



PORT HAWKESBURY PAPER

Sustainability Report 2025



At Port Hawkesbury Paper, 2025 was a year of meaningful progress across safety, clean energy, environmental accountability, and community investment.

Safety remains a core value in everything we do. Our commitment to education, training, and continuous improvement is as strong as ever, and we continue to invest in the systems and culture that enable lasting safety performance.

Construction on the Goose Harbour Lake Wind Farm broke ground in 2025 and remains on track to come online by the end of 2026. Once operational, the project will significantly reduce greenhouse gas emissions, contribute clean energy to the provincial grid, and create meaningful economic opportunities in Nova Scotia, including a 10% equity stake held collectively by 13 Mi'kmaw First Nations. It is one of the most significant investments in Port Hawkesbury Paper's future and in Nova Scotia's clean energy transition.

We also took important steps to strengthen our environmental reporting, aligning our greenhouse gas emissions tracking with the internationally recognized Greenhouse Gas Protocol, ensuring our future data is accurate, transparent, and globally comparable.

On the product side, the launch of Elevation Book reflects our continued focus on innovation and market development. By investing in new, high-quality paper grades, we are expanding our reach into new markets while reinforcing our reputation for premium, sustainable products.

In our communities, 2025 marked another year of sustained investment in health care, education, and local organizations across the region. From hospital pledges to youth programs to our Log A Load for Kids, we remain committed to being a partner our communities can count on.

The details behind each of these areas are covered throughout this report. What they share is a common thread: a company that takes its responsibilities seriously and remains focused on building a sustainable future for its people, its partners, and Nova Scotia.

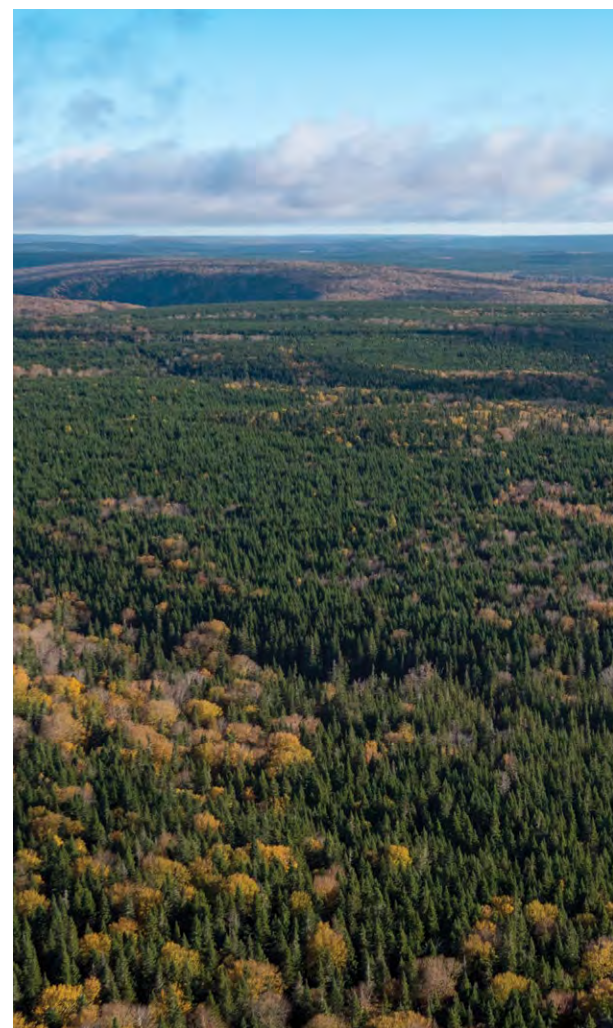


BEVAN LOCK
MILL CO-MANAGER



MIKE HARTERY
MILL CO-MANAGER

Our commitment to education, training, and continuous improvement is as strong as ever.





Sustainability is About More Than Just Environmental Results

Long-term economic sustainability depends on a company's ability to anticipate change rather than just react to it. Developing products and services that meet the needs of tomorrow's market relies on people: a workforce with the skills and innovation to explore new approaches. Sustainable growth is less about protecting what a company has built and more about building what comes next.

A Product Born from Innovation

Elevation Book came from a deliberate decision to look at where the market was heading. The success of Elevation Book—a premium book-grade paper designed for the publication and educational workbook market—is about more than a single product; it reflects Port Hawkesbury Paper's ability to read the market, respond with purpose, and deliver something the industry genuinely needs in a timely manner. In a period of significant change for the graphic communications sector, Elevation Book is proof that innovation and adaptability are very much alive at the mill.

