

**Carbon Disclosure Project – Climate Change**

**TC Transcontinental 2016 response**



## Module: Introduction

### Page: Introduction

#### CC0.1

##### Introduction

Please give a general description and introduction to your organization.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has close to 8,000 employees in Canada and the United States, and revenues of C\$2.0 billion in 2015. Canada's largest printer with operations in print and digital media, flexible packaging and publishing, TC Transcontinental's mission is to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are strong values held by the Corporation and its commitment to all stakeholders is to pursue its business and philanthropic activities in a responsible manner.

TC Transcontinental has set up an innovative operating structure so that we can meet the individual needs of our major customer categories. This structure gives TC Transcontinental the best opportunity to help retailers, manufacturers, marketers, publishers and commercial clients reach and keep their customers more effectively. The company's operations are grouped into two sectors: TC Media and TC Transcontinental Printing and Packaging.

1) TC Media is a leading provider of proximity media solutions in Canada, employing 3,000 people. TC Media reaches Canadian consumers through a wide range of print and digital publishing products in French and English: newspapers, educational books, trade publications, retail promotional content, mass and personalized marketing, mobile and interactive applications and geotargeted door-to-door and digital distribution services.

2) Founded in 1976, TC Transcontinental has grown steadily over the years to become the largest printer in Canada and the third largest in North America. In the last few years, we have invested heavily in our printing network to ensure we provide the latest in available technology. Our services include a wide array of options for our customers, including premedia, printing and distribution solutions:

- Book printing
- Magazine printing
- Newspaper printing
- Retail flyer printing
- Catalogue printing
- Folding-carton packaging product printing
- Marketing product and direct mail printing
- In-store marketing printing
- Fulfillment services
- Distribution services

- Premedia services

Our state-of-the-art network of printing facilities enables us to serve local, national and international customers. We serve key audiences, including book, magazine and newspaper publishers, as well as retailers, cataloguers, marketers and advertising agencies. In total, more than 2,000 clients across North America trust TC Transcontinental Printing with their printing needs – and we serve customers from a myriad of industries, including financial, public service, government, pharmaceutical, telecommunication and non-profit organizations, and many more.

Print, combined with other platforms, is the primary driver of marketing communications today. Under the TC Transcontinental Printing banner, we help customers maximize results by smartly incorporating print with media, digital, interactive and mobile, ensuring that publishers and marketers deliver their content through the right media at the right time. We constantly strengthen our print and digital assets in Canada with the singular goal of helping our customers better attract, acquire and retain their target clients through our unique, client-focused offering which combines mass and tailored solutions.

Drawing on its solid manufacturing experience, TC Transcontinental created a new division in 2014, TC Transcontinental Packaging, which specializes in the production of flexible packaging. As the spearhead for this new area of growth, TC Transcontinental acquired Capri Packaging, located in Clinton, Missouri and Ultra Flex Packaging, located in Brooklyn, USA, and integrated it with the premedia personnel and expertise of Transcontinental Optium.

## CC0.2

### Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

### Enter Periods that will be disclosed

Sat 01 Nov 2014 - Sat 31 Oct 2015

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**CC0.3****Country list configuration**

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

**Select country**

|                          |
|--------------------------|
| Canada                   |
| United States of America |

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**CC0.4****Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD (\$)

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**CC0.6****Modules**

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.

If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email [respond@cdp.net](mailto:respond@cdp.net).

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

**Module: Management****Page: CC1. Governance****CC1.1**

**Where is the highest level of direct responsibility for climate change within your organization?**

Board or individual/sub-set of the Board or other committee appointed by the Board

**CC1.1a**

**Please identify the position of the individual or name of the committee with this responsibility**

Responsibility for environmental performance is shared across the Corporation. The Senior Vice-President Procurement is responsible for the day-to-day management of environmental performance, while the Board of Directors and Executive Management Committee are ultimately responsible for compliance to legislation and corporate policies.

