

Sustainable Procurement Policy

Why a sustainable procurement policy?

Sustainable development is an approach that is directly rooted in the Company's values and those of its founders. Since 2010, the company has outlined its sustainable development approach in a plan that specifies the various areas of intervention, many of which relate to responsible procurement, whether through certified raw materials, 360-degree assessments of our suppliers' business practices or the reduction of greenhouse gas emissions across our supply chain.

In the current context, we believe it is more important than ever that all players in our supply chain take concrete steps to tackle climate change, and play a decisive role in this collective struggle.

We are also seeing an increase in requests for account information from all our stakeholders (customers, investors, employees, etc.) in relation to our procurement strategy, which is pushing us to go even further, such as by updating this practice.

The aim is to enable Cascades to work with suppliers who share its values of respect for the environment, its employees and the community, the responsibility of its products and services, and the transparency of its governance. We hope to communicate our purchasing practices and actively assess the physical, financial and reputational risks involved.

Scope

All Cascades purchases are subject to this policy (operational and/or capitalizable expenditure). This practice is an integral part of [Cascades' procurement policy](#) (see point 5.3)

Procurement principles

Cascades has established eight general principles that define its vision of responsible procurement and form the basis of its expectations toward all of its suppliers :

- 1 Corporate responsibility for products and services;
- 2 Respect for the environment by preserving biodiversity, reducing water and energy consumption and atmospheric emissions, and implementing recovery and recycling programs;
- 3 Respect for employees through the implementation of adequate, fair and inclusive working conditions;
- 4 Maintaining the company's economic sustainability;
- 5 Transparent governance and communications;
- 6 Examining the supply chain;
- 7 Compliance with current social, environmental and economic legislation;
- 8 Ethical business practices.

In addition to these general principles, Cascades has defined several specific principles that apply to the purchase of fibre and rolls of semi-finished products, its main raw materials :

- Cascades will continue to reduce pressure on forest resources by promoting the use of recycled fibre in the manufacture of its products. Life-cycle analyses of our various products, as well as those of the pulp and paper industry, show that sourcing recycled fibres can reduce overall pressure on forests and other important natural resources such as water, as well as reducing the environmental footprint of paper.
- Cascades will continue to source virgin fibre exclusively from responsibly managed forests, and to discuss with its suppliers to understand their business practices. Cascades will make sure that it does not purchase fibre from ancient or endangered forests, or from woodlands that are home to rare or threatened species and ecosystems.

Cascades wishes to prevent deforestation and to do so, relies on virgin fibre suppliers certified by the Forest Stewardship Council (FSC®). Cascades recognizes that it is currently the most comprehensive standard on the market and it is constantly evolving, adapting to the different socio-economic contexts in which it operates.

At the same time, we are pursuing our goal of increasing our share of FSC® Mix certified material to meet the increasingly stringent requirements of our stakeholders.

Other certifications could also be considered.

Policy implementation

• CSR performance of our suppliers

For the majority of procurement categories, this component is applied by means of a complete and regular assessment of suppliers' business practices, using the EcoVadis benchmark. This benchmark helps us assess suppliers' level of adherence to the principles of the practice. It is also customized according to the different categories of procurement and suppliers.

Supplier assessment is carried out in two distinct formats, according to procurement and supplier categories, to adapt to the context and realities :

- 1 **Detailed EcoVadis questionnaire** : the results of the assessment for suppliers of chemicals, goods and services will form part of their overall assessment. For suppliers of energy, virgin pulp and semi-finished goods, this assessment will be used as a basis for continuous improvement dialogue.
- 2 **Simplified questionnaire** : we will use the resulting qualification to evaluate recycled fibre suppliers

Cascades favours collaboration rather than coercive approaches. Within this framework, suppliers who do not meet Cascades' expectations will be asked to produce and implement an action plan for improvement, and will be assessed again. If no improvement or interest in sustainable development is observed among these suppliers, Cascades reserves the right to replace them with suppliers focused on sustainability who meet expectations.

All suppliers must also comply with and adhere to our [Code of Ethics and Business conduct](#) and our [Commitment to Human Rights](#).

Policy implementation (suite)

- **Supply chain greenhouse gas emissions reduction program (scope 3)**

Cascades has been measuring its greenhouse gas emissions for several years, including those emitted by its supply chain. In line with our various objectives related to the reduction of greenhouse gas emissions approved by the Science Based Target initiative (SBTi), we're looking to work more closely with our partners to reduce the impact this segment of our operations has on climate change. Through various actions, we wish to engage our suppliers in the fight against climate change so that they measure their impact and have action plans to reduce their greenhouse gas emissions too.

- **Supply chain diversity**

In the interests of equity, diversity and inclusion, we aim for fair opportunities for all suppliers through our procurement processes. Among other things, we aim that any call for requests for proposals includes at least one small or local supplier, whenever possible.

Policy management

The definition and application of the policy are the responsibility of the Chief Supply Chain & Information Officer, and the results of the process to achieving the associated objectives are presented every six months to the Executive Committee and to the Health and Safety, Environment and Sustainable Development Committee of the Board of Directors.

The sustainable procurement policy will be reviewed as necessary to maintain continuous improvement.



Dominic Doré
Chief Supply Chain and Information Officer