“This product is a testament to our team's expertise and our commitment to delivering innovative solutions that meet our customers' evolving needs.”

—John Picklesimer, President of Sales

Safety Leadership in 2025

At Port Hawkesbury Paper, safety isn't just a priority, it's a value that runs through everything we do.

Our people, systems, and culture reflect a shared commitment to continuous improvement, and while this year's Recordable Incident Rate of 1.31 was higher than last year, our focus on education, training, and engagement remains as strong as ever. One of the key initiatives to improve safety performance was the implementation of a layered auditing process. This approach is intended to be constructive and collaborative, with Managers and Superintendents working directly alongside frontline supervision to audit various aspects of operations and maintenance. The goal is to strengthen engagement, improve visibility, and reinforce accountability across all levels. Every year brings new opportunities to learn, improve, and raise the bar for safety across our operations.



2025 Safety Initiatives

In September 2025, Port Hawkesbury Paper conducted a full-scale E2 Environmental Emergency Response Exercise involving a simulated Sulfur Dioxide (SO_2) release, fulfilling our regulatory requirement under legislation established in 2019. Key elements of the exercise included:

- Full evacuation of the mill site, with all personnel, contractors, and visitors mustered and accounted for
- Activation of an on-site Incident Command Center (ICC) with unified command participation from Mill Leadership
- Deployment of the Emergency Response Team (ERT) and Maintenance Department to investigate, control, and isolate the simulated SO_2 leak
- Simulated coordination with external agencies including EMO, local Fire Departments, RCMP, EHS, and Environmental Agencies
- A comprehensive debrief of all participants to gather feedback and identify gaps for continuous improvement

Supporting Our Communities in 2025

Giving back to the communities where we live and work has always been a priority at Port Hawkesbury Paper. In 2025, that commitment showed up in classrooms, hospitals, local events, and community halls across our region.

Advancing Education and Youth

Opportunities. From bursaries for graduating students to co-op placements and job shadowing programs, we kept our focus on creating real pathways for young people entering the workforce. We believe the strength of our industry tomorrow depends on the opportunities we create today.

Investing in Health Care. 2025 marked our second annual contribution toward a four-year, \$100,000 pledge to the Cape Breton Regional Hospital's Cancer Care Centre, bringing critical care services closer to the people who need them most. Our support for local health care extended further, with continued funding for hospitals, medical organizations, and community wellness initiatives across the region.

16 Years. \$357,150 Raised. What started as a single golf tournament has become one of the most meaningful traditions at Port Hawkesbury Paper. In 2025, the Log A Load for Kids tournament, organized year after year by our dedicated Woodlands team, raised \$21,000 for the IWK Children's Hospital in Halifax, pushing the all-time total to \$357,150. Those funds go directly toward medical equipment, research, programming, and care space improvements for children and families throughout Atlantic Canada.

Ongoing Charitable Support. Our community support spans a wide range of causes, from food banks and women's shelters to seniors' programs, volunteer fire departments, local festivals, and recreation groups. We show up because these organizations do vital work, and they deserve a community partner they can count on.



We believe the strength of our industry tomorrow depends on the opportunities we create today.



Building Professional Forestry Contractors

At Port Hawkesbury Paper, responsible forestry starts long before a tree reaches the mill.

Through our Qualified Logging Professional (QLP) program, we provide a comprehensive training framework that helps forestry contractors maintain their certification while ensuring harvesting activities are carried out safely, sustainably, and in full compliance with environmental and regulatory standards.



What the QLP Program Does

The QLP program equips contractors, machine operators, supervisors, and trucking personnel with the knowledge needed to meet the demands of modern forestry operations. To maintain their QLP designation, contractors must complete core training and participate in continuing education at least every two years, keeping skills current and standards high.

Training covers a broad range of topics essential to responsible forest management, including sustainable harvesting practices, environmental protection and best management practices, reforestation and forest renewal, biodiversity and species-at-risk protection, logging safety and emergency preparedness, regulatory compliance and worker rights, and transportation and business management.

Why It Matters

The QLP program is one of the ways Port Hawkesbury Paper upholds its certification under the Sustainable Forestry Initiative® (SFI®), a globally recognized standard that supports our ability to market products responsibly around the world.