The Sustainable Development Steering Committee is made up of employees from across the organization. The Committee develops strategic sustainability objectives and targets, including those related to climate change. It also engages with stakeholders and prepares the annual Corporate Social Responsibility report. The Executive Committee oversees the work of the committee and approves the strategic plans and reports.

**CC1.2**

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

**CC1.2a**

**Please provide further details on the incentives provided for the management of climate change issues**

| Who is entitled to benefit from these incentives? | The type of incentives | Incentivized performance indicator                  | Comment  |
|---|------------------------|---|--|
| Energy managers                                   | Monetary reward        | Energy reduction project<br>Energy reduction target | Monetary savings from improved energy efficiency and lower energy costs are used, among others, to determine annual bonuses. |

**Page: CC2. Strategy**

**CC2.1**

**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

**CC2.1a**

**Please provide further details on your risk management procedures with regard to climate change risks and opportunities**

| Frequency of monitoring        | To whom are results reported?  | Geographical areas considered | How far into the future are risks considered? | Comment  |
|--------------------------------|--|-------------------------------|---|--|
| Six-monthly or more frequently | Board or individual/sub-set of the Board or committee appointed by the Board | Canada, United States         | 3 to 6 years                                  | TC Transcontinental has developed a robust framework for managing its principal risks. The objectives of this process are to identify the main risks affecting the business, assess their impact, put in place a response strategy and monitor the progress of mitigation initiatives. Twice a year, the Corporate Controller meets individually with each member of Senior Management to review the list of risks previously identified and determine if risks need to be removed or added to the list. Once the list is reviewed, it is presented to the Audit Committee of the Board of Directors, where it is the object of a discussion with management. Risks and opportunities related to the environment are |

| Frequency of monitoring | To whom are results reported? | Geographical areas considered | How far into the future are risks considered? | Comment   |
|-------------------------|-------------------------------|-------------------------------|---|---|
|                         |                               |                               |   | considered for analysis in this global Enterprise Risk Management process of the Corporation. |

**CC2.1b****Please describe how your risk and opportunity identification processes are applied at both company and asset level**

The main risks identified through the Enterprise Risk Management process fall into 3 categories: strategic, operational or financial. The list usually comprises of 15 to 20 risks, many of which are of a recurring nature. For each risk, the following information is presented:

- Progress (new, increasing, stable or decreasing);
- Potential financial impact;
- Main person responsible for managing the risk (amongst Senior Management);
- Mitigation factors put in place over the last 6 months

The list is then reviewed and discussed with Senior Management as a group, including the CEO. The focus of this discussion relates to the effectiveness of the mitigation factors put in place to manage each risk, with each VP being the owner of a risk having to report on its actions of the last 6 months. Environmental risks are part of the operational risks and management processes are put forth both at the Corporate and at plant levels through the Senior Vice-President Procurement.

**CC2.1c****How do you prioritize the risks and opportunities identified?**

Once a preliminary list of all potential risks is completed, the likelihood of occurrence and potential impacts of each risk are weighed and discussed with the appropriate stakeholders. The combination of likelihood and impact will determine which risks are considered as material for the Corporation.

With respect to climate change and environmental issues, stakeholder questionnaires are developed every three years in order to help to identify the relevant subjects and objectives communicated through our annual Corporate Social Responsibility reports.

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CC2.2

**Is climate change integrated into your business strategy?**

Yes

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CC2.2a

**Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process**

As a Canadian leader in the print and media industry and new player in the packaging market, TC Transcontinental strives daily to implement best practices in sustainability by incorporating social, environmental and community perspective into its business practice - an approach that is directly connected to our vision of growth. By delivering on our sustainability commitment on a day-to-day basis, we continue to create value for our shareholders, employees, and customers and make a positive difference in the communities where we operate.

