

Kruger Inc.
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June 21st, 2022

H.E. António Guterres
Secretary-General
United Nations
New York, NY 10017 USA

Dear Mr. Secretary-General,

I am pleased to confirm that Kruger Inc. and its affiliates renew its support of the Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. UN Global Compact and its principles are part of the strategy, culture and day-to-day operations of our company, which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Principles. We support public accountability and transparency, and therefore we present you our 2022 report on progress according to the UN Global Compact COP policy.

Sincerely yours,



Mr. Joseph Kruger II
Chairman of the Board and
Chief Executive Officer



2022 COMMUNICATION ON PROGRESS (COP)

HUMAN RIGHTS & ANTI-CORRUPTION

We believe that acting ethically and with integrity guarantees business longevity. Kruger is committed to diversity, fairness, and inclusion in the workplace, to employee health and safety, and to reducing the environmental impact of its operations. We also ensure compliance with the applicable laws and regulations wherever we operate; this is reflected in the various policies we implement.

OUR CORPORATE POLICIES

- Code of Ethics
- Supplier Code of Conduct
- Environmental Health and Safety Standards
- Policy to Promote Harmonious Relations with First Nations

RECENT GOVERNANCE ADVANCEMENTS

- Our Code of Ethics, updated in 2021, includes the deployment of a complete virtual training program for employees with modules on:
 - Anti-Corruption
 - Anti-bribery
 - Discrimination
 - Workplace harassment
 - Workplace violence and abusive conduct
 - Political activities
 - Gifts, entertainment and hospitality
 - Financial integrity
 - Conflict of interest
 - Competition law
- Assess the sustainability performance of our largest suppliers through the EcoVadis platform;
- Implement an environmental, health, and safety qualification process that all contractors must undergo before entering our sites.



LABOUR

Provide our employees with the safest and best work environment and engage with the communities where we operate.

Our commitment to health and safety is fundamental to how we do business at Kruger. Our number one objective is employee, subcontractors, and community safety and well-being.

RECENT GOVERNANCE ADVANCEMENTS

Executive management commitment to health and safety updated in 2022:

- Lead by example and have clearly defined roles, responsibilities, and expectations for everyone;
- Allocate the necessary resources to minimize risks in the workplace;
- Identify hazards, evaluate risks, and put in place adequate layers of protection by using a hierarchy of controls;
- Empower our people to ensure they participate in the identification and implementation of preventive and corrective measures and actions;
- Emphasize vigilance and intervention to look out for one another and encourage safe behaviour;
- Improve management practices, set meaningful and achievable targets, communicate expectations, measure progress, and continuously improve.

COVID-19: KRUGER EMPLOYEES COME TOGETHER

In the midst of the pandemic, there were many acts of generosity within the Company for those in need, for community organizations, and for front-line workers. This commitment demonstrates the resilience of our teams and the strength of family values that drive Kruger.

MOBILE VACCINATION CLINIC

Kruger teamed up with the Integrated University Health and Social Services Centre and a local University to dedicate the very first mobile vaccination clinic to hit the road in Québec. The initiative provided more than 7,950 vaccine doses.



ENVIRONMENT

ECOVADIS

Kruger Achieves Gold Level Rating in 2021, after earning a Silver rating three years in a row, Kruger achieved the EcoVadis Gold level rating in recognition of its sustainability efforts. Kruger earned a 90% environment score – up from 70% in the previous year – by greatly improving its sustainability performance and considerably reducing its environmental footprint. EcoVadis is among the world's most trusted providers of business sustainability ratings, intelligence and collaborative performance improvement tools for global supply chains. The EcoVadis rating is based on criteria assessing organizations' engagement and performance in four areas: environment, labour & human rights, ethics and sustainable procurement.

CIRCULAR ECONOMY

The concept of a circular economy is an integral part of our business strategy because it enables us to use resources efficiently and to eliminate waste at each stage of our products' life cycle. In addition, the Company markets more than 56 ECOLOGO®-certified, reduced environmental impact products primarily in its bathroom tissue, facial tissue, towel, and table-napkin lines.

In 2021, more than 1,250,000 tonnes of recycled material was used to manufacture our products and for energy recovery:

- More than 750,000 tonnes of recycled fibre, making Kruger one of Canada's largest fibre recyclers
- 250,000 tonnes of wood
- 250,000 tonnes of biomass
- More than 90% of paper sludge generated has been re-used and diverted from a landfill site

RESPONSIBLE FIBRE

We at Kruger know it is important to use forest resources responsibly. That is why all of our manufacturing facilities have a tracking system certified to FSC®1, SFI®2 or PEFC®3 standards. These standards enable us to attest that virgin fibre is sourced from well-managed, certified forests. The same is true for controlled or recovered sources. Our Fibre Procurement Policy is available on our website at <https://www.kruger.com/corporateresponsibility/environmental-stewardship/>.

ENVIRONMENTAL PROTECTION

Use resources effectively, responsibly manage waste from our operations, and help mitigate climate change. The efficient use of resources mainly targets our water, fibre, and energy consumption through innovative technologies and processes. In addition, we work to maximize the beneficial use of paper mill biosolids.



REDUCED OUR GHG EMISSIONS BY 30% SINCE 2018:

- Equivalent to more than 122,190 tonnes of CO₂, while increasing production by 15%;
- Our energy consumption has fallen by 15%.

WATER CONSUMPTION

- Reduced our water consumption by 14% since 2018
- Equivalent to more than 3 Olympic-size swimming pools.

RENEWABLE ENERGY

- Our vision of a low-carbon future is mainly achieved through our Kruger Energy subsidiary, which is exclusively devoted to such renewable energies as hydroelectricity, wind energy, and solar energy, as well as to energy storage;
- Annual energy production of 2,295 GWH;
- In 2021, Kruger Energy purchased its very first Class 8 electric trucks that will be among the first all-electric heavy vehicles to hit the road in Canada! They will be hauling merchandise between our different sites in Québec, 24/7.

WEB LINK

- [Kruger UN Sustainable Development Goals](#)