

A large white circle is centered on the page, containing the title text. The background outside the circle shows a close-up of green pine tree branches with sharp needles.

PORT HAWKESBURY PAPER

SUSTAINABILITY REPORT

2014



The background image shows a lush, green forest with a variety of tree species, including tall conifers and smaller deciduous trees like birches. The forest is dense and covers a hillside, creating a rich texture of green shades.

GOOD THINGS
GROWING

Port Hawkesbury Paper is making some of the world's best paper, and we're doing it in a responsible and environmentally conscious way. It's our goal to be the safest, most efficient, economically sustainable, innovative and environmentally-friendly paper production facility in North America.

It's a big goal, but we're well on our way. Last fall, we celebrated some important milestones: the successful completion of two years in operations with zero lost time workplace injuries in the mill, and fulfillment of Forest Stewardship Council® (FSC®) and the Sustainable Forestry Initiative® (SFI) Inc. certifications in forestry, as well as Chain of Custody certification to FSC, SFI, and the Programme for the Endorsement of Forest Certifications™ (PEFC).

We've got a lot to work towards in 2015. We will never stop innovating and looking for new ways to be as energy efficient and environmentally responsible as we can.

We are grateful to our highly productive team of employees, whose commitment and professionalism is a key reason that we are able to look to our future with optimism. We are truly appreciative of the partnership we have with community members, our colleagues in the municipal, and provincial government, and our suppliers and customers. This report is an opportunity for us to look back at what we've accomplished, and look forward to the exciting initiatives on the horizon.



Mike Hartery
Paper Production Manager



Bevan Lock
Pulp Production Manager



Marc Dube
Business Development Manager

Sustainability is a key component of everything we do at Port Hawkesbury

Paper. We're always looking for ways to save energy, use less water, fuel and raw materials, and produce fewer harmful emissions. It's not only good for the environment, but it also makes our businesses more efficient.

We offer all of our products with the option of FSC, SFI or PEFC certification. We're proud that we continue to maintain all three important forestry certifications. We're continuing to review our forest management practices in 2015 to improve our commitment to the environment.

GREEN FORESTS FOR A GREEN PLANET

Port Hawkesbury Paper is proud to make some of the world's best paper right here in our home of Nova Scotia. To keep our province beautiful, and make sure our impact on our environment is as small as possible, taking good care of our forests is our most important priority.

Responsibly managed forests—like those certified by the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) are key in many areas of forest management including reducing



greenhouse gas emissions. Our forests play a huge role in helping to manage climate change, and it's our promise that our greatest natural resource will be around for years to come. We buy more product from private woodlots than ever before, supporting our local economy and the environment. As we move through our third year of operation, we plan to do even more.





RESPONSIBLE **FOREST MANAGEMENT**

COMMITTED TO NOVA SCOTIA WOODLANDS

Home to wildlife, plants, ecosystems and diversity, our Maritime forests, and our contractors who work in them, are the backbone of our business.

We work hard to not only responsibly manage our forests and woodlands for generations to come, but also invest in technology today to ensure our business is sustainable, efficient and responsible.

For the first time, we've written a 100 year Woodlands Sustainable Forest Management Plan, and have a 20 and 5 year plan being developed this year. We've also invested in helping our contractors become more sustainable. We've spent more than \$500,000 in technology upgrades and productivity training for our 400 harvesting contractors, and we've also directly supported and encouraged the investment of \$16 million towards purchases of forestry harvesting and hauling equipment.