With respect to climate change, specific objectives are presented in our 2016-2018 Corporate Responsibility Plan. First, we aim to reduce our energy use by 5% over the 3-year period. We also want to achieve a 3% reduction in our combined Scope 1 and Scope 2 greenhouse gas emissions. The Corporation will therefore promote and develop projects and initiatives that aim at achieving these targets. Progress towards these objectives is annually presented in our Corporate Social Responsibility report.

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CC2.2c

**Does your company use an internal price of carbon?**

No, and we currently don't anticipate doing so in the next 2 years

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CC2.3

**Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)**

Other



## CC2.3e

**Please provide details of the other engagement activities that you undertake**

- TC Transcontinental has been an active member of the Association Québécoise pour la maîtrise de l'énergie (AQME) (Quebec's association for energy efficiency), a forum for sharing best practice, stimulating innovation and mobilisation change towards a sustainable future.
- TC Transcontinental participates in Extended Producer Responsibility (EPR) programs throughout Canada for the printed material and packaging that it produces for its own brands. EPR programs promote recycling and re-use of paper products, therefore reducing the required resources needed to access and transform raw materials.
- TC Transcontinental supports various large-scale conservation projects in Canada and participates regularly in round table discussions and informational meetings with Canopy, a non-for-profit environmental organization working on forest issues. Large-scale forests are considered highly valuable for biodiversity and carbon sequestration.
- In order to better our understanding of sustainability in our new business sector, TC Transcontinental Packaging has joined the Sustainable Packaging Coalition® (SPC). The SPC brings together businesses, educational institutions and government agencies to collectively broaden the understanding of packaging sustainability. Being an active member of the SPC will allow TC Transcontinental to foster valuable partnerships through its new packaging supply chain, find durable solutions to operational issues such as recovery of multi-laminate flexible packaging, and develop ample sustainable packaging options for its customers.

With respect to climate change, specific objectives are presented in our 2016-2018 Corporate Responsibility Plan. First, we aim to reduce our energy use by 5% over the 3-year period. We also want to achieve a 3% reduction in our combined Scope 1 and Scope 2 greenhouse gas emissions. The Corporation will therefore promote and develop projects and initiatives that aim at achieving these targets. Progress towards these objectives is annually presented in our Corporate Social Responsibility report.

## CC2.3f

**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

All the discussions regarding climate change and the environment are managed through the Senior Vice-President Procurement, the Director MRO, Energy and Environment, the Corporate Environmental Coordinator and the Corporation's communications team. Their role across the company is well known and understood when discussing these matters.

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**Page: CC3. Targets and Initiatives**

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**CC3.1**

**Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?**

No

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**CC3.1f**

**Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years**

Following successful energy reduction initiatives in the period 2008-2012, TC Transcontinental set up objectives of increasing the scope of its GHG reporting and reducing its energy use in its 2013-2015 Corporate Responsibility Plan but decided not to have absolute targets as the company was in the midst of structural changes. The new 2016-2018 plan that was released this year targets reductions of 5 % and 3% for energy use and Scope 1+2 greenhouse gas emissions over the 3-year period.

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**CC3.2**

**Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?**

Yes

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**CC3.2a**

**Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions**

| Level of aggregation | Description of product/Group of products   | Are you reporting low carbon product/s or avoided emissions? | Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions | % revenue from low carbon product/s in the reporting year | % R&D in low carbon product/s in the reporting year | Comment   |
|----------------------|--|--|---|---|---|---|
| Product              | Printed products on paper and cardboard certified as coming from sustainably managed forests or from recycled fibre. | Avoided emissions  | Other: Not Calculated   |   |   | TC Transcontinental's paper purchasing policy, established in 2007 and updated in 2012 promotes the use of paper fibre from recycled sources or from sustainably managed forests under certification. TC Transcontinental holds Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI) and Programme for the Endorsement of Forest Certification (PEFC) certificates. By doing so, the company offers its clients choices that support best available forestry practices, preserve endangered ecosystems, limit water use and thus have lower embedded carbon emissions. |
| Group of products    | Multi-Laminate Flexible Plastic Packaging  | Avoided emissions  | Other: Not Calculated   |   |   | The use of flexible multi-laminate plastic results in lighter weight food packaging than traditional rigid packaging; therefore reducing the amount of feedstock used and embedded carbon emissions. Furthermore, the reduced weight and volume inherent with flexible packaging reduces the transport emission of the packaged goods.  |

## CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

## CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

| Stage of development      | Number of projects | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---------------------------|--------------------|--|
| Under investigation       | 12                 | 5085   |
| To be implemented*        |                    |  |
| Implementation commenced* |                    |  |
| Implemented*              | 15                 | 1550   |
| Not to be implemented     |                    |  |

## CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

| Activity type                        | Description of activity   | Estimated annual CO2e savings (metric tonnes CO2e) | Scope                               | Voluntary/ Mandatory | Annual monetary savings (unit currency - as specified in CC0.4) | Investment required (unit currency - as specified in CC0.4) | Payback period | Estimated lifetime of the initiative | Comment   |
|--------------------------------------|---|--|-------------------------------------|----------------------|---|---|----------------|--------------------------------------|---|
| Energy efficiency: Building services | Fifteen energy efficiency projects were implemented in 2015 across our different operational units. These projects were on various building services, such as lighting, | 1550   | Scope 1<br>Scope 2 (location-based) | Voluntary            | 500000  | 1100000   | 1-3 years      | Ongoing                              | The 1,1 millions \$CAD of required investment is calculated after the return of |

| Activity type | Description of activity   | Estimated annual CO2e savings (metric tonnes CO2e) | Scope | Voluntary/ Mandatory | Annual monetary savings (unit currency - as specified in CC0.4) | Investment required (unit currency - as specified in CC0.4) | Payback period | Estimated lifetime of the initiative | Comment              |
|---------------|---|--|-------|----------------------|---|---|----------------|--------------------------------------|----------------------|
|               | HVAC, production equipment and compressors. They saved both on natural gas consumption (Scope 1) and electricity use (Scope 2). |  |       |                      |   |   |                |                                      | governmental grants. |

## CC3.3c

What methods do you use to drive investment in emissions reduction activities?

| Method   | Comment  |
|--|--|
| Lower return on investment (ROI) specification | The Simple Payback Period is calculated; project with a payback under three years are preferred. Governmental grants are sometimes require in order to make the projects financially acceptable. |

**Page: CC4. Communication****CC4.1**

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

| Publication                 | Status   | Page/Section reference | Attach the document   | Comment   |
|-----------------------------|----------|------------------------|---|---|
| In voluntary communications | Complete | All Document           | <a href="https://www.cdp.net/sites/2016/05/19305/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/2015_Social_responsibility_report_45Lp98.pdf">https://www.cdp.net/sites/2016/05/19305/Climate Change 2016/Shared Documents/Attachments/CC4.1/2015_Social_responsibility_report_45Lp98.pdf</a> | <a href="http://tctranscontinental.com/documents/10180/4548192/2015_Social_responsibility_report_45Lp98.pdf">http://tctranscontinental.com/documents/10180/4548192/2015_Social_responsibility_report_45Lp98.pdf</a> |

**Module: Risks and Opportunities****Page: CC5. Climate Change Risks****CC5.1**

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

☐ Risks driven by changes in regulation  
☐ Risks driven by changes in physical climate parameters  
☐ Risks driven by changes in other climate-related developments

