

Building Strong Relationships



We built upon previous environmental and operational improvements in 2021, and on commitments and groundwork in areas such as Indigenous relations. An important first Indigenous business partnership in BC was among the outcomes. We partnered with government and invested significant resources in the continued advancement of decarbonization. We also sustained an internal focus on safe and rewarding work opportunities, which are a key part of our significant economic contributions locally, provincially and nationally.

BUILDING STRONG RELATIONSHIPS WITH INDIGENOUS PARTNERS

In 2021, we strengthened our Indigenous relationships, and continued building internal capacity to respond to Truth & Reconciliation Call to Action and to incorporate UNDRIP into operational activities.

BUSINESS PARTNERSHIPS

- Acquired interest in Atli Chip LP ('Namgis First Nation)
- Continued our long-standing association with the Meadow Lake Tribal Council through Mistik Management Ltd.

FORMALIZED RELATIONSHIPS

- Signed MOU with Tseshaht First Nation (Vancouver Island)
- Signed LOU with Cumberland Wood Products (Cumberland House Cree Nation, SK)

CAPACITY BUILDING & COMMITMENTS

- Executives' Personal Pledges of Reconciliation
- Cultural competency training for staff
- Commitment to CCAB's Progressive Aboriginal Relations program
- Renaming of our Powell River mill to Catalyst Paper *tisk^{Wat}*

COMMUNITY INVESTMENTS

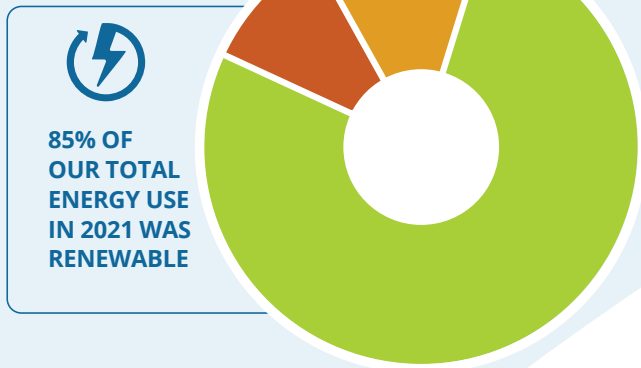
- Significantly expanded educational support and diverse Indigenous-focused donations

Photo: Paper Excellence Canada marked the National Day for Truth and Reconciliation (AIRS) with a \$10,000 donation to the Tseshaht First Nation. The funds will go towards an Alberni Indian Residential School commemoration/memorial to honour all the children who attended the school, and those that did not make it home.

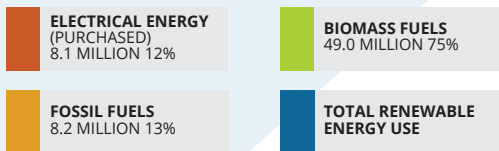
FURTHER PROGRESS ON DE-CARBONIZING OUR OPERATIONS

In 2021, Paper Excellence Canada mills emitted two-thirds less carbon than in 1990. Large-scale switching from fossil fuels to carbon-neutral biomass fuel and a continuous focus on energy efficiency have been key to achieving this.

ENERGY MIX IN 2021



Total Usage = 65.3 million GJ



WE HAVE REDUCED OUR GREENHOUSE GAS EMISSIONS BY 66% SINCE 1990*

Direct/Scope 1 GHG Emissions From All Mills, 1990

Direct/Scope 1 GHG Emissions From All Mills, 2021

1,522,697

°T CO₂e

521,810

°T CO₂e

GREENHOUSE GAS EMISSION REDUCTION

PROJECTED ANNUAL CARBON REDUCTIONS

(reduced carbon intensity of the specific process or equipment)

Our ongoing low-carbon journey will be accelerated by financial support awarded to Paper Excellence Canada in 2021 by the CleanBC Industry Fund, a provincial government program that invests a portion of carbon tax revenues into businesses working on emission reduction projects.