More broadly, the program reflects our belief that professional, well-trained contractors are essential partners in sustainable forest management. By combining environmental stewardship, worker safety, and continuous learning, the QLP program helps protect water resources, wildlife habitat, forest productivity, and the communities that depend on Nova Scotia's forests, today and for generations to come.

Forestry Audit Yields Impressive Results

In 2025, Port Hawkesbury Paper successfully completed its annual forestry audit with zero non-conformance issues, demonstrating our commitment to sound forest management practices and marking its 17th year of FSC® (FSC-C112699) certification and 11th year of SFI certification.

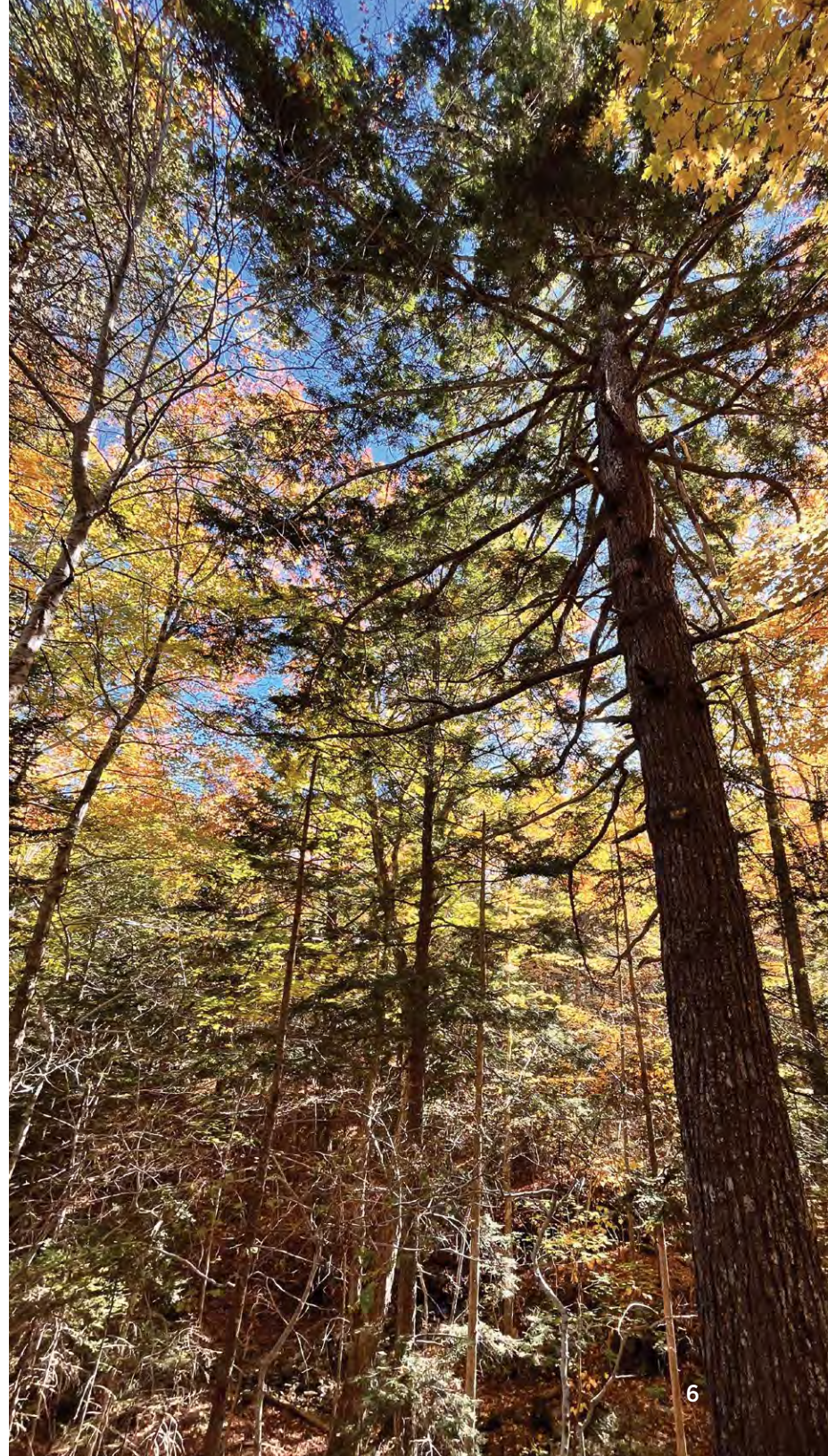
A rigorous audit conducted by Intertek, a third-party, independent certification company, confirmed that Port Hawkesbury Paper and its contractors not only meet but exceed the criteria set forth by the latest environmental and social standards in the sector. A standout aspect of the audit was exceeding the protected areas requirement (18% of conservation lands versus the required 10%).