ENERGY CONSERVATION

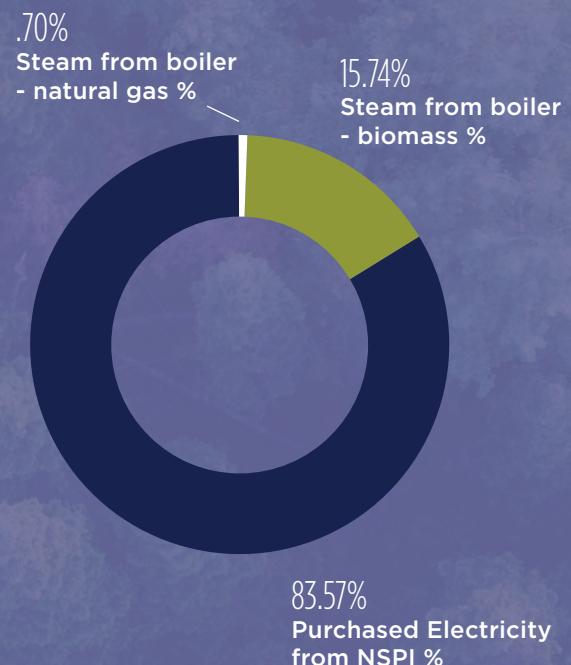
ENERGY FOR OUR FUTURE

Energy conservation and reduction is a key piece of our sustainability plan. Not only does saving energy mean we're becoming a more responsible mill, but it also means we can make our products more efficiently and keep our costs low for customers.

Last fall, we introduced an Energy Efficiency Engineer to our team to lead our mill-wide efforts. We've identified a list of 83 energy reduction projects. Of these, 42 have been analyzed to date, with many successfully implemented, 28 are in progress, and 13 more remain for 2015 and beyond—with new ideas being added all the time. Our team's work has resulted in a reduction of 2900 Horsepower (2155 kW) in energy consumption, which is equal to powering approximately 1,500 homes.

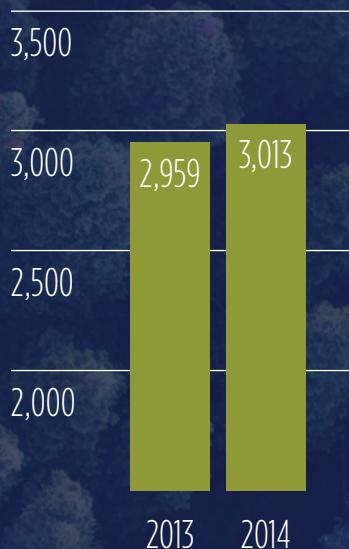
We're also investigating energy storage, self-generation possibilities (such as wind power, methane production, and turbine use), and enhancing energy import opportunities from other regions, including New Brunswick, Quebec and Maine.

TOTAL ENERGY MIX FUEL & ELECTRICITY

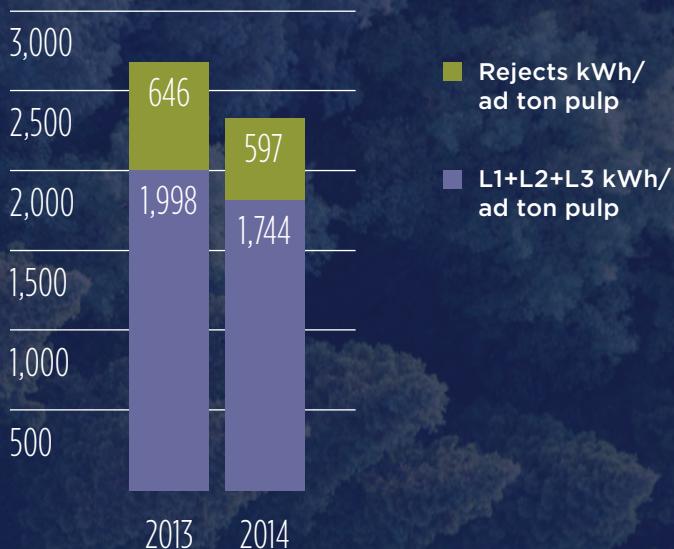


“Our team’s work has resulted in a reduction of 2900 Horsepower (2155 kW) in energy consumption, which is equal to powering approximately 1,500 homes.”

