e)/volume produced (t)	0.24		0.33		

SDG Alignment



Greenhouse Gas Calculation Methodology

Sustana is committed to continuous improvement in reporting and strives to utilize applicable calculation methodologies and emissions factors that represent evolving expert analysis, information and assessment.

Sustana considers the principles and guidance of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, and GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (collectively referred to as the “Protocol”) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) to collect, calculate and report GHG emissions. The calculation of Sustana’s Scope 3 emissions is based on The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and The Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain (WBCSD). Data is evaluated using GWP100 according to IPPC AR6 for all scopes and reported in tonnes carbon dioxide equivalent (MTCO₂e). This metric converts all relevant GHGs to the global warming potential of carbon dioxide. Primary data was collected for 99% of Sustana’s GHG Inventory, for the remaining 1% consumption was estimated using EPA methodologies.

Sustana utilizes the Protocol for definitions, calculation methodologies and calculation results discussed in this document unless explicitly stated otherwise. GHG emissions quantification is subject to significant inherent measurement uncertainty due to the variability of GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy consumption data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.


Sustana accounts and reports its Scope 1 and 2 emissions under the operational control approach as defined in the Protocol, which includes operations over which we, or one of our subsidiaries, have operational control. Scope 1 emissions sources include all direct emissions from facilities and equipment operated by Sustana, including emissions from: the combustion of fuels (natural gas, biogas, propane, diesel), fugitive emissions (refrigerant leakage from air conditioning and refrigeration units), effluent treatment (CO₂), and on-site wastewater treatment.


Sustana calculates and reports on our Scope 2 emissions using market-based approach / location-based approach. Scope 2 emissions sources include indirect emissions from purchased electricity. The GHG Protocol Scope 2 Guidance states that Scope 2 emissions should be reported using a location-based and market-based approach when facilities have contractual agreements in place (power purchase agreements, renewable energy certificates, etc.) and supplier-specific emission rates for the purchased energy are available.

- Location-based emissions are calculated using average emission rates for the regional grid where facilities are located,
- Market-based emissions reflect supplier specific emission rates. Purchased RECs are reflected under reported Market-based emissions

The Scope 3 emissions are calculated by category in accordance with the guidelines of the GHG Protocol Standard (at least “minimum boundaries”). The following excluded categories and justification for exclusion are below:




- **Category 9: Downstream Transportation** — this category is excluded because at this time data is not available for downstream transportation that is NOT paid for by Sustana. All transportation paid for by Sustana is classified as upstream (Category 4), as per the GHG Protocol
- **Category 11: Use of Sold Products** — This category is excluded because there are no direct emissions from the use of sold products (paper and fiber). Indirect emissions are minimal, and also optional under the GHG Protocol. Other similar organizations have not reported emissions in this category to CDP.
- **Category 13: Downstream Leased Assets** — Sustana leases a facility to Mintech (Pointe-Claire). Mintech crushes rock (calcium carbonate) and sells 100% of it to Sustana as an input for paper. The electricity Mintech purchases is not sub-metered, and therefore, it is currently being captured and reported in Sustana’s Scope 2 emissions. Moving forward, Mintech will begin submetering their emissions. (Mintech does not have any Scope 1 emissions).
- **Category 14: Franchises** — Sustana does not have any franchises
- **Category 15: Investments** — Sustana does not have any investment activities.






ENERGY (GJ)	2022 TOTAL	% OF TOTAL	2021 TOTAL	% OF TOTAL	STANDARD REFERENCE
TOTAL Energy Consumption (GJ)	2,520,894	100.00%	2,618,952	100.00%	GRI 302-1
Electricity Consumption (GJ)	872,115	34.60%	869,751	33.21%	GRI 302-1
Grid-Connected Electricity	872,115		869,751		SASB RR-PP-130a.1
% Covered By RECs	26%		0%		
Fuel Consumption (GJ)	1,648,779	65.40%	1,749,202	66.79%	GRI 302-1
Non-renewables	815,060	32.33%	457,159	17.46%	
Natural Gas	806,061	31.98%	448,289	17.12%	
Propane	6,926	0.27%	6,858	0.26%	
Diesel	2,073	0.08%	2,012	0.08%	
Renewables	1,064,572	42.23%	1,292,042	49.33%	UNGC E10
Biogas	833,718	33.07%	1,292,042	49.33%	SASB RR-PP-130a.1
RECs Purchased (GJ)	230,854	26.47%	-	0.00%	
Energy Intensity	GRI 302-3				
Total energy (GJ)/volume produced (t)	7.20		7.55		
SDG Alignment					