Several additional areas noted in the audit included the comprehensive Annual Monitoring Report, dedicated field supervisors to ensure high compliance, and collaboration to create Indigenous Protected and Conservation Areas (IPCAs).

“We are proud of the entire team for this outcome with no minor or major issues found,” states Bevan Lock, Mill Co-Manager. “It is a confirmation of simply excellent work and diligence done by all, and the commitment to not only comply, but exceed expectations for sustainable forest management.”



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DOING MORE WITH LESS:

Energy, Water, and Waste

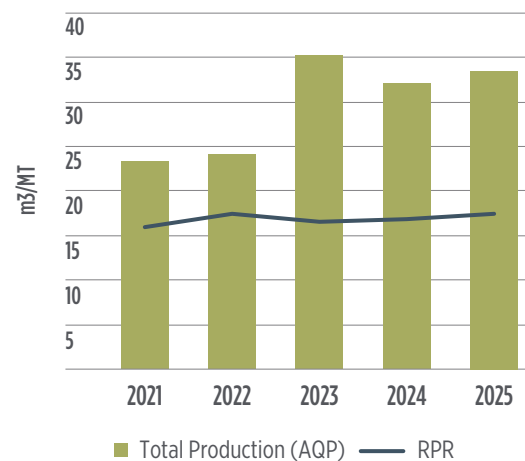
In 2025, Port Hawkesbury Paper initiated a review of its data collection process to be used for future years' environmental accountability and ensure alignment of performance reporting with internationally recognized standards for key operational impacts. This shift is part of a broader move to bring on-site environmental reporting in line with

the most current global standards, ensuring our data is not only accurate, but meaningful.

The results speak for themselves. Port Hawkesbury Paper continues to track progress across its environmental performance indicators, with a clear and steady focus on doing better each year.

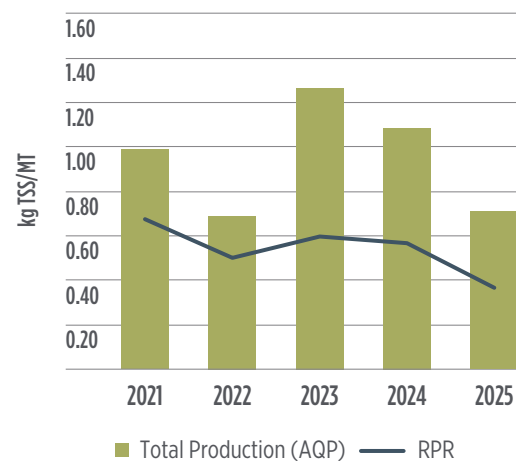
WATER DISCHARGE

CUBIC METER PER METRIC TONNE OF PAPER PRODUCED



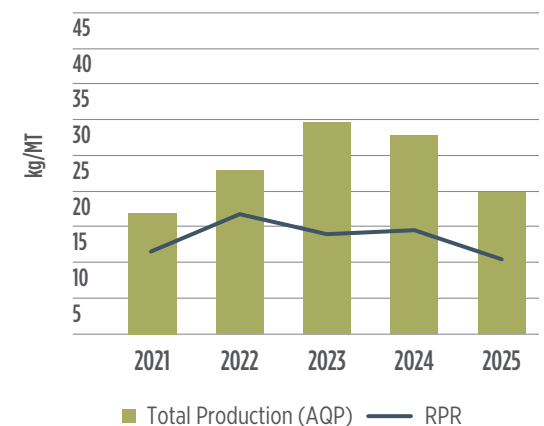
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KG OF TOTAL SUSPENDED SOLIDS PER METRIC TONNE OF PAPER PRODUCED



