# sustana®

# Clean Materials Within

2023 ESG Report

# Welcome

Welcome to Sustana's 2023 Environmental, Social, and Governance (ESG) Report. In it, we provide updates on our ESG goals, progress, and focus areas for the calendar year January 1 to December 31, 2023. Unless indicated otherwise, the scope of this report reflects the activities of all Sustana's business units and operations within this period.

This report has been developed in line with the Sustainability Accounting Standards Board (SASB) Pulp & Paper Products industry standard. For certain material topics, we also reference the Global Reporting Initiative (GRI) Universal Standards 2021 disclosures.

We seek to align our ESG efforts with the wider global agenda of sustainable development, in line with the United Nations (UN) Sustainable Development Goals (SDGs). To do so, we have mapped each of our disclosure topics to relevant SDGs; we also pursue initiatives and actions that support the UN Global Compact's (UNGC) Ten Principles.

Since 2022, Sustana has been committed to the UNGC corporate responsibility initiative.

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# A Word from Our CEO

As we continue to grow, our commitment to sustainability remains true. By investing in our processes, our people, and the planet, we strive to strike a balance between prosperity and purpose.

As the new CEO at Sustana, I'm excited to introduce Sustana's 2023 ESG Report. This report underscores our ongoing dedication to accountability and transparency. Our ethos revolves around responsible conduct, long-term strategic thinking, and astute stewardship of shared resources, all of which contribute to the welfare of communities and the advancement of the economy.

We take immense pride in highlighting the strides we've taken throughout the year in advancing our ESG initiatives. Our unwavering Sustainability Strategy is anchored in delivering top-notch sustainable products and services that cater to our customers' needs while minimizing our ecological footprint on wildlife, people, and the planet.

Our actions over the past year involved enriching our sustainability portfolio through the acquisition of Hanna Paper, a leading high-grade paper recycling company, thereby establishing our new Sustana Recovery business. Additionally, we procured and installed fiber drying equipment at our De Pere, Wisconsin, facility, optimizing our products, processes, and future endeavors.

In 2023, we successfully completed our inaugural EcoVadis assessment and take pride in being recognized as one of the top 5% most responsible companies evaluated by EcoVadis, securing a Gold Medal sustainability rating. While this accolade serves as external validation of our internal ESG commitment, we view it as a benchmark for further enhancement.

Furthermore, at the outset of this year, we unveiled the rebranding of our subsidiaries under a unified Sustana umbrella, forging a more cohesive, integrated entity driven by our common purpose — to integrate sustainability into everyday products. From sourcing eco-friendly materials to manufacturing finished goods and facilitating recycling, our brand is positioned as a comprehensive solution provider that addresses the evolving needs of our customers.

The accomplishments of Sustana in 2023 were made possible by the dedication and hard work of our employees, who remain steadfast in fulfilling our commitments to our customers, suppliers, and communities alike. As we continue to grow, our commitment to sustainability remains true. By investing in our processes, our people, and the planet, we strive to strike a balance between prosperity and purpose. Through initiatives like the Sustana ESG Report, we reaffirm our position as a leader in sustainability, dedicated to shaping a brighter, greener future for all.

**Nathan Jeppson**
CEO, Sustana

# Sustana at a Glance

At Sustana, we have blended more than 140 years of expertise with a commitment to responsible production to become an industry-leading manufacturer of sustainable, premium recycled fiber and paper.

Our mills have an enduring commitment to sustainable manufacturing. And, through our product and business model, we help customers, suppliers, investors, and other stakeholders achieve their own sustainability goals. We recover high-grade wastepaper sustainably and responsibly, transform recycled materials into high-quality, low-carbon materials, and supply customers across industries from printing, food and beverage to fashion.

In 2023, we acquired the high-grade paper recycling company Hanna Paper. This development adds eight new facilities to Sustana's operational footprint.

## 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 diversity, equity, and inclusion.

## Our Mission

Our mission is to develop sustainable solutions with clean materials and a circular mindset.

## Our Purpose

We make sustainability an ingredient in everyday products.

## Our Core Values

**Sustainability is our core:** We believe sustainability is our key ingredient and customer deliverable.

**Commit to safety:** We have a collective responsibility to proactively ensure a safe workplace.

**Speak up for change:** We partner with our customers to guide the clean material movement. Our words and actions drive change.

**Experiment to improve:** We continually seek better solutions and methods to improve our processes and products.

**Create better together:** We build partnerships and teams to create new shared solutions, fostering teamwork with trust and collaboration.

**Pursue right:** We do right. Integrity means doing what is right, even if it is hard.

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**635** employees located in Canada and the US:

**Two fiber mills:**
De Pere, Wisconsin, and Lévis, Québec

**One paper mill:**
Saint-Jérôme, Québec

**One converting center:**
Saint-Jérôme, Québec

**Eight wastepaper recovery facilities:**
Cincinnati, Ohio; Buffalo, New York; Savage, Maryland; Wallingford, Connecticut; Mansfield, Massachusetts; Saint-Joseph-de-Beauce, Québec; Lachine, Québec; Markham, Ontario



Québec, QC
Ontario, ON
Mansfield, MA
De Pere, WI
Buffalo, NY
Wallingford, CT
Savage, MD
Cincinnati, OH

# Our Sustainability Strategy

We seek to drive resilient, long-term value creation for our stakeholders while simultaneously advancing positive environmental and social impact. Our Sustainability Strategy is what guides these efforts.

## ESG Goals

| ESG as an engine for growth | ESG industry leader | Transformative redesign of clean materials |
|---|---|---|

## ESG Priorities

### Circularity

*Ensure product offerings drive competitive ESG advantage*

Eco-designed Product

Waste Management

Product Quality

### Human Capital

*Support One Sustana culture that protects, engages, and develops our people*

Health and Safety

Labor Management

Diversity, Equity, and Inclusion (DEI)

Employee Engagement

### Supply Chain Resilience

*Advance sustainable supply chain to enhance ESG posture*

Sustainable Procurement

Human Rights

### Emissions and Energy Management

*Continuous improvement while reducing environmental footprint*

Energy Efficiency

Renewable Energy Procurement

GHG Emissions Reduction

### Other Material Topics

*Continuous management of other ESG topics*

Air Quality, Water Community Relations

Cyber and Data Security

Business Ethics, Governance, Risk Management

## Enabling Capabilities

| Innovation R&D | ESG data collection and management | Transparent reporting and communications | Cross-function integration of ESG Strategy |
|---|---|---|---|

## Defining What Matters

To inform our Sustainability Strategy, in 2022, we conducted a double materiality assessment to understand both the financial impact of key issues on our business and Sustana's impact on the environment, society, and the economy. Our Recovery business acquisition was on August 1, 2023 and thus is not included in this assessment.
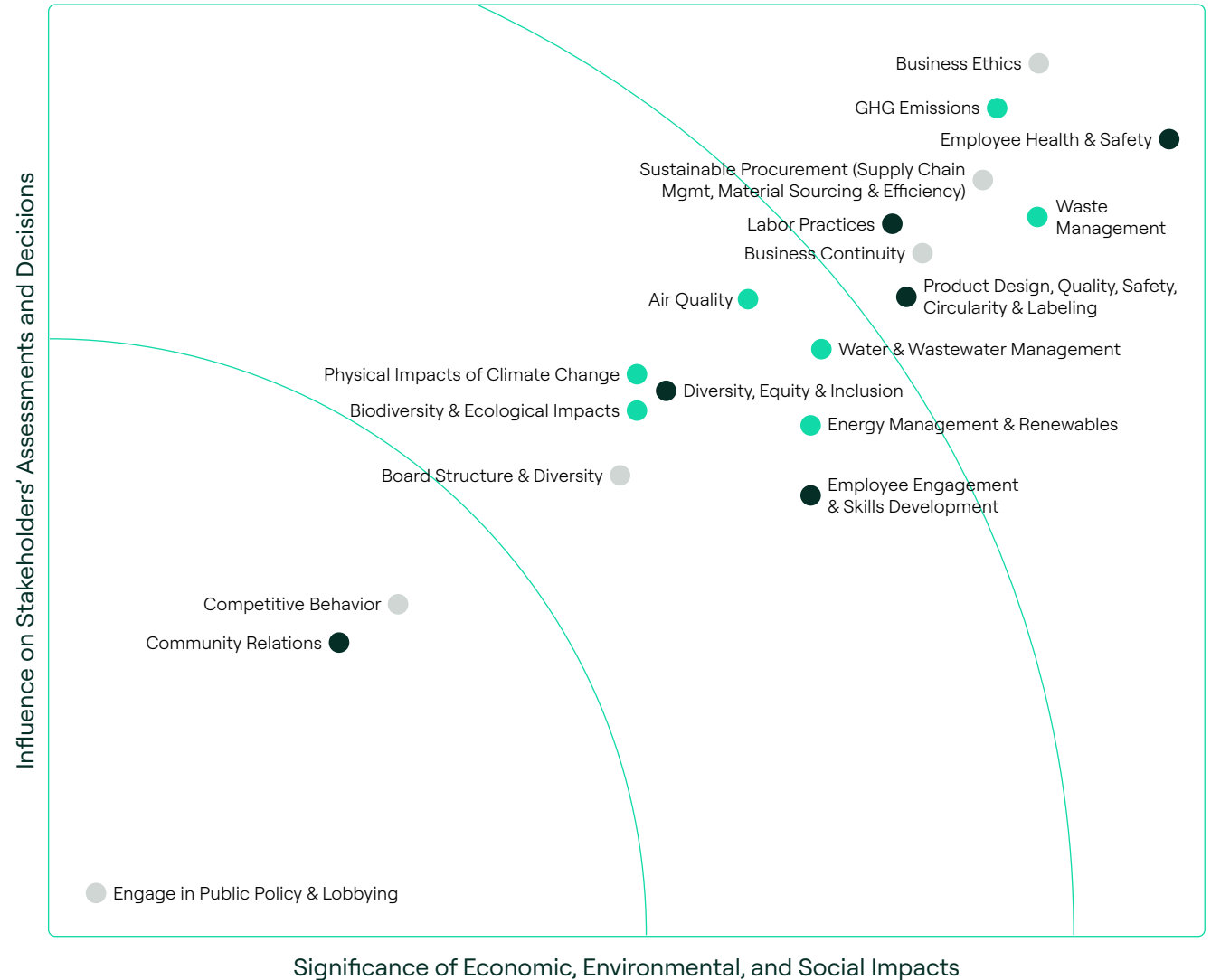
Alongside desk-based research, we engaged a range of internal and external stakeholders to understand their concerns and priorities to determine the issues we should focus on. This included conducting surveys and interviews with investors, employees, customers, suppliers, and non-governmental organizations (NGOs).

Armed with this insight, we narrowed our focus to several key ESG issues and prioritized them according to their salience and the significance of their impact. These key issues are illustrated in our 2022 materiality matrix.

Sustana plans to expand its double materiality assessment to encompass impacts, risks, and opportunities arising from the Recovery acquisition and organizational changes since 2022. Furthermore, we will align our methodology and assessment topics with internationally recognized frameworks and standards, including International Financial Reporting Standards (IFRS) and European Sustainability Reporting Standards (ESRS).

- Environment
- Social
- Governance

### Sustana 2022 Materiality Matrix



Y-axis: Influence on Stakeholders' Assessments and Decisions
X-axis: Significance of Economic, Environmental, and Social Impacts

- Business Ethics
- GHG Emissions
- Employee Health & Safety
- Sustainable Procurement (Supply Chain Mgmt, Material Sourcing & Efficiency)
- Waste Management
- Labor Practices
- Business Continuity
- Product Design, Quality, Safety, Circularity & Labeling
- Air Quality
- Water & Wastewater Management
- Physical Impacts of Climate Change
- Diversity, Equity & Inclusion
- Biodiversity & Ecological Impacts
- Energy Management & Renewables
- Board Structure & Diversity
- Employee Engagement & Skills Development
- Competitive Behavior
- Community Relations
- Engage in Public Policy & Lobbying

# Goals and Progress

Delivering on our Sustainability Strategy requires that we take a targeted approach to progress. That is why we have set a series of relevant goals — in line with leading sustainability standards and frameworks — for each material topic to measure year-on-year performance.

◐ Getting started    ◑ In progress    ○ Completed

| Focus area | Target year | Goal | 2023 progress |
|---|---|---|---|
| Environment | 2023 | Measure and disclose Scope 3 emissions | ○ |
| | 2024 | 15% intensity (MT $CO_2e$/volume produced (MT)) reduction of Scope 1 and 2 emissions against a 2021 base year | ◐ |
| | 2030 | 42% absolute emissions reduction of Scope 1 and 2 emissions against a 2021 base year | ◑ |
| Social | 2024 | Conduct employee survey | ◑ |
| | 2024 | Launch a formal employee volunteer program in 2024 | ◑ |
| | 2024 | Develop metrics and target-setting for employee engagement | ◑ |
| | 2025 | Involve 100% of our employees in our vision of diversity, equity, and inclusion | ◑ |
| | 2025 | Increase female-identifying representation in the workforce | ◑ |
| | 2025 | Train all employees on inclusion/unconscious bias at least every 24 months | ◑ |
| | 2025 | Increase share of under-represented groups | ◑ |
| | 2025 | Achieve a lost time injury (LTI) frequency rate below 4.00 | ◑ |
| | 2025 | Achieve an LTI severity rate below 0.3 | ◑ |
| | 2025 | Ensure at least a third of the directors on our board identify as belonging to an under-represented group | ◑ |
| Governance | 2023 | Increase the number of target suppliers assessed through the EcoVadis platform | ○ |
| | 2023 | Increase engagement with target suppliers around improving sustainability performance | ◑ |
| | 2023 | Gather more specific nature-related data from our suppliers to better understand our nature-related dependencies and impacts | ◑ |
| | 2023 | Set ESG topic-specific performance targets for our supply chain | ◑ |
| | 2024 | Update our Supplier Code of Conduct and ensure it is widely circulated to our suppliers | ◑ |

# 2023 Highlights

2023 marked the next phase in our Sustainability Strategy as we continued to build a more robust, data-driven approach. Throughout the year, we were proud to achieve several key milestones as we work towards an increasingly circular economy where sustainability and value creation coexist.