ELECTRICITY CONSUMPTION
KWH PER TON



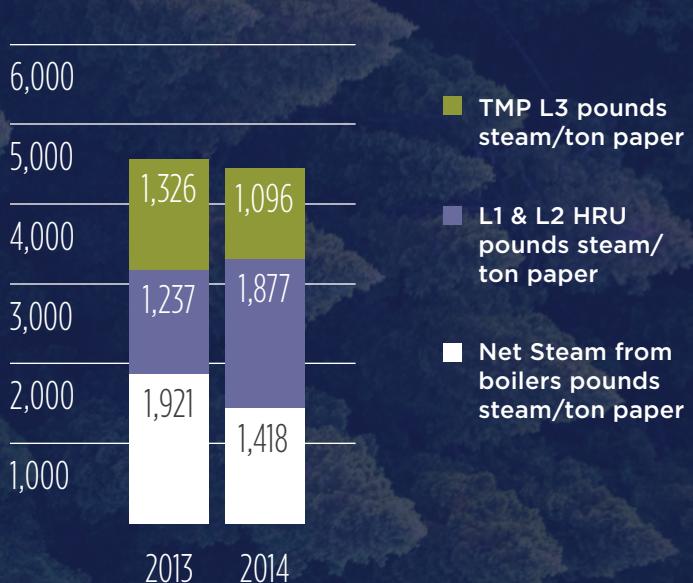
TOTAL TMP SPECIFIC ENERGY



AIR QUALITY/GHG EMISSIONS
PER TON OF PAPER PRODUCED



NET STEAM CONSUMPTION PER TON
EXCLUDES STEAM USED IN POWER BOILER



WATER CONSERVATION

MAKING WAVES

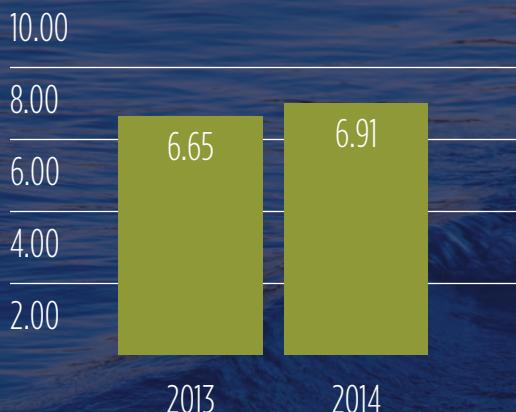
Making paper products involves the use of water. It's important that we carefully monitor and measure where and how we use this precious natural resource, and find innovative ways to reduce our water consumption and effluent.

The raw water use, water consumption and effluent amounts per ton of paper increased slightly in 2014. Much of the mill's water use and output is driven by the product mix on the machines. As we develop additional baseline data on our manufacturing processes, we can further analyze how our water use can be improved. We've already made some great strides forward—working to reduce our water consumption in a number of ways. One area of focus is seal water conservation. Recently, the mill commissioned a Seal Water Conservation Study and Action Plan, which included a short list of items with the greatest opportunity for improvement and an associated mitigation plan. To date, 26 pieces of equipment have had the seal water flow reduced or eliminated. This equates to a water flow reduction of 31.4 million gallons per year.

As of July 2015, a program was implemented to monitor drains and reduce water loss, which has already resulted in a reduction of approximately 264,000 gallons per day (96.3 million gallons per year).

WATER CONSUMPTION RAW WATER

MM US gallons per day



GALLONS OF RAW WATER PER TON OF PAPER PRODUCED

10,000

8,000

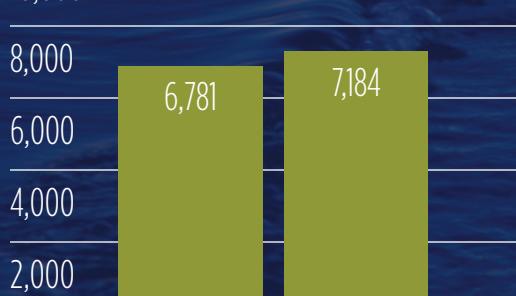
6,000

4,000

2,000

2013

2014

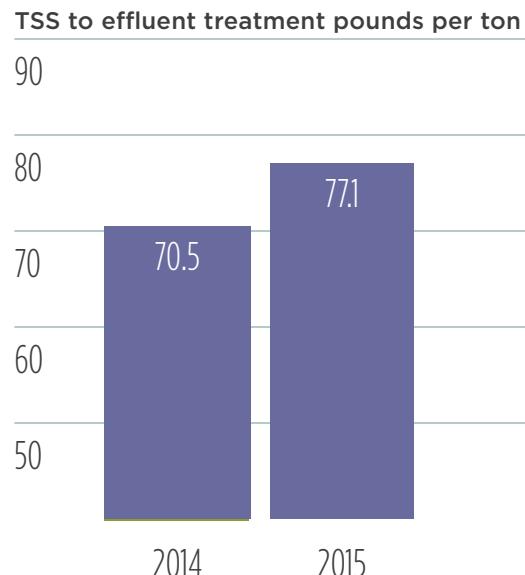




*SOLID WASTE
GENERATED*
**POUNDS PER TON OF
PAPER PRODUCED**



*TSS TO EFFLUENT
TREATMENT*
**POUNDS PER TON OF
PAPER PRODUCED**





COMMUNITY *GOOD NEIGHBORS*

We love our home, and we always want to be the best neighbors we can to Nova Scotians. So we support and coordinate many programs and initiatives big and small, both in our own backyard and across the province.

