

Université de Sherbrooke

HUMAN RESOURCE MANAGEMENT

Presented by



Written by Mélodie Aumais, Academic Vice-President

Revised by

Florence Paquin - Talent Acquisition Advisor, Internships and Next Gen

Marika Lapointe - Senior Financial Analyst

Mathieu Côté - Regional Human Resources Director,

Packaging Sector Quebec and United States

Important note: Some of the information mentioned in the following text is fictive to maintain confidentiality and make solving the academic case more interesting.

Cascades, a source of possibilities

Founded in 1964 in Kingsey Falls, in the heart of Quebec, Cascades is much more than a Canadian manufacturer of packaging and paper products. It's a driving force for sustainable innovation and a symbol of excellence in employment. Proudly distinguishing its name, Cascades took its place on the list of Canada's Top 100 Employers, a recognition rooted in its vision of creating an exceptional working environment. The company was also recognized as one of the Best Employers for New Graduates, underscoring its commitment to talent development and the professional fulfillment of younger generations. Cascades' achievements are not limited to Canada. With an affirmed position as the 20th most responsible company in the world, according to Corporate Knights, Cascades embodies the convergence of economic success and environmental responsibility. Striving to define a new standard of corporate citizenship, it offers sustainable, innovative and value-adding solutions in packaging, hygiene and recycling.

Since its founding, Cascades has expanded its number of factories around the world. In North America, close to 10,000 dedicated employees work in a dynamic network of nearly 80 operating units. More than half a century's experience in recycling, combined with growing R&D efforts and participative management, translates into an ability to create innovative products for our customers. This ingenuity not only contributes to their success, but also generates a positive impact on the well-being of individuals, communities and the planet.

Cascades aims to meet its customers' needs with complete packaging, paper, converting, hygiene and recovery solutions. Here is a simple description of the products offered by Cascades.

Packaging solutions

Cascades offers a wide range of environmentally-friendly packaging solutions. These solutions are designed to meet business needs while reducing environmental impact. Here are some of the packaging solutions offered by Cascades:

Corrugated cardboard packaging	Cascades manufactures corrugated packaging for various industries. These packages are lightweight, robust and recyclable. They are often used for shipping and transporting goods, and can be customized to meet specific customer requirements.
Flat cardboard packaging	The company offers folding carton packaging that can be used for folding cartons, cases and other packaging applications. These packages are also customizable and environmentally friendly.
Food packaging	Cascades offers food packaging solutions, including cardboard boxes for fast-food restaurants, kraft paper bags for grocery stores, biodegradable packaging for food products, and much more.
Industrial packaging	The company offers packaging solutions for industrial sectors, including recycled plastic containers, wooden crates for transporting heavy goods, industrial bags and more.
Consumer goods packaging	Cascades offers packaging for everyday consumer products, such as personal care products, household products, electronics, etc.
Sustainable packaging	Cascades is committed to produce sustainable packaging by using recycled materials and optimizing design to minimize waste and maximize efficiency.
Custom packaging	The company offers customization options for its packaging solutions, enabling customers to highlight their brand and meet the specific needs of their product.
Eco-friendly packaging	Cascades focuses on reducing the environmental impact of its packaging by using recycled materials and promoting recyclability and biodegradability.

Cascades strives to promote a circular economy by using recycled materials in its packaging and adopting environmentally-friendly practices throughout the supply chain. Its packaging solutions are designed to combine functionality, durability and environmental responsibility.

Hygiene and fabric solutions

Cascades offers a variety of hygiene and fabric products and solutions that are made from recycled fibers and are environmentally friendly. Here are some of these products and solutions:

Hygienic paper	Cascades manufactures hygienic paper from recycled fibers. These products are designed to be soft, strong and biodegradable, while minimizing their environmental impact.
Paper tissues	Cascades tissues are soft and durable, suitable for everyday use. They are also made from recycled materials.
Paper towels	Cascades offers paper towels for use in businesses, catering establishments, schools and other environments. These products are designed to be absorbent and environmentally friendly.
Paper napkins	Cascades paper napkins are used in a variety of contexts, including catering, offices and events. They are available in various sizes and formats.
Industrial wiping paper	Cascades offers industrial wiping solutions for professional environments such as workshops, factories and laboratories. These products are designed to be tough and absorbent.
Distributor solutions	The company also offers dispensers for efficient distribution of its hygiene and tissue products in various environments, helping to reduce waste.

Cascades is committed to manufacturing high-quality fabric and hygiene products while minimizing their impact on the environment. Recycled materials are widely used in the manufacture of these products, helping to promote environmental sustainability and the circular economy.