## Environment

Completed our 2022 emissions inventory (Scopes 1, 2, and 3)

Completed climate and nature risk assessments

Developed our decarbonization approach

Provided 300,000 metric tons of fertilizing byproduct to help remediate a former asbestos mine in Québec

Purchased renewable electricity at all 12 sites (grid renewable electricity in Québec, and renewable energy certificates (RECs) in all eight sites outside of Québec)

Started a new life cycle assessment (LCA) on our products

## Social

Introduced an online training system on targeted ESG topics

Rolled out first phase of social and governance training for employees

Published Modern Slavery Statement

Published Health and Safety Policy

Published Diversity, Equity, and Inclusion (DEI) Policy

Published Human Rights Policy

Updated Employee Code of Conduct

## Governance

Achieved a Gold rating for our first EcoVadis assessment

Published our inaugural ESG Report

Published Cyber Security Policy

Published Supplier Code of Conduct

Introduced our whistleblower platform and updated relevant policies to reflect this

Established an Enterprise Risk Management (ERM) Committee

Submitted first UNGC Communication on Progress questionnaire

Launched a digital platform for collecting and tracking sustainability-related data

Rolled out our EcoVadis supplier assessment program

# EcoVadis: Setting a Gold Standard for Sustainability

When it comes to sustainability, EcoVadis is the leading ratings agency for monitoring performance across organizations' global supply chains. In 2023, Sustana was proud to achieve Gold during our first-ever assessment, a score that puts us in the top 5% of rated companies. In the same year, we also engaged EcoVadis to conduct an audit of our supply chain to help us understand supplier performance and inform our future development.
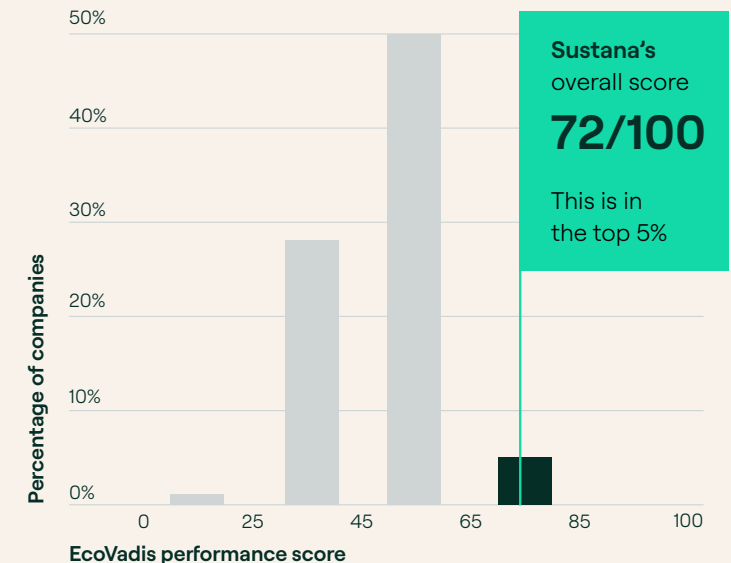
## What's Next

We're proud to have achieved Gold-level recognition for our sustainability efforts. As well as looking to maintain and build on our score going forward, we have developed and implemented a Corrective Action Plan which will help us work continuously to improve our sustainability management system.

## Engaging Our Suppliers

We achieved EcoVadis Gold score before we completed the first round of engaging and assessing our key suppliers to understand their current environmental and social efforts. Through the EcoVadis ratings agency, we conducted high-level screenings of 40 suppliers for ESG risks using a supply chain sustainability assessment. We also conducted a high-level screening, using EcoVadis IQ, of more than 440 suppliers for social and environmental risks, taking a geographic and industry-based risk approach.

Our goal is to increase our suppliers assessed by 10 in 2024 and to also include critical suppliers from our recently acquired Recovery businesses as well.



**Sustana's EcoVadis Performance**

GOLD 2023 ecovadis Sustainability Rating

Sustana's overall score **72/100** This is in the top 5%

Percentage of companies (y-axis): 0%, 10%, 20%, 30%, 40%, 50%
EcoVadis performance score (x-axis): 0, 25, 45, 65, 85, 100

# Our Certifications and Designations

We seek to align our ESG actions with industry-accepted best practices.
To do so, and to confirm our ongoing commitment, we pursue and maintain various certifications and designations to verify our claims.

## Certifications

### Paper

Saint-Jérôme, Québec, Mill
FSC® Recycled and FSC® Mix
Certificate Code: NC-COC-001501
FSC license code: FSC C009908

Preferred by Nature: Sustana's FSC® Chain of Custody is certified by Preferred by Nature™. Preferred by Nature is a non-profit organization working to support better land management and sustainable business practices that benefit people, nature, and the climate in over 100 countries.
FSC license code: FSC C009908

ISO 9001: Our paper mill's management system has been certified to ISO 9001.

### Fiber

De Pere, Wisconsin, Mill
FSC® Recycled – Produced with 100% recycled fiber
Certificate Code: SCS-COC-003204
Trademark License Code: FSC® C084677

De Pere, Wisconsin, Mill
Sustana Fiber, LLC has a PEFC certified chain of custody

De Pere, Wisconsin, Mill
SFI Chain-of-Custody Certified
Certification Code: SCS-SFI-COC-003204

KOSHER 1081 certification: Certification is available upon request for Sustana EnviroLife™ and Sustana EnviroNatural™ products produced at the De Pere, Wisconsin, facility.

Lévis, Québec, Mill
FSC® Recycled – Produced with 100% recycled fiber
Certificate Code: NC-COC-001501
FSC license code: FSC C009908

### Recovery

National Association for Information Destruction (NAID®) is the international trade association for companies providing information destruction services. NAID's mission is to promote the information destruction industry and the standards and ethics of its member companies.

## Designation

### Paper

The Ancient Forest Friendly™ designation is one of the most rigorous paper labels available. Ancient Forest Friendly paper is free from ancient or endangered forest fiber, made with 100% recycled fiber, and whitened without chlorine.

## Environmental Attributes

### Paper

ECF  Elemental Chlorine Free: The paper's virgin fiber has been bleached without chlorine, but with a chlorine derivative.

PCF  Process Chlorine Free: Our recycled paper is manufactured with a chlorine-free process.

Permanent Paper: Alkaline or neutral paper that resists aging for more than 100 years under normal warehousing conditions (criteria and certifications established by the American National Standards Institute).

Möbius Loop (the recycling symbol): Indicates that a product or packaging is recyclable, contains recycled content, or both. When used to show that a product or packaging contains recycled content, the percentage of recycled content should appear either inside or next to the symbol. When a Möbius loop is used to indicate a product is both recyclable and contains recycled content, there must be an explanatory statement supporting both claims.

### Fiber

ECF  Elemental Chlorine Free (ECF): In the manufacturing process, the fiber has been bleached without the use of elemental chlorine.

PCF  Process Chlorine Free: The fiber is recycled and bleached with non-chlorine compounds.

## Membership Associations

- AIGA (The American Institute of Graphic Arts)
- AQIFE (Alliance Québécoise des imprimeurs et fabricants d'emballage)
- Canadian Printing Industries Association
- CELAB North America (Circular Economy for Labels)
- Conseil patronal de l'environnement du Québec
- De Pere Area Chamber of Commerce
- Foodservice Packaging Institute (FPI)
- Great Lakes Graphics Association
- Green Bay Innovation Group
- International Molded Fiber Association
- National Paper Trade Association
- Poly Coated Paper Alliance
- Pulp and Paper Products Council
- Sustainable Brands (SB)
- Sustainable Packaging Coalition (SPC)
- Two Sides North America
- Wisconsin Paper Council
- Wisconsin Sustainable Business Council

# Environment

To be good stewards of the world's shared resources, we must strive continuously to reduce our environmental impact. This includes taking actions to understand the environmental performance of our products, using those insights to evolve how we design and develop our portfolio.

## In this section

# Climate Impact

Avoiding the most severe climate change impacts and building a more resilient business requires that we support a net-zero transition and contribute to limiting average global temperature rises to 1.5°C. Our actions include a targeted focus on energy efficiency, expanding renewable energy use, and partnering strategically to reduce value chain emissions.

**Relevant SDGs**

| | | | |
|---|---|---|---|
| 3 GOOD HEALTH AND WELL-BEING | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND |

**Progress Against Our Goals**

◐ Getting started    ◕ In progress    ○ Completed

| | | |
|---|---|---|
| Measure and disclose Scope 3 emissions by 2023 | We have been measuring Scope 3 emissions since 2021 and will continue. | ○ |
| 15% intensity (MT $CO_2e$/volume produced (MT)) reduction of Scope 1 and 2 emissions by 2024 against a 2021 base year | Achieved last year, in 2022, we reduced our intensity by 27% compared to 2021. In 2023, we acquired the Recovery business unit, and we include the GHG emissions from the eight wastepaper facilities, but since they do not produce fiber or paper, their production is not included, resulting in a higher production intensity this year. We are evaluating this target to better represent that. | ◕ |
| 42% absolute emissions reduction of Scope 1 and 2 emissions by 2030 against a 2021 base year | In 2022, we reduced our absolute Scope 1 and 2 emissions by 26% against a 2021 base year, and in 2023, we continued our progress and reduced our absolute Scope 1 and 2 emissions by 35% against a 2021 base year. | ◕ |

## Our Strategy for Progress

Through our climate and energy strategy, we support three of the UNGC Ten Principles:

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges
- **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility
- **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies
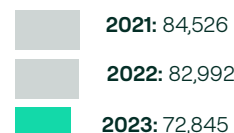
To ensure our emissions-reduction efforts align with the latest science, we had our 2030 absolute reduction target[1] validated by the Science Based Targets initiative (SBTi) in 2023. We have also set a short-term 2024 intensity-reduction target to help keep us on track for 2030.

## Progress Across Emission Scopes

In 2023, we continued making progress to pursue reductions across all three emissions scopes. Throughout the year, we achieved an absolute emissions reduction of 35% (Scope 1 and 2) versus 2021. Environmental data from the eight Recovery facilities are included in the total environmental figures for water, waste, energy, and greenhouse gas (GHG) emissions. However, since these facilities do not engage in production activities, their production volumes are excluded from the overall production totals. As a result, this leads to higher intensity values for each environmental category in 2023. This methodology will be consistently applied in all future years.
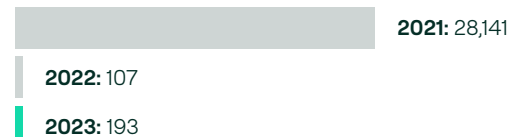
## Sustana's Climate Impact (MT $CO_2e$)

### Scope 1[2]

| | |
|---|---|
| **2021:** 84,526 | |
| **2022:** 82,992 | |
| **2023:** 72,845 | |

### Scope 2

*Market-based*

| | |
|---|---|
| **2021:** 28,141 | |
| **2022:** 107 | |
| **2023:** 193 | |

*Location-based*

| | |
|---|---|
| **2021:** 28,391 | |
| **2022:** 30,956 | |
| **2023:** 23,628 | |

### Scope 3

| | |
|---|---|
| **2021:** 491,858 | |
| **2022:** 539,205 | |
| **2023:** 474,708 | |

### Total energy consumption (GJ)

| | |
|---|---|
| **2021:** 2,618,952 | |
| **2022:** 2,520,894 | |
| **2023:** 2,300,499 | |

### % renewable electricity[3]

| | |
|---|---|
| **2021:** 49% | |
| **2022:** 100% | |
| **2023:** 100% | |
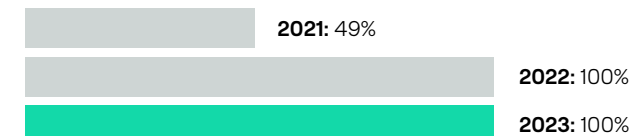
### GHG intensity (MT $CO_2e$)/volume produced (MT) (market-based for Scope 2)

| | |
|---|---|
| **2021:** 0.3250 | |
| **2022:** 0.2373 | |
| **2023:** 0.2908 | |

### Next Steps

- To continue our fleet electrification strategy, we will purchase at least 12 electric lift trucks for our Recovery operations in 2024, adding to our existing four electric lift trucks in Lévis.

1   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 aligns closely with the International Energy Agency Net-Zero Emissions by 2050 Scenario. Sustana considered these regulations and climate science when setting our 2030 target, internal shadow carbon pricing for major capital expenditures, and our overall emissions-reduction strategy and plan.