NON-GHG AIR EMISSIONS (t)	2022 TOTAL	% OF TOTAL	2021 TOTAL	% OF TOTAL	STANDARD REFERENCE
NO _x (excluding N ₂ O)	150.21	81.42%	105.28	83.10%	GRI 305-7; UNGC E18
SO ₂	13.93	7.55%	4.20	3.32%	GRI 305-7; UNGC E18
Volatile Organic Compounds	8.17	4.43%	7.08	5.60%	GRI 305-7; UNGC E18
Particulate Matter	8.86	4.80%	7.81	6.17%	GRI 305-7; UNGC E18
Hazardous Air Pollutants	3.31	1.80%	2.31	1.83%	GRI 305-7; UNGC E18
Ozone-Depleting Substances ¹	0.00	0.00%	0.00	0.00%	GRI 305-6
Persistent organic pollutants ²	0.00	0.00%	0.00	0.00%	GRI 305-7; UNGC E18
SDG Alignment					

¹ Sustana does not produce, import, or export any Ozone Depleting Substances (ODS), therefore any ODS emitted from HVAC equipment was deemed immaterial and not included in reporting.

² Sustana facilities do not emit POPs

NATURE AND BIODIVERSITY	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
The number and area (hectares) of sites owned, leased or managed by the company in or adjacent to protected areas and/or key biodiversity areas (KBAs)	0	0	GRI 304-1; UNGC E13; WEF Stakeholder Capitalism
For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0	0	GRI 304-1; UNGC E13; WEF Stakeholder Capitalism
SDG Alignment	  		

WATER ¹ (ML)	2022 TOTAL	% TOTAL	2021 TOTAL	% TOTAL	STANDARD REFERENCE (GRI AND UNGC)
Total Water Withdrawal	4,242	100.00%	4,890	100.00%	GRI 303-3; UNGC E13
Surface Water	2,737	64.52%	3,308	68.89%	
Groundwater	1,242	29.29%	1,223	26.03%	
Total Third-Party Water Withdrawal	262	6.19%	251	5.07%	
Water withdrawn from High or Extremely High Baseline water stressed regions	0	0.00%	0	0.00%	
Total Water Discharge	4,207	99.17%	3,973	80.16%	GRI 303-4; UNGC E13
Surface Water	3,113	73.38%	2,935	59.23%	
Groundwater	--		--		
Total Third-Party Water Discharge	1,094	25.79%	1,037	20.93%	
Total Water Consumption	35	0.83%	916	19.84%	GRI 303-5; UNGC E13
Water consumed from High or Extremely High Baseline water stressed regions	0	0.00%	0	0.00%	
Water Intensity	UNGC E14				
Total water (ML)/volume produced (t)	0.00010		0.0026		
SDG Alignment	    				

¹ Where water data was unavailable for sites, a consistent and reliable approach was used to estimate water figures based on an intensity factor from production data and available water data.

WASTEWATER ² (t)	2022	2021
Wastewater	4,017,362	3,918,457
Wastewater Intensity		
Total wastewater (t)/volume produced (t)	11.4711	11.3024

² Where wastewater data was unavailable for sites, a consistent and reliable approach was used to estimate wastewater figures based on an intensity factor from production data and available wastewater data.