Fiber-based materials

Cascades offers a variety of fiber-based materials, mainly made from recycled materials, for various applications.

Recycled paper	Cascades produces a wide range of recycled papers, including office paper, newsprint, packaging paper, cardboard and kraft paper. These papers are made from recycled fibers, helping to reduce demand for virgin wood.
Recycled corrugated cardboard	Cascades manufactures corrugated cardboard from recycled materials. This board is used to manufacture packaging, boxes and other products requiring a strong, lightweight material.
Recycled flat cardboard	The company also offers recycled folding cardboard for the creation of packaging, folding boxes, cases and similar products. This material is suitable for a variety of packaging applications.
Recycled plastic containers	Cascades manufactures recycled plastic containers, including food containers and cans. These products are designed to be durable and environmentally friendly.
Recycled hygienic paper	Cascades hygiene products, such as toilet paper and tissues, are made from recycled fibers.
Recycled industrial wiping paper	The company offers industrial wiping papers made from recycled fibers for use in professional and industrial environments.

Cascades strives to promote environmental sustainability by using recycled materials in the manufacture of its products. This helps reduce dependence on raw materials and promotes the circular economy, where materials are reused and recycled to reduce waste.

Mission, vision & values

For Cascades, responsibility, innovation and value creation are the pillars underpinning every initiative. Reducing our environmental footprint to leave a positive mark, transforming imagination into raw material and contributing to the well-being of individuals and communities are integral parts of the company's mission. Cascades' mission is simple, but powerful:

"To contribute to the well-being of people, communities and the planet by offering sustainable, innovative and value-creating solutions."

This mission is embodied in a bold vision:

"To play an essential role in our customers' success by leading the way in sustainable packaging, hygiene and recovery solutions."

Cascades' core values define its identity and guide its actions. When reviewing the company's values, Cascades decided to survey its employees directly to understand how they live the values on a daily basis. To reflect uniqueness, Cascades created short statements representing the aspects most important to the company.

- Respectful by nature: the company recognizes that respect is earned and humility is innate. It believes that society thrives on respect for individuals, communities and the environment, and that a commitment to making a difference gives meaning to every endeavor.
- <u>Stronger together:</u> emphasizes the importance of team cohesion, perseverance and collaboration with partners in forging Cascades' strength.
- <u>Have guts:</u> embodies the company's determination to push back the limits and persevere despite challenges, offering a guarantee that nothing can stand in the way of its progress.
- <u>Speak the truth:</u> reflects Cascades' culture of openness and dialogue, where doors are always open and minds are always open. This openness ensures that truths are shared openly and honestly.

At the heart of its growth, Cascades remains a company that values the human dimension and promotes inclusion. The company constantly seeks to harmoniously balance the needs of people and nature in all its endeavors. Empowerment plays a central role in motivating, reinforcing commitment and recognizing the results of employees' efforts.

In this approach, autonomy is encouraged, fostering exploration even when it means taking risks. A strong sense of belonging naturally guides talents towards tasks where their contribution is essential. The company's management policy favours open and transparent communication, whatever the hierarchical level. Management practices are deeply rooted in Cascades' core values, facilitating collaboration and a better understanding of individual priorities.

In addition, our industry-leading profit-sharing initiative illustrates our commitment to collectively recognizing and rewarding success. Teamwork is the cornerstone of the evolution of the company's business strategies. The distinctions it has won in recent years testify to its leadership in human relations and best practices. Cascades is proud of its corporate culture, which promotes collaboration, openness and mutual respect, and reinforces its position as a pioneer in humane and responsible management.

5th anniversary for the Piscataway, New Jersey factory

Strategically located in Piscataway, New Jersey, this new plant covers an area of over 450,000 sq. ft. It employs 170 people and manufactures corrugated packaging using some of the fastest and most modern equipment in the world. Its total annual production capacity is 2.4 billion sq. ft. and will enable Cascades to increase the internal integration of its parent roll production.

"The inauguration of this major investment demonstrates our commitment to modernizing our asset base and consolidating our containerboard and packaging operations in the U.S. Northeast. It follows on from major projects completed in recent years, such as the Greenpac Mill in Niagara Falls and the Bear Island mill in Virginia. Strategically located at the heart of the markets we serve, this plant will enable us to pursue our growth in the United States. I would also like to point out that the project was completed at a lower cost than originally budgeted, and on schedule," noted Cascades President and CEO Mario Plourde at its inauguration in 2018.