2   Adjustments have been made to Scope 1 in 2021 and 2022 to exclude emissions linked to wastewater treatment at the De Pere mill, consistent with the GHG Protocol and our 2023 Scope 1 methodology.

3   On an annual basis, between 99% to 100% of the electricity Hydro-Québec distributes to its customers is generated from renewable resources, which means there are low or no GHG emissions. This chart assumes Hydro-Québec grid electricity as 100% renewable electricity. https://www.hydroquebec.com/about/our-energy.html.

## Reducing Scope 1 Emissions

We have set clear targets to address Scope 1 emissions; to guide progress, we have established a Scope 1 decarbonization initiative to address energy intensity and costs, emissions, and climate and supply chain risk. In 2023, we progressed our portfolio of decarbonization projects, including engineering and procurement.

Supported by third-party experts, we conducted assessments of all Sustana facilities to inform the initiative, identifying and validating various potential manufacturing process and energy system efficiency measures. We then developed decarbonization projects in key areas for improvement, including boiler technology, waste heat recovery, renewable fuels, and compressed air.

## Addressing Scope 2 Emissions

Scope 2 emissions from our Canadian facilities are minimal, with approximately 99% of electricity produced in Québec coming from renewable sources and none of our sites powered by steam. As such, we are focusing our Scope 2 reduction strategy on facilities outside of Québec, which includes our fiber mill in Wisconsin and Recovery operations in Ontario, Ohio, New York, Maryland, Connecticut, and Massachusetts. For our sites outside of Québec, including our recovery sites, we have continued to purchase renewable energy certificates (RECs).

To drive short-term Scope 2 reductions, we are purchasing RECs certified by Green-e. During 2023, these contributed to an 99% reduction in Scope 2 emissions.

**Reduce Scope 1 emissions**

**Expand renewable energy use for Scope 2 reductions**

Sustana purchased RECs certified by Green-e

Sustana assessed options for renewable electricity power purchase agreements, longer-term RECs, and tax credit investments in renewable energy
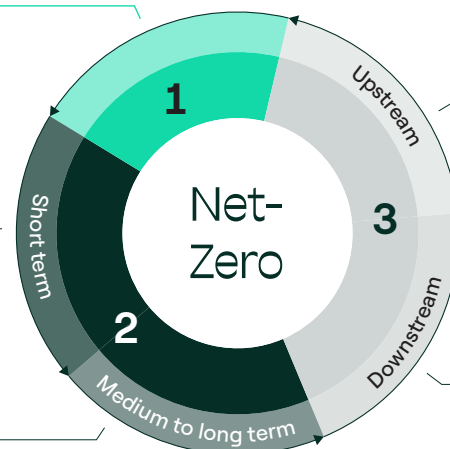
**Tackle Scope 3 value chain emissions**

Addressing supply chain emissions associated with the purchased goods and services category

Engaging our customers in discussions about decarbonization

(Diagram: Net-Zero wheel with segments labeled 1, 2, 3; Short term, Medium to long term; Upstream, Downstream)

To tackle Scope 2 emissions and enhance our energy resilience in the medium to long term, we are assessing options for renewable electricity power purchase agreements, longer-term RECs, and tax credit investments in renewable energy.

## Collaborating on Scope 3 Emissions

Approximately 83% of our total emissions come from wider value chain activities, with our four largest areas being purchased goods and services (33%), upstream transportation[4] and distribution (21%), processing of sold products (16%), and end-of-life treatment of sold products (13%).

Reducing Scope 3 emissions represents a significant opportunity for addressing Sustana's overall climate impact. To support meaningful reductions, we need to address all categories.

With 29% of our emissions occurring in our downstream value chain, we are also engaging our customers in discussions about decarbonization.



4   Includes transportation of final products to customers, for which Sustana covers the costs.

# Nature Impact

We strive to promote a circular economy that reduces pressure on the natural world by keeping valuable resources in use for as long as possible. It is just one part of how we will continue working towards becoming nature positive.

**Relevant SDGs**

## Our Strategy for Nature Protection

Our ability to create value for the long term is influenced by our efforts — as well as those of our wider sector and governments — to promote, incentivize, and drive a regenerative, nature-positive economy. Sustana contributes to global efforts to conserve nature and biodiversity by aligning our business with the Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework. We are also a signatory to the Business for Nature Call to Action, signaling our support for policies that reverse nature loss.

Wherever we build new facilities, we strive to avoid key biodiversity areas (KBAs) or other areas of high biodiversity value. We also take other steps for nature conservation, focusing on two key areas:

- **Forests and land use:** We aim to prevent deforestation and land conversion that adversely impacts nature, leveraging internal and external assessments where appropriate and maintaining external certifications.

- **Oceans:** We strive to protect ocean biodiversity and prevent ocean acidification through emissions mitigation, deforestation and land conversion prevention, and increased use of recycled fiber content as an alternative to plastic.

### Certified Responsibly Sourced Fiber

As well as seeking to reduce our own impacts on nature, we look to ensure the suppliers that produce virgin wood for our paper products adhere to similar responsible social and forest management standards. To this end, we require all our virgin wood fiber to be FSC® certified. While this may have cost implications, we are committed to only using FSC®-certified fiber because it is critical for achieving our climate, nature, and social impact goals.

### Nature Risks and Opportunities

To help us understand where we can have the greatest benefit on nature and biodiversity, we continue to identify, measure, report on, and reduce our nature dependencies and negative impacts. We are also working to understand our key risks and opportunities and will share more in the future as our understanding develops.

## Progress for Nature

During 2023, we were proud to maintain 100% FSC® certification for any virgin wood fiber we purchased; similarly, 100% of Sustana products were FSC® certified. Moving forward, we will continue to explore potential partnerships and collaborative efforts to address nature degradation while integrating nature considerations more fully into business and procurement decisions.

# Water Management

A valuable shared resource and a key input in our production processes, Sustana is dedicated to being a responsible water steward. We are pursuing actions to reduce our water impacts, minimizing consumption, monitoring use, and avoiding withdrawals from areas of high water stress.

**Relevant SDGs**



## Guiding Water Use

We take a defined approach to water stewardship and detail our principles in our Environmental Policy. We expect our employees, suppliers, and other major business partners to support these principles and uphold our water commitment in line with our Sustainable Procurement Policy and Supplier Code of Conduct.

Some of Sustana's facilities are subject to water withdrawal and effluent discharge regulations. Wherever these exist, we comply with permitted limits.

## Understanding Our Risks and Opportunities

We monitor water-related risks and opportunities at each facility using the World Wildlife Fund (WWF) Water Risk Filter and the World Resources Institute (WRI) Aqueduct Water Risk Atlas. This is overseen by our Board and ESG Committee. While our assessment[5] has 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. We also have a low risk of water scarcity.

To understand and address long-term risks, we are conducting an in-depth risk assessment of operational materiality across our supply chain.

## Actions to Reduce Water Impacts

The nature of our business means our water consumption is already relatively low, with wastepaper being significantly less water intensive than virgin fiber. Beyond this, Sustana seeks other opportunities to minimize our impact, including investing in water-efficient technologies and processes, improving effluent testing and treatment, and implementing more robust flood resistance measures. We also take action to reduce freshwater use through recycling and reusing water in our processes where feasible.
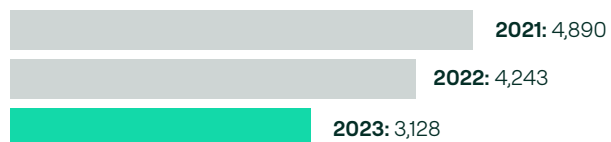
Our product LCAs help inform our water-related investment decisions across manufacturing, withdrawal and effluent testing, and technology and process updates. As we continue to mature our efforts, we will remain focused on identifying the solutions that best balance environmental impacts with production inputs required to maintain product quality.

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5    We evaluated an average of our three manufacturing sites' river basin scores. Facilities that contribute to less than 1% of total water withdrawals are not considered significant and are therefore excluded from the water risk assessment.
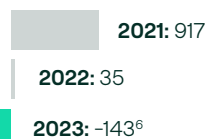
# Year-on-Year Progress
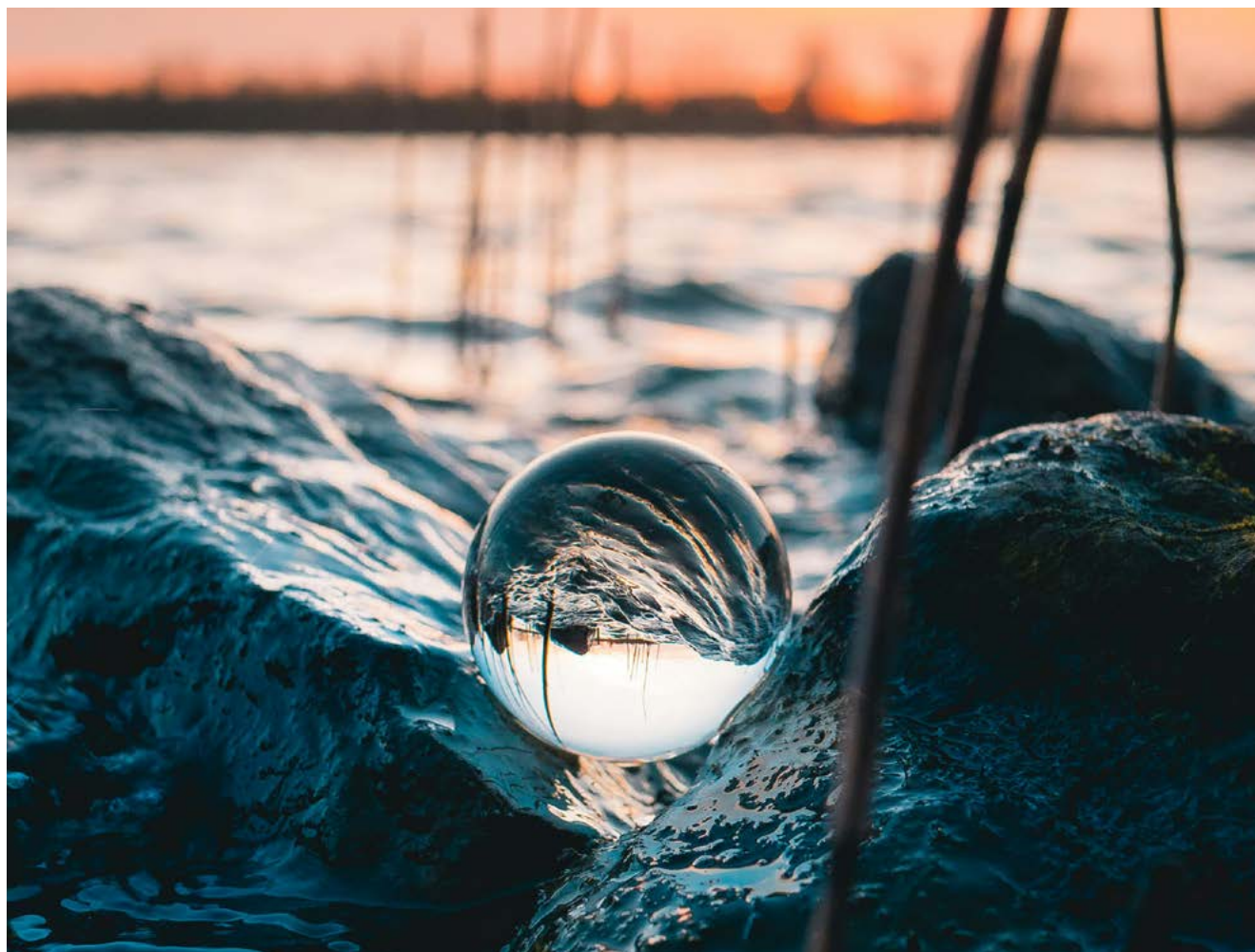
## Sustana's Water Impact

### Total water withdrawal (ML)

**2021:** 4,890

**2022:** 4,243

**2023:** 3,128

### Total water discharge (ML)

**2021:** 3,974

**2022:** 4,207

**2023:** 3,271

### Total water consumption (ML)

**2021:** 917

**2022:** 35

**2023:** -143[6]

### Wastewater production (ML)

**2021:** 3,918[7]

**2022:** 4,017[7]

**2023:** 3,271



6    Water consumption is negative due to water/liquid in our raw material such as recycled pulp and chemicals that are brought into our manufacturing operations. Therefore, this has impacted our total water consumption as more water is discharged than withdrawn.

7    In our 2022 ESG Report, wastewater data was recorded in cubic meters (m³) but mistakenly labeled as metric tons for both 2022 and 2021. Starting this year, wastewater data will be reported in megaliters (ML).

# Circularity and Product Quality

Sustana's products are circular by design, and we are driven to lead others in the transition towards more closed-loop production and consumption behaviors.

**Relevant SDGs**



## Our Approach to Embedding Circularity

Wood fibers can be recycled up to seven times, extending their potential useful life and reducing pressure on virgin materials. At Sustana, we leverage recovered fiber and sustainable manufacturing processes to create our products. We also partner closely with brands and customers to identify more opportunities to recover their fiber at its end of useful life for reuse in new Sustana products.