Helping local youth find rewarding careers at home in Eastern Nova Scotia is one of the most important ways we support our community. Our apprenticeship program has made great strides this year, offering practical, hands-on experience for youth interested in electrical, mechanical, HVAC and instrumentation operations. We take great pride in providing mentoring and career guidance, along with financial assistance for tuition, textbooks and living expenses.

We're also committed to finding more ways of providing employment opportunities for Nova Scotia First Nations community members. This year, we celebrated a successful community partnership that has resulted in the mill's security services being provided by First Alliance Security of Waycobah First Nation.

In addition to a renewed First Nations forest management agreement with Unama'ki Institute of Natural Resources, we are working

with the Assembly of Nova Scotia Mi'kmaq Chiefs to complete an Impact Benefit Agreement that will be supported by all. In the coming months, we will be sharing news of this and other important initiatives under way with our First Nations partners.

We've also been able to welcome First Nations members as part of our apprenticeship training programs. We currently have 16 First Nations employees, apprentices, contractors and summer students in our company.

We support many worthy community organizations and activities, ranging from food banks and hospitals to sports teams, sporting events and high school scholarships and literacy projects, to name a few. In addition, the Woodland's "Log a Load for Kids" annual fundraiser raised \$20,000 for the IWK Children's Hospital in 2014.

SAFETY

HERE SAFETY COMES FIRST. AND WE HAVE THE RECORD TO PROVE IT.

Working safe is our top priority and in October, the mill surpassed the two year mark of zero lost time workplace injuries. In an industrial environment, employees are working in and around heavy and highly technical equipment, moving machinery, steam and electricity. All of these factors increase the level of risk and reinforces the importance of working safely.

This milestone is significant in that it places the mill in high standing, not only in the region, but across the country, when compared to

other large mills. Additionally, the mill's highly skilled workforce boasts a low rate of employee absenteeism (less than 2.5%) and the Strait Area Chamber of Commerce recently presented Port Hawkesbury Paper with the 2014 Excellence in Safety Award.

We're working to produce the best paper, as efficiently and safely as possible.

Safety comes first. And we have the record to prove it.

Port Hawkesbury Paper employees celebrate the significant milestone of two years without a lost time injury.

We're making some of the world's best paper right here in Nova Scotia – and we're doing it safely every day.

Thank you to every employee for your contribution to this achievement. Let's keep working safe.



porthawkesburypaper.com

*“In October, the mill
surpassed the two year
mark of zero lost time
workplace injuries.”*



ABOUT PORT HAWKESBURY PAPER

Port Hawkesbury Paper is a forestry operations and paper mill in Port Hawkesbury, Nova Scotia.

Port Hawkesbury Paper is one of the most competitive producers of supercalendered paper in North America and ships its products to customers throughout North America and around the world. The mill produces the Artisan® (SCA++), Prominence Plus® (SCA+), Prominence® (SCA) and Maritime® (SCB) brands for use in retail inserts, catalogs magazines, circulars and coupons. Over the year, Port Hawkesbury Paper will invest approximately \$160 million in Nova Scotia. Port Hawkesbury Paper employs an estimated 1,100 full time equivalent jobs in both the mill and woodlands. Port Hawkesbury Paper forestry operations are the only industrial forest operations that are Forest Stewardship Council® certified in the Maritimes.

Aerial images provided by Matt McKenna of Tree Top Images.

This piece was produced with paper that has gone through the entire FSC chain-of-custody process—from the forest to the printer. **Please pass along or recycle this piece.**

Cover printed on 80# Nature 10 Gloss Cover, inside pages printed on 80# Nature 10 Gloss Text.

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PORT HAWKESBURY PAPER

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