WASTE (t)	2022 TOTAL	% OF TOTAL	2021 TOTAL	% OF TOTAL	STANDARD REFERENCE
Total Waste Generated	194,607	100.00%	194,127	100.00%	GRI 306-3; UNGC E19
Non-Hazardous waste	194,562	99.98%	194,054	99.96%	
Hazardous waste	45	0.02%	73	0.04%	UNGC E20
Total Waste Directed to Disposal	22,124	11.37%	26,623	13.71%	GRI 306-5
Landfilled	22,124	11.37%	26,623	13.71%	
Non-Hazardous waste	22,124	11.37%	26,622	13.71%	
Hazardous waste	0	0.00%	0.91	0.00%	
Incinerated	0	0.00%	0.071	0.00%	
Non-Hazardous waste	0	0.00%	0.07	0.00%	
Hazardous waste	0	0.00%	0	0.00%	
Total Waste Diverted from Disposal	172,483	88.63%	167,503	86.29%	GRI 306-4
Recycled	80,827	41.53%	77,126	39.73%	
Non-Hazardous waste	80,783	41.51%	77,055	39.69%	
Hazardous waste	44	0.02%	71	0.04%	
Composted	393	0.20%	687	0.35%	
Non-Hazardous waste	393	0.20%	687	0.35%	
Hazardous waste		0.00%		0.00%	
Other recovery operations¹	91,261	46.90%	89,689	46.20%	
Non-Hazardous waste	91,261	46.89%	89,688	46.20%	
Hazardous waste	0.67	0.0003%	0.89	0.00%	

SDG Alignment



¹ De Pere (2021 and 2022) — other recovery operations for hazardous waste include solvent recovery.
CTR (2021 and 2022) — other recovery operations for non-hazardous waste include waste used for land spread

WASTE INTENSITY Waste (t)/volume produced (t)	2022	2021
Total Waste Generated	0.5557	0.5599
Non-Hazardous waste	0.5556	0.5597
Hazardous waste	0.0001	0.0002
Total Waste Directed to Disposal	0.0632	0.0768
Total Waste Diverted from Disposal	0.4925	0.4831

SOCIAL DATA

EMPLOYEE HEALTH AND SAFETY DATA	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
OSHA Incident Rate ¹	2.40	4.00	GRI 403-9
LTI Frequency Rate (Direct Workforce) ²	8.48	12.38	
LTI Severity Rate (Direct Workforce) ³	0.70	1.05	
Injuries per hour worked	0.00019	0.00027	UNGC L9
Number (and rate) of fatalities as a result of work-related injury	0.00 (0%)	0.00 (0%)	GRI 403-9
Number (and rate) of high-consequence work-related injuries (excluding fatalities)	6 (0.99%)	4 (1.45%)	GRI 403-9
Number of recordable work-related injuries	10	16	GRI 403-9
Total case rate	3.00	3.60	
Lost workday case rate	562	845	
Workers covered by an occupational health and safety management system			GRI 403-8
Number of employees covered by HSMS	480	447	
Percent of employees covered by HSMS	100%	100%	
The percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system			GRI 403-8
The percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited	100%	100%	

SDG Alignment






- ¹ Occupational Safety and Health Administration Incident Rate measures how often a recordable injury or illness occurs at a business over the reporting year. OSHA Rate = (number of incidents x 200,000)/total number of hours worked)
- ² LTI Frequency Rate measures the number of lost time injuries occurring in a workplace per 1 million hours worked
- ³ LTI Severity Rate measures the number of days lost because of injuries per 1 million hours worked

LABOR DATA	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
Average hours of training provided per employee	46	53	GRI 404-1
Percentage of total employees who received a regular performance and career development review			GRI 404-3
Female	26%	6%	
Male	17%	2%	
Leadership	55%	0%	
Non-Leadership	17%	3%	

SDG Alignment



DIVERSITY, EQUITY & INCLUSION DATA	2022 DATA	2021 TOTAL	STANDARD REFERENCE
Percentage of women employed in relation to whole organization	8%	9%	GRI 405-1
Percentage of women in managerial positions	23%	20%	UNGC L7
Percentage of women within the organization's board	17%	17%	GRI 405-1
Percentage of employees per employee category in each of the following diversity groups			GRI 405-1
Male	84%	86%	
Female	16%	14%	
Under 30 years old	16%	11%	
30–50 years old	57%	57%	
Over 50 years old	28%	32%	
Board of Directors Diversity (%)			GRI 405-1; UNGC G11, L7
Male	83%	83%	
Female	17%	17%	
Under 30 years old	0%	0%	
30–50 years old	50%	50%	
Over 50 years old	50%	50%	
Minority	17%	17%	
Non-Minority	83%	83%	
Leadership Diversity			GRI 405-1
Male	73%	64%	
Female	27%	36%	
Under 30 years old	0%	0%	
30–50 years old	45%	36%	
Over 50 years old	55%	64%	
SDG Alignment			  