## Understanding Life Cycle Impacts

During 2016, we published a peer-reviewed LCA of our paper products to measure their environmental and human health impacts. In 2019, we underwent a similar exercise for our fiber products. Since then, we have used data from our LCAs to inform product R&D, manufacturing and technology improvements, and material procurement decisions.

Through our commitment to quality and sustainability, we aim to set a benchmark in the pulp and paper industry for responsible product development and manufacturing practices.

### LCA of Sustana Enviro™ Paper Grades Versus Virgin Paper Grades

| | |
|---|---|
| Climate change | **62% lower** |
| Water use | **20% more**[8] |
| Water quality | **77% lower** |
| Human health | **87% lower** |
| Ecosystems | **70% lower** |
| Non-renewable resources | **64% lower** |
| Biodiversity | **100% lower** |

### Placing Sustainability at the Heart of Friesens' Story

Founded in 1907, Friesens has always championed service, quality, and innovation in everything they do. This includes being resolutely committed to their people as a proud employee-owned company, but it is also reflected in their dedication to the planet, responsibly using resources to minimize their ecological footprint.

To support their environmental efforts, Friesens primarily uses paper made from a combination of wood byproducts from the lumber industry and recycled paper. This includes using and printing on 100% recycled paper manufactured by Sustana. 90% of what they stock is also FSC® certified, confirming it comes from well-managed forests.

As well as sourcing paper from recycled sources, Friesens works to reduce their own operational waste footprint. In particular, they bale and recycle 100% of paper waste created in their pressroom, bindery, and offices, ensuring valuable resources stay in use for as long as possible.

Our LCA has identified that Sustana's 100% recycled Enviro™ paper grades has a 62% smaller $CO_2$ footprint than non-recycled paper.

---

8   The 0.2x (20% more) water usage is due to the over 99% renewable electricity that is used at Sustana's paper mill. More than 60% of hydroelectricity in Québec is produced with hydroelectric dams that require water reservoirs, and the evaporation from these reservoirs is included in this water consumption.

## Partnering for Impact

As well as engaging partners to identify more sources of recycled raw material, we maintain open communications with brands, material recycling facilities, policymakers, and standards providers to drive collective action against our strategic priorities. These include:

- Testing and developing innovative processes for recycling new fiber waste streams

- Raising awareness on the importance of recycling and transitioning to a circular economy

- Supporting legislation that will drive a circular economy, such as extended producer responsibility and enhanced corporate sustainability disclosure

- Increasing recovery of post-consumer fiber waste, particularly in underserved communities

- Optimizing post-consumer fiber recycling for new products and packaging

- Minimizing use of virgin, non-regenerative materials in customer products

- Reducing fiber material weight and volume requirements for packaging

- Increasing sales of paper with 100% recycled fiber content

### Building Sustainable Partnerships

We have partnered with American Litho, a leading commercial printing company specializing in large-run web business, to help them achieve their own sustainability goals and offer their clients more environmentally conscious paper options.

At Sustana, we value strong relationships across our supply chain and were introduced to American Litho in 2020 through another trusted partner, Lindenmeyr Munroe. Since our introduction, we have serviced their uncoated opaque needs, providing paper for customers such as JPMorgan Chase, Citibank, and Discover Card. Throughout this period, we have developed an excellent working relationship with the owners of American Litho, so much so that we now utilize their freight service to pick up their paper from our mill in Saint-Jérôme.

For the past four years, we have provided them with 30% sustainable recycled fiber Sustana Opaque™ and Sustana HiBulk™, and small amounts of 100% sustainable recycled fiber EnviroPrint™. On their part, American Litho advocate for the 30% recycled option to their customers as often as they can. These matrices of relationships are how Sustana, and our partners, can spread sustainability and help support customers on their journeys.

### Marquis Book Printing: A Case Study in Waste and Circularity

Marquis Book Printing specializes in innovative print and logistics solutions for publishers — offering digital inkjet and traditional offset printing, bookbinding, distribution, warehousing, and specialist printing techniques.

In 2007, Marquis approached Sustana for support on their path to sustainability. Since then, we have collaborated to integrate our 100% recycled paper into their products, such as EnviroBook™ and EnviroOpaque Offset™. With Sustana's assistance, Marquis now offers sustainable paper and printing solutions for all their clients' projects.

By choosing these options, Marquis supports environmental stewardship, even at a higher cost to their business. They are also committed to enhancing their social responsibility vision, collaborating with stakeholders in the book chain to build a more responsible industry.

## Progress for a Circular Economy

At Sustana, we have capacity to process up to 2.2 million pounds of recovered paper every day; we also have the capacity to recycle enough paper material annually to reduce landfill space by over 1 million cubic yards.

By leveraging these capabilities to the fullest, we can continue to drive action against our vision for a circular economy. Throughout 2023, we continued to pursue actions for circularity.
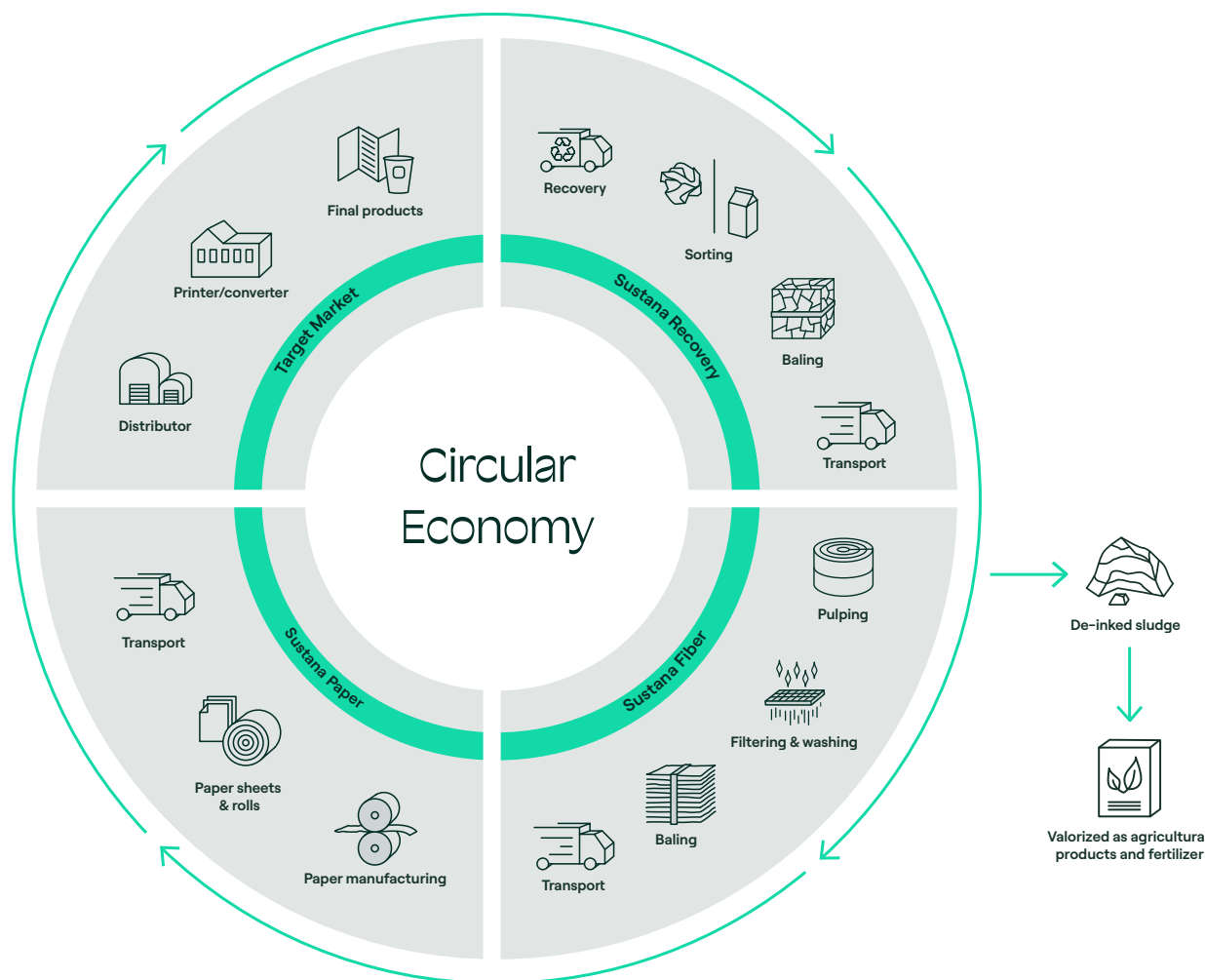
## Our Approach to Waste

We are a vertically integrated business, comprising three business units: Recovery, Fiber, and Paper. We primarily source from the "urban forest," with our Recovery facilities sourcing wastepaper for sorting and baling. The wastepaper then goes to our fiber mills, which exclusively produce 100% recycled fiber. Some of this material is subsequently sent to our own Saint-Jérôme facility to be turned into paper; other material is sent to external mills to be transformed into items like tissue paper, food packaging, and coffee cups.

As well as leveraging a waste material as our primary product input, we are continually minimizing operational byproducts,[9] finding environmentally responsible ways to recycle any waste material. One of our fiber mills operates its own waste management facility while recovery facilities send cardboard, plastic, and metal to third-party recyclers.

### Over 89% of our waste was diverted from landfill in 2023.



Circular Economy diagram. Outer ring: Target Market — Final products, Printer/converter, Distributor. Sustana Recovery — Recovery, Sorting, Baling, Transport. Sustana Fiber — Pulping, Filtering & washing, Baling, Transport. Sustana Paper — Paper manufacturing, Paper sheets & rolls, Transport. De-inked sludge → Valorized as agricultural products and fertilizer.

9    We prefer to call our waste "byproducts" because we have dedicated people that find beneficial uses for the byproducts that result from the production of our 100% recycled fiber.

# Advocating for Waste Recovery

To boost waste recovery rates and enhance the resilience of our wastepaper supply chain, in 2019, we expanded our capabilities and procurement activities to include aseptic and gable-top cartons as well as office paper waste. We also promote enhanced waste collection and recycling infrastructure on a wider scale, supporting legislation for a circular economy and choosing not to join or fund industry groups that publicly adopt opposing positions.

## Sustainable Marketing

LSDIRECT

Sustana works with LS Direct, a data-driven direct marketing firm specializing in transforming data science into effective marketing strategies.

We provide LS Direct with 100% recycled EnviroPrint™, which is used in their direct mail campaigns and catalogs. This services their diverse client base across the furnishings, home decor and improvement, apparel and accessories, food and gifts, travel, and non-profit sectors.

Alongside using EnviroPrint™ for their clients, LS Direct collects paper scraps and remnants during their print production and returns them to Sustana's fiber facility. This allows it to be converted back into recycled paper, keeping it out of landfill and supporting the circular economy.

This relationship with Sustana helps LS Direct, in achieving sustainability goals and is not only an ethical imperative for LS Direct but also a strategic business decision that leads to numerous benefits, including employee satisfaction and positive community, customer, and stakeholder relations.

## Transforming Byproducts

We seek to find ways to keep byproducts, such as de-inked sludge, from our production in use for as long as possible. One way we do so is by sending them for recycling into fertilizing residual materials (FRM) for use in agriculture. The material designated for FRM includes fibers that are too short, along with other original components of paper from the recycling process, such as calcium carbonate and fine clays.

In our Lévis mill, the FRM product we produce is called pHibres+, an odorless, easy-to-store product that works as a liming and organic soil conditioner for agricultural land. It is also used in revegetation of degraded sites.

### Addressing Climate Change with FRM

Not only does transforming our byproducts into FRM help keep materials out of landfill; it can also support wider climate action. Spreading paper biosolids on fields helps enhance soil carbon sequestration abilities, with the calcium carbonate helping pull emissions from the atmosphere. It also serves to reduce methane emissions associated with landfill sites. Furthermore, it helps reduce soil nitrate levels, resulting in fewer nitrous oxide emissions from the soil and surrounding watershed.

### Minimizing PFAS

In terms of environmental pollutants, we have identified that levels of polyfluoroalkyl substances (PFAS) in pHibres+ are barely detectable, well below the limits set by authorities.

Sustana plans to increase production of recycled fiber at our Lévis mill, with more byproducts to be developed. To achieve this, several projects have been started or are planned, including:

- The use of pHibres+ as animal litter for chickens

- Sending secondary biosolids to a biomethanization plant to produce renewable natural gas

# Social

Sustana is about more than just our products; we're about the people that make them possible too. As the minds behind our innovations and the passion behind our customer service, we strive to ensure everyone at Sustana feels connected, empowered, and supported to do their best work. At the same time, we recognize the valuable opportunity we have to play an active role in our local communities, leveraging our presence as a force for social good.

## In this section

# People

We're dedicated to creating a workplace that nurtures our employees and enables them to reach their fullest potential. Our ambition is to be an employer of choice, attracting, retaining, and developing talent.

## Relevant SDGs

## Progress Against Our Goals

| | | |
|---|---|---|
| Conduct employee survey in 2024 | Action plan for employee survey done in 2023 | ◐ |
| | All-employee survey launched in May 2024 | |
| Develop metrics and target-setting for employee engagement in 2024 | Measure monthly voluntary employee attrition | ◔ |
| | Measure and benchmark employee engagement through survey | |

◕ Getting started   ◑ In progress   ◯ Completed

## Developing Our Culture

We strive to develop a "One Sustana" culture around our common purpose, mission, and values that we refreshed in 2023 and proudly communicated across the organization.