"The Piscataway conversion plant is equipped with state-of-the-art equipment that has already broken world production records in recent months. In addition to their increased speed and efficiency, this equipment will provide greater flexibility and enable us to offer even higher-performance, more innovative products to meet our customers' needs. Thanks to their synergies with other Cascades plants, these new facilities will be able to serve both traditional markets and the e-commerce market, which requires lighter-weight packaging," said Charles Malo, President and Chief Operating Officer of Cascades Containerboard Packaging. In addition to increasing the company's production capacity, the new Piscataway plant will help Cascades improve its services to customers, thereby strengthening its market position. The operation also enables the company to increase the internal integration of parent roll production. The plant has been designed to be flexible to meet changing customer needs.

In October 2023, Cascades was proud to announce that it had acquired a new printing press at its Piscataway, New Jersey plant, which specializes in converting corrugated packaging.

"The purchase of an EVOL press, one of the world's fastest technologies, will enable us to pursue our growth in the Northeastern U.S. and increase our capacity to serve current and future customers. This US\$9 million investment is in line with our 2022-2024 strategic plan, and is aimed at increasing our integration rate by adding additional converting capacity in the United States," noted Mario Plourde, President and CEO of Cascades.

Unionization of employees

In 2021, new negotiations began on the collective agreement for employees at the Piscataway plant. Meeting once or twice a month, the new agreement was finally signed on January 15, 2023, with a participation rate of 45% and a positive response of 52.7%. Negotiations lasted six (6) months. The collective agreement contains a number of clauses relating to strikes, absence for cause and without cause, layoffs, probation periods, vacations, statutory holidays, occupational health and safety, promotions, salary increases, overtime rules and, finally, pension plans. Appendix 1 provides further details on certain clauses of the agreement.

Work accident

Accidents can happen to anyone! The important thing is always how they are resolved. Recently, a major accident at the plant gave employees, the Health & Safety Committee and factory management pause for thought. The employee in question is doing well, but the occupational health and safety team is working hard to implement new employee protection measures. Appendix 3 explains the accident in more detail.

Demographics

The vast majority of the plant's workers are immigrants. In fact, nearly 66% of employees, as of June 1, 2018, are of an ethnicity other than white. The study was based on a population of 115 workers. Equity is at the heart of all decisions, ensuring that every employee has equitable access to opportunities for professional growth, training and recognition. Diversity is celebrated as a source of cultural richness and innovation, encouraging the sharing of varied ideas and perspectives. Appendix 2 provides more details on the plant's demographics.

Mandate

The arrival of the new machine at the Piscataway factory has been very well received. Indeed, the company's increased production capacity means it can meet the growing demand from existing and new customers.

However, increased demand also means increased production! That said, as part of its ongoing commitment to excellence and innovation, the company is striving to build teams of exceptional talent who will contribute to the plant's long-term success.

Taking into account the information mentioned in this document, you need to develop concrete strategies and an action plan to attract new candidates for the "Senior Production Worker" positions. Cascades is calling on your team of consultants to submit recommendations for its recruitment strategy for the next 6 months. The job description for this position can be found in Appendix 3. Your recommendations may be of various kinds.

Don't get bogged down in a detailed business analysis, but rather focus on developing your solutions.

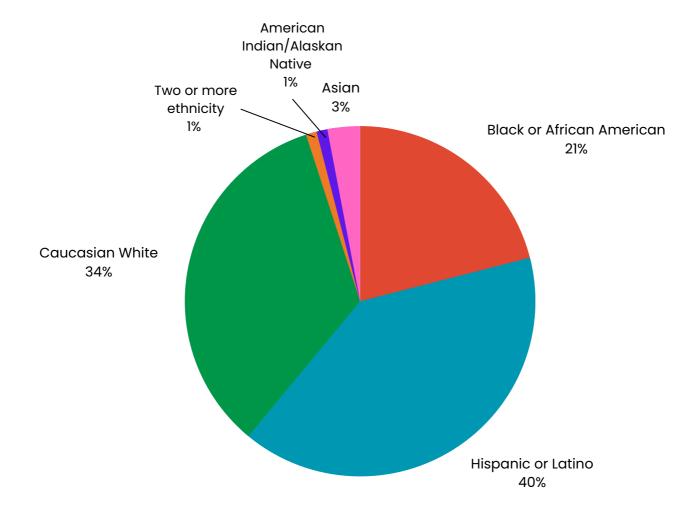
Have a great resolution!