BIO-SOLIDS GENERATED

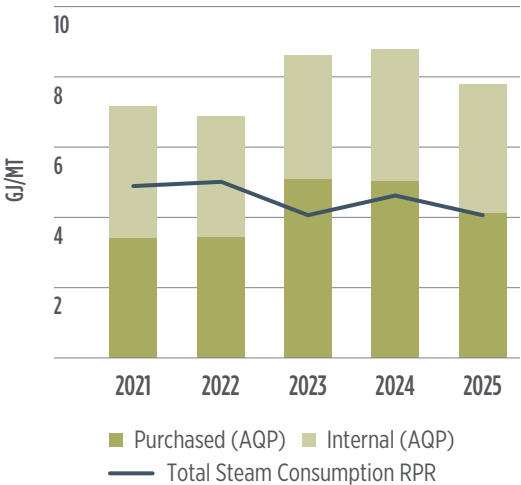
KG PER METRIC TONNE OF PAPER PRODUCED



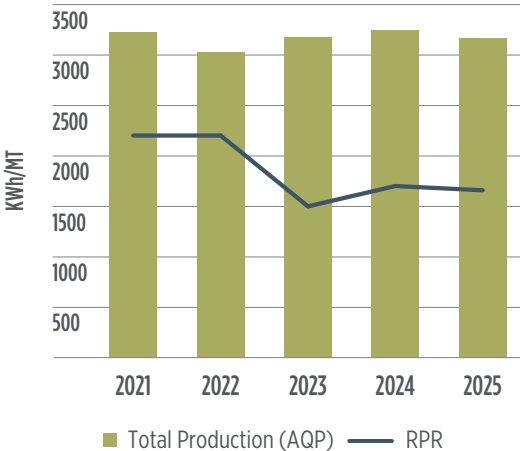
Port Hawkesbury Paper strives to maximize energy recovery by prioritizing heat recovery and self-generated steam. The HRU delivers energy savings by capturing waste heat to boost plant efficiency, reduces costs by generating steam without extra fuel, and provides environmental benefits by lowering fuel consumption and greenhouse gas emissions.



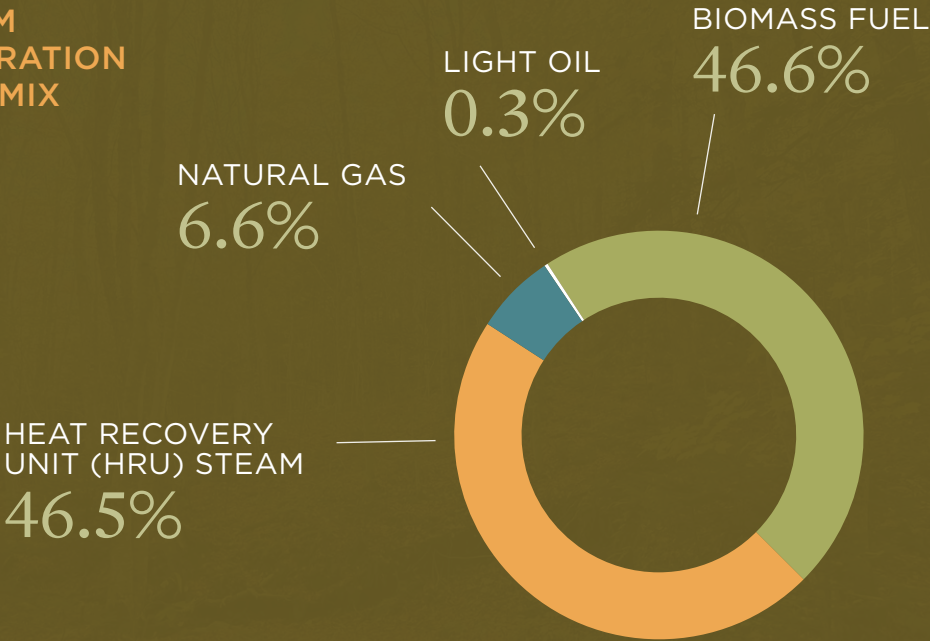
NET STEAM CONSUMPTION
GIGAJOULES PER METRIC TONNE OF PAPER PRODUCED



ELECTRICITY CONSUMPTION
KILOWATT HOUR PER METRIC TONNE OF PAPER PRODUCED



**STEAM
GENERATION
FUEL MIX**



HARNESSING THE WIND:

Building Toward a Cleaner Future



The Goose Harbour Lake Wind Farm moved from vision to reality in 2025, as construction crews broke ground on one of Nova Scotia's most ambitious clean energy projects.

Construction moved into full swing in 2025, with the environmental assessments completed, new roads being built and foundations laid across the project site. 2026 will mark the most visible phase of the build, with the majority of turbine construction underway and the wind farm expected to come online by year's end.

Once operational, the wind farm will generate enough zero-emission energy to support at least 60% of Port Hawkesbury Paper's annual electrical use, while also contributing to the provincial energy grid. The project is estimated to reduce greenhouse gas emissions by more than 350,000 tonnes per year, equivalent to 2.4% of Nova Scotia's 2022 total emissions.