## Education and Training as the Foundation for Our Success

To align our people around shared actions, we maintain a set of principles outlined in the following policies:

- Employee Code of Conduct
- Human Rights Policy
- Health and Safety Policy
- Diversity, Equity, and Inclusion Policy

In 2023, we launched a comprehensive online training system. In the first wave, the training system was rolled out as follows:

| Topic | Participants | As % of targeted group | Target group |
|---|---|---|---|
| Cyber security | 72 | 74% | Managers |
| Ethics and Code of Conduct | 70 | 76% | Managers |
| DEI | 68 | 76% | Managers |
| Global anti-bribery and corruption | 37 | 45% | Managers |
| Conflicts of interest | 21 | 82% | Senior leadership |

In order to get familiar with our principles, existing and new employees are trained annually on these items. Starting in 2024, these online training programs are being extended to all employees, with additional training options being introduced.

## Attracting and Retaining Talent

Attracting a workforce of talented, passionate employees is key to Sustana's success. We pursue various routes to talent attraction, including engaging with key third-party partners that enhance our ability to reach a diverse pool of potential candidates for key leadership roles. We are proud that, across our operations, we also hire and retain a workforce of diverse backgrounds and nationalities employees, highlighting our commitment to creating a welcoming and supportive culture.

## Community Impact

Our current approach to community engagement is decentralized, with each location pursuing actions in line with locally relevant needs and capabilities. While we seek to maintain this level of regional flexibility, we are also exploring how we can implement a more companywide community impact program that will better connect efforts across teams and sites. By doing so, we believe we can better engage community partners while tying actions to our wider business purpose. Wherever we have a presence, we strive to be a good corporate citizen, leveraging our resources and expertise to drive impact for our communities.

## Progress Against Our Goals

| | |
|---|---|
| Launch a formal employee volunteer program in 2024 | ◑ |

## Sustana's Workforce

Employees in the US and Canada[10] (including acquisition of Hanna Paper)

**2021**

US: 76

Canada: 373

**Total:** 449

**2022**

US: 75

Canada: 405

**Total:** 480

**2023**

US: 163

Canada: 472

**Total:** 635

## Enhancing Performance Reviews

In 2023, we enhanced and standardized the employee performance reviews for all salaried employees, allowing a consistent approach to assess year-on-year progress, setting individual goals and facilitating career and development discussions. We believe that this approach fosters a sense of belonging and contribution for all employees.

## Bringing Clarity and Structure to Pay

To accelerate progress towards transparency, clarity, and pay equity across the company, we have formalized a new grade-based compensation structure.

Along with this, we have also standardized our variable pay approach to align with company, business unit, and individual performance, ensuring our employees have a stake in our company's success.

## Understanding Employee Sentiment

To enhance our workplace culture, we want to understand and measure employee sentiment. During 2023, we underwent an exercise to evolve the Sustana brand, engaging multiple stakeholder groups to gather key insights. We then refined our findings with an in-depth leadership engagement survey. Through the survey, we explored our company mission, purpose, and values, identifying potential areas for improvement. Using these insights, we have now rolled out a new mission statement to the company, as well as a new purpose and set of values. We have also enhanced team communications to better socialize these updates.

In May 2024, we extended to all employees and embarked on our first all-employee annual survey with Great Place To Work Institute, reaching a 58% participation and 65% engagement score for the first year.

## What's Next

Having conducted our leadership survey in 2023 and all-employee engagement survey in May 2024, we will build on this foundation and also discuss action planning at various levels of the organization to keep improving our workplace and work environment.

In 2024–2025, we will also continue working on the following:

### New Goals 2024–2025

| | |
|---|---|
| Culture and employee engagement | Reduce annual voluntary employee attrition rate below 10% by 2025 |
| | Develop and communicate employee engagement action plans in 2024 |
| | Improve employee engagement score by 10% every year |
| Development | Develop training platform further and enhance it to an all-employee academy in 2024 |
| | Roll out a managerial training and development program in 2024 and 2025 |
| | Develop and implement talent management, career development, and succession planning by 2025 |
| Social engagement | Implement employee resource network program by 2025 |
| | Further enhance community and social responsibility program |

10   Full-time equivalent (FTE) as of December 31, 2023.

# Health and Safety

We care about our people and strive to show that care every day in the actions we take to keep them safe and healthy in a workplace that supports zero incidents, accidents, or unsafe behaviors.

## Relevant SDGs



## Progress Against Our Goals

| | | |
|---|---|---|
| Achieve an LTI frequency rate below 4.00 by 2025 | 19.77 | ◐ |
| Achieve an LTI severity rate below 0.3 by 2025 | 0.36 | ◐ |

◔ Getting started     ◐ In progress     ● Completed

## Identifying Safety Risks

Our commitment to safety is a core company value. To uphold it across our operations, we maintain a defined approach of identifying and limiting at-risk behaviors and unsafe conditions, as well as timely elimination of hazards. To support risk identification, we leverage SMAAT, a health, safety, and environment (HSE) management tool through which anyone can — and has an obligation to — report potential safety hazards. We also use this tool for onsite accident and incident reporting.

## Floor-Level Hazard Recognition

Whenever floor-level work is required, Sustana preemptively identifies and addresses potential issues. This involves conducting job hazard and safety assessments and a safe work permitting process to understand what safety measures are required.

## Pursuing Zero Accidents

We want to provide a workplace free from occupational hazards by upholding high operating standards that meet or exceed all applicable laws, regulations, and standards. Our ultimate ambition is to achieve zero accidents.

Our efforts are informed by a defined Health and Safety Policy. We also maintain various procedures and measures to ensure health and safety is upheld across our operations. For example, all employees — as well as workers who are not employees but whose work is controlled by Sustana — are covered by our occupational health and safety management system. We also have a mandatory health checkup process for all new employees and conduct regular site inspections to ensure ongoing equipment safety standards.

Across all our US and Canadian mills, we have established Safety Committees consisting of representatives from safety personnel, site leadership, and departmental workers of all levels that meet monthly to review safety observations, findings, and inspection results, as well as conducting planned mill inspections.

### Driving Shared Commitment

Recognizing that safety is everyone's responsibility, we encourage employees to actively participate in our safety program, whether through their local Safety Committee, safety meetings, or facility audit processes. We also deliver regular mandatory training for relevant employees on health and safety risks and good working practices. In 2023, we launched a new training system for our US fiber mill — with a similar system already in place in Canada — to help streamline and strengthen safety trainings.

### Targeted Well-Being Benefits

We view well-being as a key aspect of safety, because when people feel their well-being is supported, they come to work with a fresher, more alert mind. We deliver a series of benefits that promote employee health, safety, and well-being, including comprehensive healthcare insurance and benefits, as well as short- and long-term disability insurance.

We understand the value in helping our people achieve a healthy work–life balance. That is why, where possible, we offer flexible and remote work patterns, with compensation for extra work or atypical work hours. We also offer family-friendly programs and parental leave to support employees in balancing work with family life.

## Safety Culture Progress

Our LTI frequency rate for direct employees increased to 19.77 in 2023 from 8.48 in 2022. This is primarily due to our acquisition of Hanna Paper and is something we will work to reduce moving forward. While the frequency did rise year on year, we are proud that the severity rate fell to 0.36 in 2023 versus 0.70 in 2022.

Throughout the year, we placed renewed focus on enhancing understanding of accident and injury drivers. Thanks to enhanced safety data and stronger emphasis on quality investigations, we have gained a better understanding of what causes accidents and where the opportunities for improvement lie. As we move forward, we will use this insight to continue advancing our reporting processes and remediation efforts.

## What's Next

### New Goals 2024–2025

| Safety Council | In 2024, we will launch an enterprisewide Safety Council, bringing expertise of local councils together |
|---|---|

# Diversity, Equity, and Inclusion

We strive every day to advance diversity, equity, and inclusion (DEI) and to foster a greater sense of belonging for all our people. Through doing so, we can unlock new ideas and advance our efforts to be an employer of choice.

**Relevant SDGs**

| 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES |

**Progress Against Our Goals**

| | | |
|---|---|---|
| Involve 100% of our employees in our vision of diversity, equity, and inclusion by 2025 | DEI Policy written and communicated | ◐ |
| Increase female-identifying representation in the workforce | | ◯ |
| Train all employees on inclusion/ unconscious bias at least every 24 months by 2025 | Training available and launched to leadership in 2023 and all salaried in 2024 | ◑ |
| Increase share of under-represented groups by 2025 | | ◐ |
| Ensure at least a third of the directors on our board identify as belonging to an under-represented group by 2025 | | ◐ |

◐ Getting started    ◑ In progress    ◯ Completed

## Leadership Team Diversity

During 2023, 22% of our senior leadership team identified as women.

The percentage of women in salaried positions has increased from 20% in 2021, to 23% in 2022, and to 32% in 2023.

## Embedding DEI Across Sustana

We are actively working to create an inclusive organization free from harassment, discrimination, and bias. Our actions are led by our Employee Code of Conduct and Diversity,

Equity, and Inclusion Policy — documents we expect all our employees to adhere to.

### A Zero-Tolerance Approach to Discrimination and Harassment

Everyone deserves a safe and respectful workplace, and we strive to ensure all our employees feel supported to show up as their true selves. We expressly prohibit harassment, and any other offensive or disrespectful conduct, in the workplace or anywhere business is being conducted. We also maintain a zero-tolerance policy towards any behavior that intimidates, injures, attempts to control, or otherwise threatens a person's emotional, mental, or physical well-being. This approach ensures we align with — and then go beyond — any applicable laws prohibiting harassment.

We take all threats and insinuations of threats incredibly seriously. Through the NAVEX whistleblowing system, employees can raise any concerns, including those related to instances of discrimination and harassment. Reports are then investigated and addressed in a timely and appropriate manner. During 2023, we received no reports through the system.

### Bringing Clarity and Structure to Pay

To accelerate progress towards pay equity across the company, we are formalizing pay scales. This will allow us to better assess current pay practices and any potential gaps.

## Progressing on Our DEI Targets

Throughout 2023, we worked diligently to advance diverse representation at Sustana, achieving 14% women represented across all employees by year end. As of May 2024, we have also achieved 31% representation of women at leadership level.

### Boosting Understanding Through Training

Throughout 2023, we made significant improvements to our DEI program, including the introduction of a new training series. Initially aimed at leadership, these sessions are intended to increase awareness of relevant policies, such as our DEI Policy, and to illustrate how our values and governance promote DEI progress. Notably, 76% of managers completed the DEI training module. Looking ahead, we plan to extend these trainings to all employees and new hires to foster a comprehensive understanding of essential DEI topics.

### Embedding DEI into Our Supply Chain

As well as upholding a commitment to DEI within our organization, Sustana looks to expand our focus throughout the value chain. This includes through our group-level sustainable procurement program.

Through this program, we have engaged 214 of our largest suppliers — representing over 90% of our total supplier spend — to understand their ESG practices, including whether they maintain DEI policies.

## What's Next

We are continuously striving to advance our DEI efforts. As we move into 2024, we plan to launch our first employee resource group, providing a platform for employees to come together and celebrate diversity. Additionally, we will participate in initiatives to attract talent from under-represented groups.



## New Goals 2024–2025

Launch our first employee resource group by 2024

## Employee Demographics[11]

### Gender (all employees)
● Female    ● Male

| | | |
|---|---|---|
| **2021** — 8% / 92% | **2022** — 8% / 92% | **2023** — 14% / 86% |
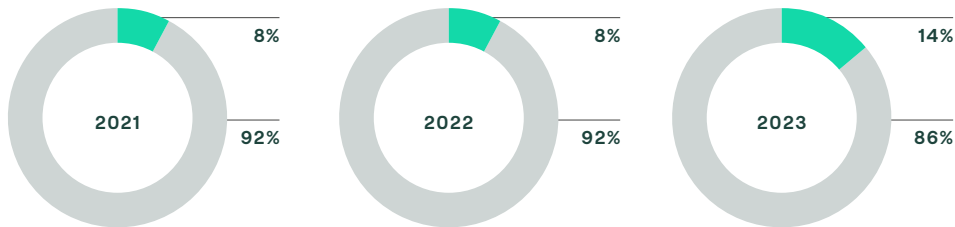
### Age (all employees)
● Under 30    ● 30–50    ● Over 50

| | | |
|---|---|---|
| **2021** — 32% / 11% / 57% | **2022** — 28% / 16% / 57% | **2023** — 37% / 14% / 49% |
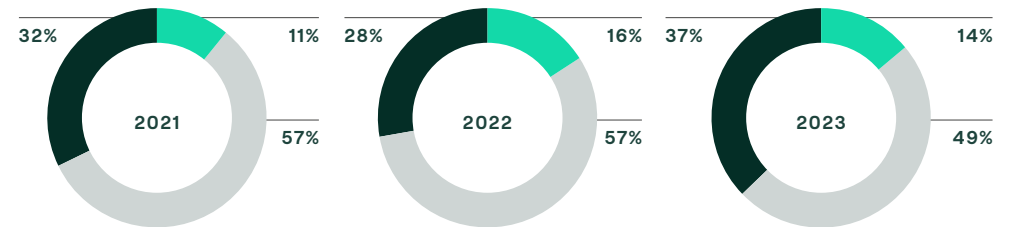
### Gender (leadership)
● Female    ● Male

| | | |
|---|---|---|
| **2021** — 36% / 64% | **2022** — 27% / 73% | **2023** — 22% / 78% |
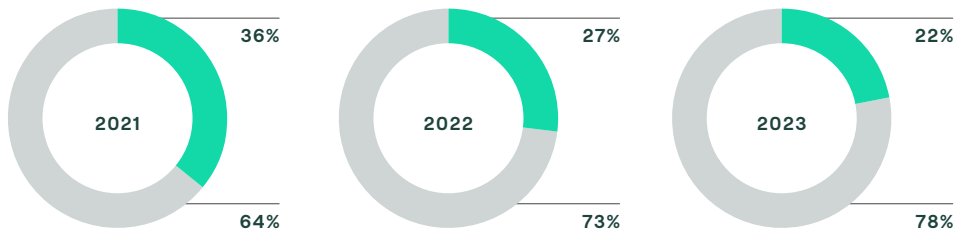
## Board Demographic