Appendixes

<u>Appendix #1 - Specification of clauses in the collective agreement for Piscataway factory employees</u>

Strike	No strikes or lockouts are allowed. This includes all types of slowdowns. Disciplinary measures and sanctions may be imposed if necessary. No grievances
Probationary period	The probation period is 750 hours worked for factory employees. An additional 200 hours may be added if deemed necessary by the supervisor.
Overtime	Overtime is compulsory in reverse order of seniority. Maximum of once a month. Time and a half after 40 hours of work in a 7-day week. Maximum of 60 hours per week. *Note: with the addition of the new machine, the factory requires almost 40% more time to operate at full capacity.
Vacations	0 to 4 years: 2 weeks 5 to 10 years: 3 weeks 10 years and over: 4 weeks Request form must be completed before March 1st. 2 weeks maximum for July and August. Maximum of 2 consecutive weeks.
Retirement Plan	Employer contributions equivalent to 150% of the first 3% of employee contributions. Acquisition of rights after 2 years of service.

Employees (salaried and hourly) as of June 1, 2023, by race



<u>Appendix #3 - Work accident history</u>

A worker named George T. Smith, worked on an automated production line that cut sheets of cardboard into cartons of various sizes. George's job was to monitor the machine, supply the raw material and remove the finished cartons.

An incident occurred when George tried to clear a jam in the slitter using an unauthorized tool, as the appropriate tool was nowhere to be found. While attempting to remove a jammed sheet, George's tool slipped, causing a deep cut to his hand.

The machine was immediately stopped, and George's colleagues called the emergency services and gave him first aid while waiting for the rescue team to arrive. The accident required the intervention of a medical team to stabilize George's injury, and he was then taken to hospital for surgery.

Consequences:

- George suffered a deep cut on his hand and was hospitalized for surgery.
- Production at the factory was halted for several hours to allow emergency services to intervene and repair the damaged machine.
- An internal investigation has been launched to understand the circumstances of the accident and to assess the safety procedures in place at the factory.

Ongoing investigation:

Workplace safety authorities have been informed of the incident, and an investigation is
underway to determine the exact causes of the accident. The investigation will also look
into the factory's safety procedures and the accessibility of appropriate safety tools to
workers. Corrective measures will be taken to avoid similar incidents in the future.

Are you looking for a full-time opportunity in a world class manufacturing plant? If the answer is yes, we are looking to hire you!

A Cascades career offers you extensive benefits:

- 11 Holidays
- 8 PTO (prorated the first year) increases 5th and 10th year of service.
- 401K employer match up to 4.5% of the first 3% contribution
- Group Medical Insurance, Dental Insurance, Life and Disability benefits

NIGHT SHIFT - 5 00pm - 5 00am with every other weekend off. Options for overtime if you wish! (2 weeks training on the day shift)

PAY: \$20.49/hr with increase to \$22.78 after probation

PLEASE NOTE - the location is Not transit accessible

Job Duties:

- Maintaining a clean and organized work area
- Performing basic mathematical calculations and using a tape measure periodically
- · Working with machinery in a high paced environment
- Reviewing work schedule, checking equipment and supplies required to perform the work scheduled
- Cleaning area, securing all equipment and machinery, and completing all required paperwork
- Assisting crew and/or performing other work as needed and assigned by management

Qualifications:

- Must have 6 MONTHS minimum manufacturing experience
- High School Diploma or equivalent
- Computer literacy and ability to read tape measure, caliper and production layouts
- Safety and Quality driven mindset
- Availability and flexibility to work a 12 hour shift schedule; including overtime, weekends and holidays depending on production/business needs
- The ability to lift and/or move up to 50 pounds
- Be comfortable working in an environment with varying noise and temperature levels.

Appendix #5 - 10 facts about U.S. workers

Source: Pew Research Center. (2021c, May 28). 10 facts about American workers | Pew Research Center. https://www.pewresearch.org/short-reads/2019/08/29/facts-about-american-workers/

- Over the past 35 years, the proportion of American workers in unions has fallen by around half.
- Americans generally value unions and broadly support workers' right to organize.
- Most American workers are employed in the service sector.
- Around 16 million Americans are self-employed.
- Millennials" are now the largest generation in the American workforce.
- American women earn 85 cents on the dollar compared to men, but the gap is narrowing among younger workers.
- The wage gap between young, college-educated workers and their less-educated counterparts is the widest in decades.
- The proportion of American teenagers working today is much lower than in previous decades.
- More older Americans are working than in previous decades.
- Raising the federal minimum wage is popular overall, but the parties are sharply divided on the issue.