GOVERNANCE DATA

ETHICS & ANTI-CORRUPTION	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
Number of confirmed corruption incidents	0	0	GRI 205-3; UNGC AC5

SDG Alignment



PROCUREMENT AND MATERIALS	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
Percentage (by weight) of wood fiber sourced from:			SASB Pulp and Paper Products (Supply Chain Management) RR-PP-430a.1
Third-party certified forestlands and percentage to each standard	122,171 t 100% (FSC)	120,214 t 100% (FSC)	SASB Pulp and Paper Products (Supply Chain Management) RR-PP-430a.2
Meeting other fiber sourcing standards and percentage to each standard	N/A (only use FSC)	N/A (only use FSC)	SASB Pulp and Paper Products (Supply Chain Management) RR-PP-430a.3
Total Wood Fiber Sourced (MT)			SASB Pulp and Paper Products Activity Metrics — RR-PP-000.C
Virgin Fiber (for Paper Production)	51,622 t	49,951 t	
Post-Consumer Recycled Fiber (For Paper Production)	72,220 t	68,592 t	
Recovered Fiber (for Recycled Fiber Production)	304,361 t	297,502 t	
Number of suppliers assessed for environmental impacts	37	0	GRI 308-2
Number of suppliers assessed for social impacts	37	0	GRI 414-2

SDG Alignment



PRODUCT QUALITY AND SAFETY	2022 TOTAL	2021 TOTAL	STANDARD REFERENCE
Number of recalls issued, total units recalled	0	0	SASB RT-CP-250a.1

SDG Alignment



SASB INDEX

The Environmental, Social, and Governance (ESG) Report includes financially material sustainability topics and their associated metrics identified by the Sustainability Accounting Standards Board (SASB) and considered material to Sustana's business. Sustana reports topics and standards for the Renewable Resources & Alternative Energy Sector — Pulp and Paper (2018) industry.

TOPIC	ACCOUNTING METRIC	CODE	FY22 RESPONSE
Greenhouse Gas Emissions	Gross global Scope 1 emissions	RR-PP-110a.1	84,399.90 MT
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RR-PP-110a.2	Circularity — page 10 Climate and Energy — page 12 Appendix: Climate and Energy — page 20
Air Quality	NO _x emissions	RR-PP-120a.1	150.2191 t
	SO ₂		13.9325 t
	Volatile Organic Compounds (VOCs) emissions		8.1725 t
	Particulate matter (PM) emissions		8.8608 t
	Hazardous Air Pollutants (HAPs)		3.3152 t
Energy Management	Total electricity consumed	RR-PP-130a.1	872,115.30 GJ
	Percentage grid electricity		34.6%
	Percentage from biomass		33.1%
	Percentage from other renewable energy		26.5% Note: RECs purchased
Water Management	(1) Total water withdrawn	RR-PP-140a.1	4,242.61 ML
	(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		0
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RR-PP-140a.2	Circularity — page 10 Water Management — page 13 Appendix: Water and Waste — pages 26–27
Supply Chain Management	Percentage of wood fiber sourced from (1) third-party certified forestlands and percentage to each standard	RR-PP-430a.1	100% of virgin wood fiber was Forest Stewardship Council (FSC) certified
	Percentage of wood fiber (2) meeting other fiber sourcing standards and percentage to each standard		0%
Activity Metrics	Amount of recycled and recovered fiber procured	RR-PP-430a.2	369,722 t
	Pulp production	RR-PP-000.A	194,932 air-dried t
	Paper production	RR-PP-000.B	155,283 winder t
	Total wood fiber sourced	RR-PP-000.C	421,344 t



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