### Gender (Board of Directors)
● Female    ● Male

| | | |
|---|---|---|
| **2021** — 17% / 83% | **2022** — 17% / 83% | **2023** — 14% / 86% |
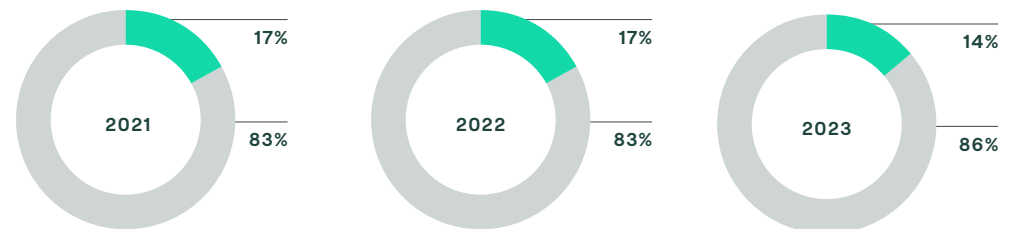
11   As of December 31, 2023.

# Governance

We are endlessly dedicated to transparency, accountability, and good corporate citizenship. This includes acting with integrity, guided by a robust governance structure. We maintain a series of policies, systems, processes, and disclosures to embed ethical standards across our operations and those of our partners, driving shared action for more responsible business.

## In this section

# Sustainable Procurement Practices

We recognize the opportunity we have to influence positive social and environmental practices throughout our supply chain. Through our sustainable procurement practices and supplier engagement activities, we seek to ensure suppliers share our commitment to sustainability, partnering with them to enhance awareness of key topics and build their capabilities.

## Relevant SDGs

| 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND |

## Progress Against Our Goals

| | |
|---|---|
| Increase the number of target suppliers assessed through the EcoVadis platform in 2023 | ○ |
| Increase engagement with target suppliers around improving sustainability performance by 2023 | ◐ |
| Gather more specific nature-related data from our suppliers by 2023 to better understand our nature-related dependencies and impacts | ◐ |
| Set ESG topic-specific performance targets for our supply chain by 2023 | ◐ |
| Update our Supplier Code of Conduct by 2024 and ensure it is widely circulated to our suppliers | ○ |

○ Getting started    ◐ In progress    ○ Completed

As well as our dedicated Sustainable Procurement Policy, we maintain a Sustainable Procurement and Supply Chain Program. We are committed to not only producing sustainable products, but also procuring sustainable materials. This dedication is reflected in our sourcing practices, with 100% of our purchased fiber being FSC® certified.

In 2023, 40 suppliers completed an EcoVadis assessment. For more information on our EcoVadis assessments, see EcoVadis: Setting a Gold Standard for Sustainability.

# Ethics and Integrity

The success of our business relies heavily on the trust of our employees, customers, suppliers, investors, partners, and communities. We understand that to earn and maintain that trust, we must uphold a commitment to operating ethically.

**Relevant SDG**

## Our Anti-Corruption Stance

While we do not consider our overall exposure level to corruption as high, we nonetheless maintain strong oversight to ensure full accountability within our business and supply chain. We recognize and require compliance with relevant national and international corruption laws and regulations, including the UN Convention Against Corruption and the US Foreign Corrupt Practices Act.

A series of codes and standards outline our expectations and guide our approach to ethics, including our:

- Global Anti-Corruption and Whistleblower Protection Policy

- Sustainable Procurement Policy

- Employee Code of Conduct

- Supplier Code of Conduct

We require that all Sustana employees, contract workers, interns, consultants, suppliers, and business partners confirm their understanding of, and agreement with, these policies in writing. Anti-corruption and conflicts of interest were part of the new online training systems launched in 2023.

## Human Rights

Part of being a responsible organization is ensuring strict human rights standards are upheld throughout our direct operations and in our wider value chain. Across all our facilities and suppliers worldwide, we do not tolerate the use of any form of forced labor, child labor, or the exploitation of children. Our expectations are clearly detailed in our Human Rights Policy and Modern Slavery Statement.

### Empowering People to Speak Up

We want our people to speak up when they see something wrong, which is why we maintain a corruption grievance mechanism. Through this, any employee or third party working for Sustana has the right to submit a confidential report concerning potential malpractice or corruption identified in our business or supply chain. Via EcoVadis 360° Watch Findings, we also monitor our suppliers for potential regulatory and corruption issues and violations. During 2023, Sustana had zero confirmed instances of corruption.

To protect anyone who makes a report in good faith, we maintain whistleblower protection and a zero-tolerance policy for any retribution within the company. We recognize the rights of whistleblowers and work with them to ensure there are no legal repercussions for their actions. A dedicated team immediately follows up on any potential abuse of power or act of corruption, as well as any reported concerns.

# Board Oversight

An effective ESG strategy requires strong oversight. At Sustana, we are driving that oversight from the top through our Board of Directors.

## ESG Oversight

We have integrated ESG responsibilities into all major corporate governance structures and levels. Our Board and Senior Management ESG Committee are responsible for ESG oversight as well as approval of our sustainability strategies, targets, and disclosures. Our Director of Sustainability leads the ESG Committee and Sustana's ESG reporting efforts, with support from cross-organizational subject matter experts.

Executive-level compensation linked to ESG performance is managed by the Board's Compensation Committee while responsibility for external disclosures, audits, and financially material ESG topics sits with the Board's Audit Committee.

At an operations level, a Sustainability Team is tasked with directing our strategy and designing targeted ESG initiatives in partnership with the ESG Technical Working Group (TWG). The ESG TWG comprises representatives from key functions, including procurement, health and safety, finance, and human resources from across Sustana's facilities and brands; it is led by our Director of Sustainability, managed by our Sustainability Manager, and reports to the ESG Committee. ESG TWG members have responsibility within their respective function or facility for collecting, monitoring, and reporting on ESG data as well as implementing ESG-related projects, standard operating procedures, and policies.

We also maintain an internal Enterprise Risk Management (ERM) Committee, comprising executive-level employees, to oversee our risk management approach.

| Our Sustainability Governance Structure | | |
|---|---|---|
| Board of Directors | | |
| Compensation Committee | Audit Committee | ESG Committee |
| Senior Management (internal) | | |
| ERM Committee | | ESG Committee |
| Operational | | |
| Risk Owners | Sustainability Team | ESG TWG |
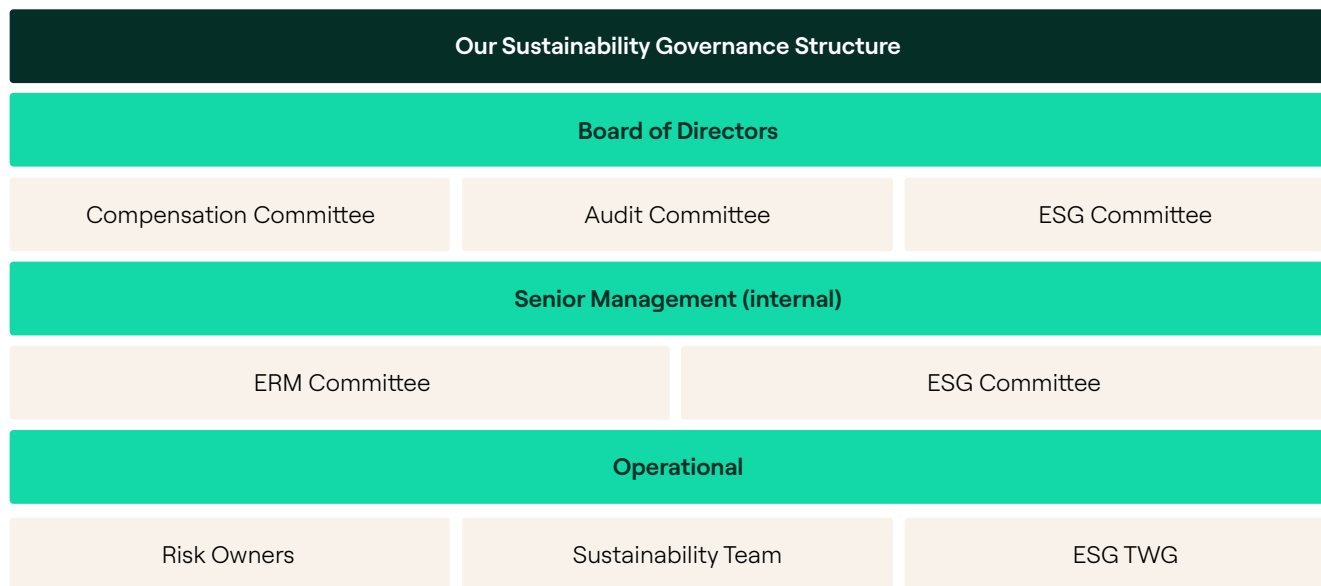
# Enterprise Risk Management

We are a risk-aware organization and strive to remain continuously informed of new and emerging risks and opportunities that could impact our organization and stakeholders.

Oversight of our risk management approach sits with the ERM Committee. Additionally, both our Board and ESG Committee have oversight responsibility for identifying ESG risks and opportunities from a double materiality perspective. This involves identifying issues that could significantly impact our financial performance as well as the ways our operations impact the economy, environment, and people. Any ESG issues that are financially material are formally included in the risk register, which is monitored and managed by our Audit Committee and ERM Committee.

## Enhancing Our Risk Management Approach

To ensure we keep pace with the evolving risk landscape, we have begun taking steps to conduct more structured and comprehensive risk and opportunity assessments, including climate scenario analysis. To support this, we have developed and grown our ERM Committee, introducing several new executive leaders and signing a dedicated charter. Our next steps will involve conducting workshops, populating our risk register further, and developing capacity through tools, policies, and new processes. We will also engage our senior and executive leaders, as well as the Board, to ensure oversight from the top.

For our most material topics, we will develop additional action plans and roadmaps. Through doing so, we seek to strengthen the resilience of our sustainable business strategy and our ability to drive long-term value creation against a rapidly changing environmental and socioeconomic risk backdrop.

# Appendix

## In this section

# 2023 GRI Content Index

**Statement of Use**    Sustana has reported the information cited in this GRI Content Index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.

**GRI 1 Used**    GRI 1: Foundation 2021

| Gri standard | Disclosure | Location |
| --- | --- | --- |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Other legal names include:<br>Les entreprises Rolland Inc.<br>Hanna Paper Fibres Ltd.<br>Recyclage de Papier Hanna Ltée<br>Mississauga Paper Fibres Ltd.<br><br>FRF Holdings, Inc.<br>Sustana Fiber, LLC<br>ROLLAND USA HOLDINGS, INC.<br>Hanna Paper Recycling (Mid-Atlantic), Inc.<br>Hanna Paper Recycling Inc.<br>Hanna Paper Recycling (Mid-West), Inc.<br>Nature of ownership: Private<br>Headquarters: De Pere, WI<br>2023 ESG Report; Introduction; Sustana at a Glance; p. 4 |
|  | 2-2 Entities included in the organization's sustainability reporting | Same as above<br>2023 ESG Report; Introduction; Sustana at a Glance; p. 4 |
|  | 2-3 Reporting period, frequency and contact point | Reporting Period: Calendar Year (January 1, 2023–December 31, 2023)<br>Frequency: Annual<br>Contact Point: info@sustanasolutions.com |
|  | 2-4 Restatements of information | N/a |
|  | 2-5 External assurance | This report is not externally assured. |
|  | 2-6 Activities, value chain and other business relationships | 2023 ESG Report; Introduction; Sustana at a Glance; p. 4<br>Sustainable Procurement Policy |
|  | 2-7 Employees | 2023 ESG Report; Introduction; Sustana at a Glance; p. 4<br>2023 ESG Report; People; p. 23<br>2023 ESG Report; People; Sustana's Workforce; p. 24<br>2023 ESG Report; People; Diversity, Equity, and Inclusion; Employee Demographics; p. 29<br>2023 ESG Report; Appendix; ESG Performance Data; Labor Data; p. 50 |
|  | 2-9 Governance structure and composition | 2023 ESG Report; Introduction; A Word from Our CEO; p. 3<br>2023 ESG Report; Governance; Board Oversight; p. 33 |