Howe Sound (two projects)

↓ 4,380 tCO₂e

↓ 5,525 tCO₂e

Crofton

↓ 31,740 tCO₂e

Port Alberni

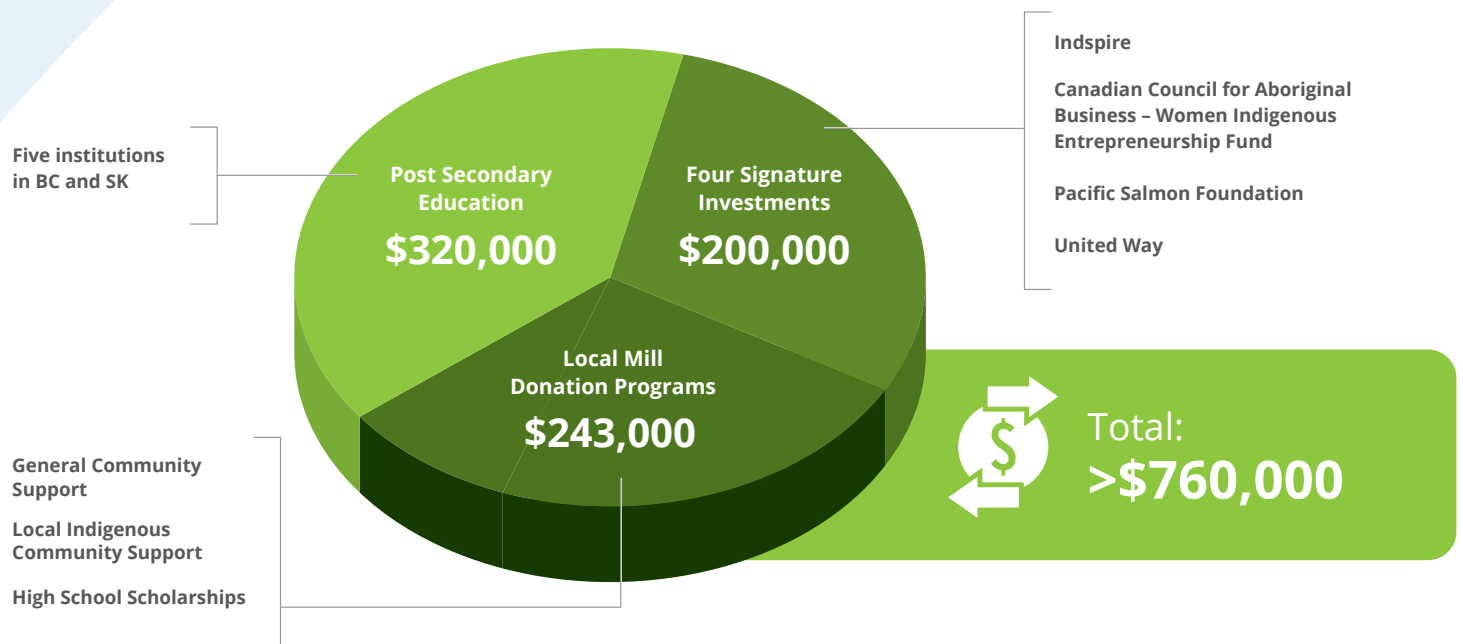
↓ 2,450 tCO₂e

Skookumchuck

↓ 6,500 tCO₂e

In addition, we are also exploring opportunities to capture our biogenic CO₂ emissions which would allow our mills to become net carbon sinks.

INVESTING IN OUR COMMUNITIES



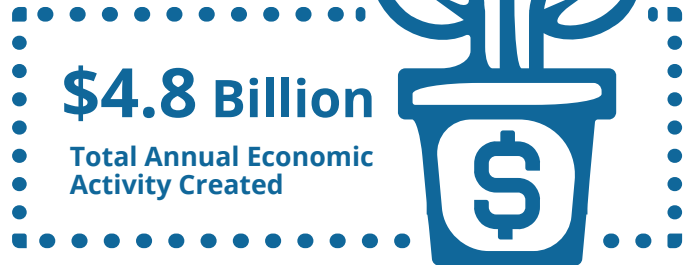
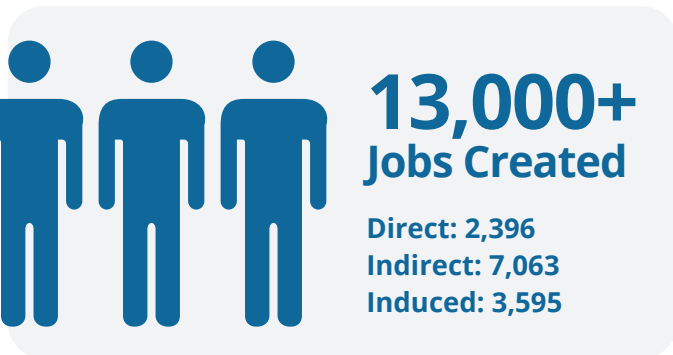
* Paper Excellence Canada follows the World Resources Institute's Greenhouse Gas Corporate Accounting and Reporting Standard. When a mill closes, those emissions are removed from our baseline measurement. As a result, the emission reductions reported here are only reductions achieved at operating mills. These reductions have been achieved even with the addition of Meadow Lake Mechanical Pulp, which was not built in 1990 and thus isn't part of our baseline measurement.