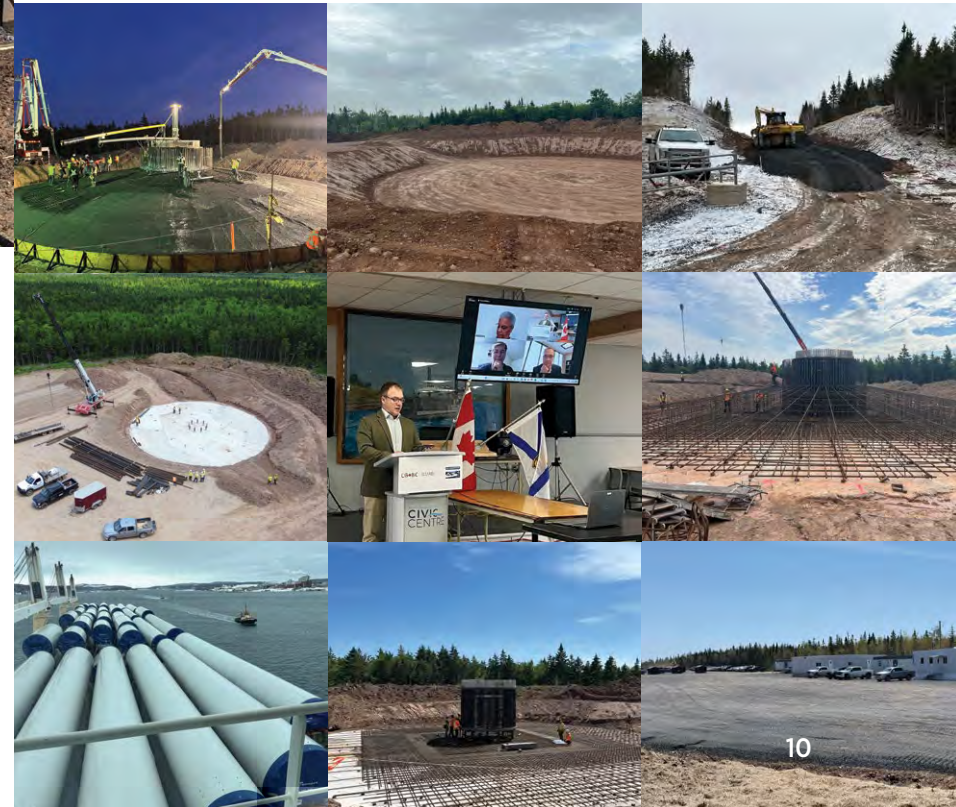




Led by RES Canada Construction LP, the project will create up to 150 jobs during peak construction and five permanent positions during operations. A key component is Indigenous equity participation: through the Wskijnu'k Mtmo'taqnuow Agency Ltd. (WMA), 13 Mi'kmaq First Nations will collectively own a 10% equity stake, supported by the Canada Infrastructure Bank's Indigenous equity loan program, marking WMA's second clean energy investment.



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About Port Hawkesbury Paper

Port Hawkesbury Paper is a forward-looking natural resources and manufacturing company committed to operating at the highest safety standard while caring for the environment and empowering our people to deliver top-quality products and customer service. We see integrity at the core of every relationship and a key principle as we strive for excellence in all we do in an ever-changing world. As a relatively small, non-hierarchical organization, we deliver big results with no red tape. We are a leader in thermomechanical pulp and supercalendered, uncoated book and offset and specialty paper production in North America. Port Hawkesbury Paper's approach to business and environmental sustainability creates an economic cornerstone for eastern Nova Scotia.

Port Hawkesbury Paper ships its products to customers throughout North America and around the world. The mill produces the Altitude (SCA+++), Artisan® (SCA++) and Prominence® Plus (SCA+) brands for use in retail inserts, catalogs, magazines, circulars, coupons, and the Elevation Book and Offset grades for publishing and uncoated paper applications. The company is independently certified to the chain of custody standards of FSC® (FSC-C112699), SFI®, and the Programme for the Endorsement of Forest Certification (PEFC). These standards ensure that the company meets all requirements for the management of ecological, social, and economic forest values. Chain of custody certification also verifies that company paper bearing an FSC, SFI, or PEFC label comes from well-managed forests or controlled sources.



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The mark of responsible forestry



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