| Gri standard | Disclosure | Location |
| --- | --- | --- |
| GRI 2: General Disclosures 2021 | 2-11 Chair of the highest governance body | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-13 Delegation of responsibility for managing impacts | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-14 Role of the highest governance body in sustainability reporting | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-15 Conflicts of interest | Anti-Corruption and Whistleblower Protection Policy<br>Employee Code of Conduct<br>Supplier Code of Conduct |
| | 2-16 Communication of critical concerns | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-18 Evaluation of the performance of the highest governance body | 2023 ESG Report; Governance; Board Oversight; p. 33 |
| | 2-22 Statement on sustainable development strategy | 2023 ESG Report; Introduction; A Word from Our CEO; p. 3<br>2023 ESG Report; Introduction; Our Sustainability Strategy; p. 5 |
| | 2-23 Policy commitments | Sustana Sustainability Policies |
| | 2-24 Embedding policy commitments | Sustana Sustainability Policies |
| | 2-25 Processes to remediate negative impacts | Anti-Corruption and Whistleblower Protection Policy<br>Human Rights Policy; p. 4–5<br>Employee Code of Conduct; p. 19–20 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Anti-Corruption and Whistleblower Protection Policy<br>Ethics Reporting Hotline |
| | 2-28 Membership associations | 2023 ESG Report; Introduction; Certifications and Designations; p. 10 |
| | 2-29 Approach to stakeholder engagement | 2023 ESG Report; Introduction; Our Sustainability Strategy; p. 5 |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 2023 ESG Report; Introduction; Our Sustainability Strategy; Defining What Matters; p. 6<br>2023 ESG Report; Governance; Enterprise Risk Management; p. 34 |
| | 3-2 List of material topics | 2023 ESG Report; Introduction; Our Sustainability Strategy; Defining What Matters; p. 6 |
| | 3-3 Management of material topics | 2023 ESG Report; Introduction; Our Sustainability Strategy; Defining What Matters; p. 6<br>2023 ESG Report; Governance; Enterprise Risk Management; p. 34 |

| Gri standard | Disclosure | Location |
|---|---|---|
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 2023 ESG Report; Governance; Ethics and Integrity; p. 32 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Anti-Corruption and Whistleblower Protection Policy<br>2023 ESG Report; Governance; Ethics and Integrity; p. 32 |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 2023 ESG Report; Appendix; ESG Performance Data; Procurement and Materials Data; p. 52 |
| | 301-2 Recycled input materials used | 2023 ESG Report; Appendix; ESG Performance Data; Procurement and Materials Data; p. 52 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 2023 ESG Report; Environment; Climate Impact; Total Energy Consumption (GJ); p. 13<br>2023 ESG Report; Appendix; 2023 SASB Index; Energy Management; p. 42<br>2023 ESG Report; Appendix; ESG Performance Data; Energy Data; p. 45 |
| | 302-3 Energy intensity | 2023 ESG Report; Appendix; ESG Performance Data; Energy Data; p. 45 |
| | 302-4 Reduction of energy consumption | 2023 ESG Report; Environment; Climate Impact; Total Energy Consumption (GJ); p. 13<br>2023 ESG Report; Appendix; ESG Performance Data; Energy Data; p. 45 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 2023 ESG Report; Environment; Water Management; p. 16<br>2023 ESG Report; Appendix; ESG Performance Data; Water Data; p. 46<br>Sustana EnviroLife™ LCA |
| | 303-2 Management of water discharge-related impacts | 2023 ESG Report; Environment; Water Management; p. 16<br>Sustana Enviro™ Paper LCA |
| | 303-3 Water withdrawal | 2023 ESG Report; Environment; Water Management; p. 16<br>2023 ESG Report; Appendix; ESG Performance Data; Water Data; p. 46 |
| | 303-4 Water discharge | 2023 ESG Report; Environment; Water Management; p. 16<br>2023 ESG Report; Appendix; ESG Performance Data; Water Data; p. 46 |
| | 303-5 Water consumption | 2023 ESG Report; Environment; Water Management; p. 16<br>2023 ESG Report; Appendix; ESG Performance Data; Water Data; p. 46 |

| Gri standard | Disclosure | Location |
|---|---|---|
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 2023 ESG Report; Environment; Climate Impact; Sustana's Climate Impact (MT $CO_2$e); p. 13<br>2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 2023 ESG Report; Environment; Climate Impact; Sustana's Climate Impact (MT $CO_2$e); p. 13<br>2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 2023 ESG Report; Environment; Climate Impact; Sustana's Climate Impact (MT $CO_2$e); p. 13<br>2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| | 305-4 GHG emissions intensity | 2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| | 305-5 Reduction of GHG emissions | 2023 ESG Report; Environment; Climate Impact; Sustana's Climate Impact (MT $CO_2$e); p. 13<br>2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | Sustana does not produce, import, or export any ODS, therefore any ODS emitted from HVAC equipment was deemed immaterial and not included in reporting. |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 2023 ESG Report; Appendix; ESG Performance Data; Non-GHG Air Emissions Data; p. 48 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 2023 ESG Report; Environment; Circularity and Product Quality; p. 18<br>2023 ESG Report; Appendix; ESG Performance Data; Waste Data; p. 44 |
| | 306-2 Management of significant waste-related impacts | 2023 ESG Report; Environment; Circularity and Product Quality; p. 18 |
| | 306-3 Waste generated | 2023 ESG Report; Environment; Circularity and Product Quality; p. 18<br>2023 ESG Report; Appendix; ESG Performance Data; Waste Data; p. 44 |
| | 306-4 Waste diverted from disposal | 2023 ESG Report; Environment; Circularity and Product Quality; p. 18<br>2023 ESG Report; Appendix; ESG Performance Data; Waste Data; p. 44 |
| | 306-5 Waste directed to disposal | 2023 ESG Report; Environment; Circularity and Product Quality; p. 18<br>2023 ESG Report; Appendix; ESG Performance Data; Waste Data; p. 44 |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Code of Conduct<br>2023 ESG Report; Social; People; p. 23 |

| Gri standard | Disclosure | Location |
|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Health and Safety Policy<br>Employee Code of Conduct; p. 9–11 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Health and Safety Policy<br>Employee Code of Conduct; p. 9–11 |
| | 403-3 Occupational health services | Health and Safety Policy<br>Employee Code of Conduct; p. 9–11 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Health and Safety Policy |
| | 403-5 Worker training on occupational health and safety | 2023 ESG Report; Social; Health and Safety; p. 25<br>Health and Safety Policy<br>Employee Code of Conduct; p. 9–11 |
| | 403-6 Promotion of worker health | 2023 ESG Report; Social; Health and Safety; p. 25<br>Health and Safety Policy; p. 2 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 2023 ESG Report; Social; Health and Safety; p. 25<br>Health and Safety Policy<br>Employee Code of Conduct; p. 9–11 |
| | 403-8 Workers covered by an occupational health and safety management system | Health and Safety Policy<br>2023 ESG Report; Social; Health and Safety; p. 25<br>2023 ESG Report; Appendix; ESG Performance Data; EHS Data; p. 49 |
| | 403-9 Work-related injuries | 2023 ESG Report; Social; Health and Safety; p. 25<br>2023 ESG Report; Appendix; ESG Performance Data; EHS Data; p. 49 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 2023 ESG Report; Appendix; ESG Performance Data; Labor Data; p. 50 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 2023 ESG Report; Social; Diversity, Equity, and Inclusion; Boosting Understanding Through Training; p. 28 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 2023 ESG Report; Appendix; ESG Performance Data; EHS Data; p. 49 |

| Gri standard | Disclosure | Location |
|---|---|---|
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 2023 ESG Report; Social; Diversity, Equity, and Inclusion; Employee Demographics; p. 29<br>2023 ESG Report; Appendix; ESG Performance Data; DEI Data; p. 50 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | Modern Slavery Statement<br>Sustainable Procurement Policy<br>Human Rights Policy |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Sustana Paper Product Chart 6.22<br>Available upon request |

# 2023 SASB Index

**Table 1.** Sustainability Disclosure Topics and Metrics

| Topic | Metric | Category | Unit of measure | Code | FY2023 response |
|---|---|---|---|---|---|
| Greenhouse Gas Emissions | Gross global Scope 1 emissions | Quantitative | Metric tons (MT) $CO_2e$ | RR-PP-110a.1 | 72,843 |
| | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | Discussion and Analysis | n/a | RR-PP-110a.2 | 2023 ESG Report; Environment; Climate Impact; Sustana's Climate Impact (MT $CO_2e$); p. 13 <br> 2023 ESG Report; Appendix; ESG Performance Data; GHG Emissions Data; p. 47 |
| Air Quality | NOx (excluding $N_2O$) | Quantitative | Metric tons (MT) | RR-PP-120a.1 | 135.40 |
| | $SO_2$ | Quantitative | Metric tons (MT) | RR-PP-120a.1 | 21.90 |
| | Volatile organic compounds (VOCs) | Quantitative | Metric tons (MT) | RR-PP-120a.1 | 8.46 |
| | Particulate matter (PM) | Quantitative | Metric tons (MT) | RR-PP-120a.1 | 8.25 |
| | Hazardous air pollutants (HAPs) | Quantitative | Metric tons (MT) | RR-PP-120a.1 | 3.91 |
| Energy Management | Total energy consumed | Quantitative | Gigajoules (GJ) | RR-PP-130a.1 | 2,300,499 |
| | Percentage grid electricity | Quantitative | Percentage (%) | RR-PP-130a.1 | 30% |
| | Percentage from biomass | Quantitative | Percentage (%) | RR-PP-130a.2 | 0% |
| | Percentage from other renewable energy | Quantitative | Percentage (%) | RR-PP-130a.3 | 25% |
| | Total self-generated energy | Quantitative | Gigajoules (GJ) | RR-PP-130a.4 | – |
| Water Management | Total water withdrawn | Quantitative | Thousand cubic meters ($m^3$) | RR-PP-140a.1 | 3,128,390 |
| | Total water consumed | Quantitative | Thousand cubic meters ($m^3$) | RR-PP-140a.1 | -143,030 |
| | Percentage in regions with High or Extremely High Baseline Water Stress | Quantitative | Percentage (%) | RR-PP-140a.1 | – |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | Discussion and Analysis | n/a | RR-PP-140a.2 | 2023 ESG Report; Environment; Water Management; p. 16 |

| Topic | Metric | Category | Unit of measure | Code | FY2023 response |
|---|---|---|---|---|---|
| Supply Chain Management | Percentage of wood fiber sourced from third-party certified forestlands and percentage to each standard | Quantitative | Percentage (%) by weight | RR-PP-430a.1 | 100% FSC® certified |
| | Percentage of wood fiber sourced from meeting other fiber sourcing standards and percentage to each standard | Quantitative | Percentage (%) by weight | RR-PP-430a.1 | – |
| | Amount of recycled and recovered fiber procured | Quantitative | Metric tons (MT) | RR-PP-430a.2 | 266,124 |

**Table 2.** Activity Metric

| Topic | Category | Unit of measure | Code | FY2023 response |
|---|---|---|---|---|
| Pulp production | Quantitative | Air-dried metric tons (MT) | RR-PP-000.A | 152,797 |
| Paper production | Quantitative | Air-dried metric tons (MT) | RR-PP-000.B | 98,343 |
| Total wood fiber sourced | Quantitative | Metric tons (MT) | RR-PP-000.C | 299,706 |

# ESG Performance Data

## Waste Data

| Waste (MT) | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| **Total Waste Generated** | **156,686** | **194,608** | **194,128** | GRI 306-3, UNGC E19 |
| Non-hazardous waste | 156,598 | 194,562 | 194,054 | |
| Hazardous waste | 88 | 45 | 73 | UNGC E20 |
| **Total Waste Directed to Disposal** | **17,138** | **22,124** | **26,624** | GRI 306-5 |
| **Landfilled** | **17,138** | **22,124** | **26,624** | |
| Non-hazardous waste | 17,137 | 22,124 | 26,623 | |
| Hazardous waste | 1.34 | 0 | 0.91 | |
| **Incinerated** | **0** | **0** | **0.07** | |
| Non-hazardous waste | 0 | 0 | 0.07 | |
| Hazardous waste | 0 | 0 | 0 | |
| **Total Waste Diverted from Disposal** | **139,548** | **172,483** | **167,504** | GRI 306-4 |
| **Recycled** | **66,407** | **80,828** | **77,126** | |
| Non-hazardous waste | 66,321 | 80,783 | 77,055 | |
| Hazardous waste | 86 | 45 | 71 | |
| **Composted** | **376** | **394** | **688** | |
| Non-hazardous waste | 376 | 394 | 688 | |
| Hazardous waste | 0 | 0 | 0 | |
| **Other recovery operations** | **72,765** | **91,262** | **89,690** | |
| Non-hazardous waste | 72,765 | 91,261 | 89,689 | |
| Hazardous waste | 0.31 | 0.67 | 0.89 | |
| **Wastewater (ML)** | **3,271** | **4,017**[12] | **3,918**[12] | |

12   In the 2022 report, wastewater data was recorded in cubic meters (m³) but mistakenly labeled as metric tons for both 2022 and 2021. Starting this year, wastewater data will be reported in megaliters (ML).