STRENGTHENING ECONOMIES, FROM LOCAL TO NATIONAL

OUR ECONOMIC CONTRIBUTION ACROSS CANADA



All economic contribution figures on these pages include direct, indirect and induced benefits, and are from an analysis based on 2019 data.



OUR ECONOMIC CONTRIBUTION IN BC

Direct, Indirect and Induced From BC Facilities

Total Annual Economic Activity Created	\$3.5 B
Contribution to GDP	\$1.5 B
Labour Income	\$753 M
Jobs	9,178
Public Revenues	\$437.6 M

OUR ECONOMIC CONTRIBUTION IN SASKATCHEWAN

Direct, Indirect and Induced From Saskatchewan Facilities

Total Annual Economic Activity Created	\$470 M
Contribution to GDP	\$176 M
Labour Income	\$61 M
Jobs	826
Public Revenues	\$46 M

Province-specific benefits total to less than the total Paper Excellence Canada benefits shown higher on the page, as the latter include benefits in provinces other than BC and Saskatchewan.

PAPER EXCELLENCE CANADA PRODUCT OFFERING

Our production consists predominantly of diverse market pulps used to manufacture a range of important consumer and commercial goods. We also produce coated printing papers, and a growing array of food grades, packaging and other specialty papers that are seeing high demand growth.

We consistently strive for environmentally sound and cost-efficient manufacturing, leveraging our diverse and high-quality fibre sources to ensure all products are tailored to specific end-use and customer needs.

OUR PAPER PRODUCT OFFERING



SPECIALTY PAPERS

Our specialty line of papers includes industrial, packaging and our trademarked Bistro™ brand of FDA-compliant foodgrade papers. Bistro™ products are used in multiple applications such as bags, basket liners, deli papers, base papers, interleave and void fill, lightweight packaging and more. Unique among food papers, they are also certified by the Biodegradable Products Institute.



PRINTING PAPERS

We offer four legacy brands of Coated Mechanical Papers: Advance® (#3), Ascent® (#4), Pacificote® (#4), and Electracote® (#5). Coated paper is used in magazines, catalogs, inserts, and promotional marketing materials. We also produce our house-branded Catalyst® Directory Paper.

OUR PULP PRODUCT OFFERING

Our pulps are used in the manufacture of paper, hygiene, packaging and innumerable other applications.



NORTHERN BLEACHED SOFTWOOD KRAFT PULPS

Our BC pulp mills produce high-strength NBSK pulp. Skookumchuck NBSK contains mainly fine fibers and exhibits fast refining response. Howe Sound NBSK, and Crofton NBSK with high Douglas fir content, are well suited to paper grades that require balanced tensile/tear; while Crofton cedar grade NBSK with high red cedar demonstrates superior tensile strength and folding endurance.

CHEMI-THERMOMECHANICAL PULPS (BLEACHED & UNBLEACHED)

The flexible BCTMP production method at our Meadow Lake mill, and the availability of both softwood and hardwood fibre, enable process adjustments to achieve specific product attributes, with less dependence on the characteristics of the fibre used.

NORTHERN UNBLEACHED KRAFT PULP

Our Howe Sound mill recently resumed production of an unbleached grade of our northern softwood kraft pulps. This is an attractive alternative means for manufacturers to add strength to end-use products. Main end-uses are packaging paper and board.



ONE OF THE CORPORATE KNIGHTS
50 BEST CORPORATE CITIZENS IN CANADA



SMARTWAY EXCELLENCE AWARD
US ENVIRONMENTAL PROTECTION
AGENCY 2021

OUR OPERATIONS

BRITISH COLUMBIA

- Catalyst Crofton
- Catalyst Port Alberni
- Catalyst Paper tisk^{wat}
- Howe Sound Pulp & Paper
- Richmond Head Office
- Surrey Distribution Centre
- Skookumchuck Pulp

SASKATCHEWAN

- Meadow Lake Mechanical Pulp
- Prince Albert Pulp

NOVA SCOTIA

- Northern Pulp



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Sustainability Report

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