## Waste Intensity

| Waste Intensity[13] (MT of Waste/MT of Volume Produced) | 2023 | 2022 | 2021 | Standard Reference |
|---|---|---|---|---|
| Total Waste Generated (MT) | 0.6239 | 0.5557 | 0.5599 | |
| Non-hazardous waste | 0.6236 | 0.5556 | 0.5597 | |
| Hazardous waste | 0.0003 | 0.0001 | 0.0002 | |
| Total Waste Directed to Disposal (MT) | 0.0682 | 0.0632 | 0.0768 | |
| Total Waste Diverted from Disposal (MT) | 0.5557 | 0.4925 | 0.4831 | |
| Wastewater (ML/volume produced (MT) | 0.0130 | 0.0115[14] | 0.0113[14] | |

## Energy Data

| Energy (GJ) | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Total Energy Consumption (GJ) | 2,300,499 | 2,520,894 | 2,618,952 | SASB RR-PP-130a.1, GRI 302-1 |
| Electricity consumption (GJ) | 683,404 | 872,115 | 869,751 | SASB RR-PP-130a.1, GRI 302-1 |
| Grid-connected electricity | 683,404 | 872,115 | 869,751 | SASB RR-PP-130a.1 |
| % Covered by RECs | 27.4% | 26.5% | 0 | |
| Fuel consumption (GJ) | 1,617,095 | 1,648,779 | 1,749,202 | SASB RR-PP-130a.1, GRI 302-1 |
| *Non-renewables* | 862,902 | 815,060 | 457,159 | |
|    Natural gas | 803,966 | 806,062 | 448,289 | |
|    Propane | 19,411 | 6,926 | 6,858 | |
|    Diesel | 39,525 | 2,073 | 2,012 | |
| *Renewables* | 754,193 | 1,064,572 | 1,292,042 | SASB RR-PP-130a.1, UNGC E10 |
|    Biogas | 566,850 | 833,718 | 1,292,042 | SASB RR-PP-130a.1 |
|    RECs purchased (GJ) | 187,343 | 230,854 | 0 | |
| Energy Intensity[13] | | | | GRI 302-3 |
| GJ/volume produced (MT) | 9.16 | 7.20 | 7.55 | |

13   Environmental data from the eight Recovery facilities are included in the total environmental figures for water, waste, energy, and GHG emissions. However, since these facilities do not engage in production activities, their production volumes are excluded from the overall production totals. As a result, this leads to higher intensity values for each environmental category in 2023. This methodology will be consistently applied in all future years.

14   In the 2022 report, wastewater data was recorded in cubic meters (m³) but mistakenly labeled as metric tons for both 2022 and 2021. Starting this year, wastewater data will be reported in megaliters (ML). This change resulted in an update to wastewater intensity.

## Water Data

| Water (ML) | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| **Total Water Withdrawal** | **3,128** | **4,243** | **4,890** | SASB RR-PP-140a.1, GRI 303-3, UNGC E13 |
| Surface water | 518 | 2,737 | 3,309 | |
| Groundwater | 808 | 1,243 | 1,224 | |
| Total third-party water withdrawal | 1,802 | 263 | 251 | |
| Water withdrawn from high or extremely high baseline water-stressed regions[15] | 0 | 0 | 0 | |
| **Total Water Discharge** | **3,271** | **4,207** | **3,974** | GRI 303-4 |
| Surface water | 2,401 | 3,113 | 2,936 | |
| Groundwater | 0 | 0 | 0 | |
| Total third-party water discharge | 871 | 1,094 | 1,038 | |
| **Total Water Consumption** | **-143[16]** | **35** | **917** | SASB RR-PP-140a.1, GRI 303-5, UNGC E13 |
| Water consumed from high or extremely high baseline water-stressed regions[15] | 0 | 0 | 0 | |
| **Water Intensity[17]** | | | | UNGC E14 |
| Water consumed (ML)/volume produced (MT) | -0.0006 | 0.0001 | 0.0026 | |

15   Facilities that contribute to less than 1% of total water withdrawals are not considered significant and are therefore excluded from the water risk assessment.

16   Water consumption is negative due to water/liquid in products, specifically virgin pulp which is made up of 50% water, that are brought into two of our largest manufacturing operations. Therefore, this has impacted our total water consumption as more water is discharged than withdrawn.

17   Environmental data from the eight Recovery facilities are included in the total environmental figures for water, waste, energy, and GHG emissions. However, since these facilities do not engage in production activities, their production volumes are excluded from the overall production totals. As a result, this leads to higher intensity values for each environmental category in 2023. This methodology will be consistently applied in all future years.

## GHG Emissions Data

| GHG Emissions (MT CO$_2$e) | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Scope 1 Emissions | 72,845 | 82,992 | 84,526 | SASB RR-PP-110a.1, GRI 305-1, UNGC E6 |
| Scope 2 Emissions (Market-Based) | 193 | 107 | 28,141 | GRI 305-2, UNGC E6 |
| Scope 2 Emissions (Location-Based) | 23,628 | 30,956 | 28,391 | GRI 305-2, UNGC E7 |
| Scope 3 Emissions (Total) | 474,708 | 539,205 | 491,858 | GRI 305-3, UNGC E7 |
| Cat. 1: Purchased goods and services | 159,021 | 100,285 | 180,430 | |
| Cat. 2: Capital goods | 7,331 | 3,704 | 3,879 | |
| Cat. 3: Fuel- and energy-related activities | 66,027 | 75,371 | 28,854 | |
| Cat. 4: Upstream transportation and distribution | 98,666 | 141,888 | 65,317 | |
| Cat. 5: Waste generated in operations | 3,485 | 7,810 | 9,905 | |
| Cat. 6: Business travel | 618 | 510 | 203 | |
| Cat. 7: Employee commuting and work from home | 893 | 1,591 | 891 | |
| Cat. 8: Upstream leased assets | 0 | 58 | 232 | |
| Cat. 9: Downstream transportation and distribution | 0 | 0 | 0 | |
| Cat. 10: Processing of sold products | 77,607 | 111,890 | 114,656 | |
| Cat. 12: End-of-life treatment of sold products | 61,060 | 96,098 | 87,491 | |
| Total (Scope 1, 2, and 3) (Market-Based for Scope 2) | 547,746 | 622,304 | 604,525 | |
| Total (Scope 1 and 2) (Market-Based) | 73,038 | 83,099 | 112,667 | |
| Total (Scope 1 and 2) (Location-Based) | 96,473 | 113,948 | 112,917 | |
| GHG Intensity (Using Market-Based for Scope 2)[18] | | | | GRI 305-4 |
| MT CO$_2$e/volume produced (MT) | 0.2908 | 0.2373 | 0.3250 | |

18  Environmental data from the eight Recovery facilities are included in the total environmental figures for water, waste, energy, and GHG emissions. However, since these facilities do not engage in production activities, their production volumes are excluded from the overall production totals. As a result, this leads to higher intensity values for each environmental category in 2023. This methodology will be consistently applied in all future years.

## Non-GHG Air Emissions Data

| Non-GHG Air Emissions (MT) | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| NOx (excluding $N_2O$) | 135.40 | 150.22 | 105.28 | GRI 305-7, UNGC E18 |
| $SO_2$ | 21.90 | 13.93 | 4.20 | GRI 305-7, UNGC E18 |
| Volatile Organic Compounds | 8.46 | 8.17 | 7.09 | GRI 305-7, UNGC E18 |
| Particulate matter | 8.25 | 8.86 | 7.81 | GRI 305-7, UNGC E18 |
| Hazardous Air Pollutants | 3.91 | 3.32 | 2.31 | GRI 305-7, UNGC E18 |
| Persistent organic pollutants | 0 | 0 | 0 | GRI 305-7, UNGC E18 |
| Total | 177.92 | 184.50 | 126.70 | |
| **Non-GHG Air Emissions Intensity** | | | | |
| MT/volume produced (MT) | 0.0007 | 0.0008 | 0.0006 | |

## EHS Data

| EHS Data | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| OSHA Rate | 4.40 | 2.40 | 4.00 | GRI 403-9 |
| LTI Frequency Rate (Direct Workforce) | 19.77 | 8.48 | 12.38 | |
| LTI Severity Rate (Direct Workforce) | 0.36 | 0.70 | 1.05 | |
| Injuries per Hour Worked | 0.00016 | 0.00019 | 0.00027 | UNGC L9 |
| Number and Rate of Fatalities as a Result of Work-Related Injury | 0 (0%) | 0 (0%) | 0 (0%) | GRI 403-9 |
| Number and Rate of High-Consequence Work-Related Injuries (Excluding Fatalities) | 6 (1.26) | 6 (0.99) | 4 (1.45) | GRI 403-9 |
| Number of Recordable Work-Related Injuries | 21 | 10 | 16 | GRI 403-9 |
| Lost workday case rate | 382 | 562 | 845 | |
| Workers Covered by an Occupational Health and Safety Management System | | | | GRI 403-8 |
| Number of employees covered by HSMS | 635 | 480 | 447 | |
| % of employees covered by HSMS | 100% | 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% | 100% | |

## Labor Data

| Labor Data | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Total Number of Employees | 635 | 480 | 447 | |
| Average Hours of Training Provided per Employee | 40 | 46 | 53 | GRI 404-1 |
| Percentage of Total Employees Who Received a Regular Performance and Career Development Review | | | | GRI 404-3 |
| Female | 32% | 26% | 6% | |
| Male | 11% | 17% | 2% | |
| Leadership | 78% | 55% | 0% | |
| Non-leadership | 12% | 17% | 3% | |

## DEI Data

| DEI Data | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Percentage of Women Employed in Relation to Whole Organization | 14% | 8% | 8% | GRI 405-1 |
| Percentage of Women in Managerial Positions | 32% | 23% | 20% | |
| Percentage of Women Within the Organization's Board | 14% | 17% | 17% | GRI 405-1 |
| Percentage of Employees per Employee Category in Each of the Following Diversity Groups | | | | GRI 405-1 |
| Male | 86% | 92% | 92% | |
| Female | 14% | 8% | 8% | |
| Under 30 years old | 14% | 16% | 11% | |
| 30–50 years old | 49% | 57% | 57% | |
| Over 50 years old | 37% | 28% | 32% | |

| DEI Data | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| BOD Diversity (%) | | | | GRI 405-1, UNGC G11, L7 |
| Male | 86% | 83% | 83% | |
| Female | 14% | 17% | 17% | |
| Minority | 14% | 17% | 17% | |
| Non-minority | 86% | 83% | 83% | |
| Under 30 years old | 0 | 0 | 0 | |
| 30–50 years old | 43% | 50% | 50% | |
| Over 50 years old | 57% | 50% | 50% | |
| Leadership Diversity (%) | | | | GRI 405-1 |
| Male | 78% | 73% | 64% | |
| Female | 22% | 27% | 36% | |
| Under 30 years old | 0 | 0 | 0 | |
| 30–50 years old | 44% | 45% | 36% | |
| Over 50 years old | 56% | 55% | 64% | |

## Governance Data

| Ethics & Anti-Corruption | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Number of confirmed corruption incidents | 0 | 0 | 0 | GRI 205-3, UNGC AC5 |

## Procurement and Materials Data

| Procurement | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Percentage (by weight) of Wood Fiber Sourced From: | | | | SASB RR-PP-430a.1 |
| Third-party certified forestlands and percentage to each standard | 100% FSC® | 100% FSC® | 100% FSC® | |
| Meeting other fiber sourcing standards and percentage to each standard | N/A (only use FSC®) | N/A (only use FSC®) | N/A (only use FSC®) | |
| Total Wood Fiber Sourced (metric tons) | 299,706 | 428,203 | 416,045 | SASB RR-PP-000.C |
| Virgin fiber (for paper production) | 33,582 | 51,622 | 49,951 | |
| Recycled fiber (for paper production) | 48,077 | 72,220 | 68,592 | |
| Recovered fiber (for recycled fiber production) | 218,047 | 304,361 | 297,502 | |
| Amount of recycled and recovered fiber procured | 266,124 | 376,581 | | SASB RR-PP-430a.2 |
| Number of Suppliers Assessed for Environmental Impact | 40 | 37 | 0 | GRI 308-2 |
| Number of Suppliers Assessed for Social Impacts | 40 | 37 | 0 | GRI 414-2 |

## Activity Data

| Activity Metrics | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Pulp Production (air-dried metric tons) | 152,797 | 194,932 | 194,868 | SASB RR-PP-000.A |
| Paper Production (air-dried metric tons)[19] | 98,343 | 155,283 | 151,825 | SASB RR-PP-000.B |
| Total MT of volume produced[20] | 251,140 | 350,215 | 346,693 | |

19  Winder MT are used for this measurement.

20  Environmental data from the eight Recovery facilities are included in the total environmental figures for water, waste, energy, and GHG emissions. However, since these facilities do not engage in production activities, their production volumes are excluded from the overall production totals.

## Activity Data

| Product Quality and Safety | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| Number of recalls issued, total units recalled | 0 | 0 | 0 | SASB RT-CP-250a.1 |

## Nature and Biodiversity Data

| Nature and Biodiversity | 2023 Total | 2022 Total | 2021 Total | Standard Reference |
|---|---|---|---|---|
| The number and area (acres) of sites owned, leased, or managed by the company in or adjacent to protected areas and/or key biodiversity areas (KBAs) | 0 | 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 | 0 | GRI 304-1, UNGC E13, WEF Stakeholder Capitalism |

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