## CC5.1a

Please describe your inherent risks that are driven by changes in regulation

| Risk driver           | Description  | Potential impact           | Timeframe    | Direct/ Indirect        | Likelihood        | Magnitude of impact | Estimated financial implications  | Management method           | Cost of management   |
|-----------------------|--|----------------------------|--------------|-------------------------|-------------------|---------------------|---|-----------------------------|--|
| Cap and trade schemes | While the greenhouse gas emissions of TC Transcontinental are under the thresholds for the current cap and trade programs, some of the Corporation's suppliers are required to participate. Therefore, increased costs in the supply of raw materials and energy are anticipated and have already been seen under the Quebec cap and trade program relative to TC Transcontinental's purchase of natural gas in 2015. It is expected that more provinces and states will join this program or similar programs | Increased operational cost | Up to 1 year | Indirect (Supply chain) | Virtually certain | Medium              | In Quebec, the cap and trade program added approximately 20% to the price of natural gas in 2015. The financial implication to TC Transcontinental amounts to hundreds of thousand dollars. | Energy Efficiency projects. | Higher energy prices encourage more energy efficiency projects by shortening the payback period. |

| Risk driver          | Description   | Potential impact       | Timeframe    | Direct/ Indirect | Likelihood | Magnitude of impact | Estimated financial implications                            | Management method   | Cost of management |
|----------------------|---|------------------------|--------------|------------------|------------|---------------------|---|---|--------------------|
|                      | in the future, thus increasing the impact of these schemes. This falls under the raw materials and energy prices risk described in the MD&A for the fiscal year ended October 31, 2015.   |                        |              |                  |            |                     |   |   |                    |
| Air pollution limits | Necessity to modify the current equipment to meet new more stringent limits. TC Transcontinental already has some of the best available technologies with respect to air pollution control in most of its facilities. Volatile organic compounds from the printing process are destroyed by powerful incinerators fuelled by natural gas. Increasing the pollution control may require new equipment and changes to | Increased capital cost | 3 to 6 years | Direct           | Likely     | Medium              | The cost to modify or replace equipment is relatively high. | In the past five years, TC Transcontinental has consolidated its production, if practicable, in its most efficient and modern operational units. This decreases the risk of outdated pollution control equipment. |                    |



| Risk driver                                  | Description  | Potential impact                  | Timeframe    | Direct/ Indirect  | Likelihood        | Magnitude of impact | Estimated financial implications   | Management method  | Cost of management |
|--|--|-----------------------------------|--------------|-------------------|-------------------|---------------------|--|--|--------------------|
|  | operational use. This falls under the regulations risk described in the MD&A for the fiscal year ended October 31, 2015.   |                                   |              |                   |                   |                     |  |  |                    |
| Fuel/energy taxes and regulations            | Regulated carbon price on carbon intensive fuels, which would impact both our supply and the distribution costs of our products. Transport fuel supply and price volatility will impact TC Transcontinental on both the supply side (manufacturers of paper, plastics, inks, solvents, etc.) and on the distribution side. This falls under the raw materials and energy prices risk described in the MD&A for the fiscal year ended October 31, 2015. | Increased operational cost        | 3 to 6 years | Direct            | Likely            | Medium              | Financial implication not estimated.                                       | Better distribution, use of non-carbon intensive fuels in transport, increased efficiency in use of raw materials. |                    |
| General environmental regulations, including | Extended producer responsibility for sold products. This falls under the   | Reduced demand for goods/services | Up to 1 year | Indirect (Client) | Virtually certain | Medium              | Extended producer responsibility (EPR) for paper products has already been |  |                    |

| Risk driver                                  | Description   | Potential impact           | Timeframe    | Direct/ Indirect        | Likelihood             | Magnitude of impact | Estimated financial implications   | Management method | Cost of management |
|--|---|----------------------------|--------------|-------------------------|------------------------|---------------------|--|-------------------|--------------------|
| planning                                     | regulations risk described in the MD&A for the fiscal year ended October 31, 2015.  |                            |              |                         |                        |                     | put in place in multiple provinces in Canada. This increases the overall cost of printed material, as clients need to pay both for the production of the piece and its end of life recovery cost. This can lead to a decrease in demand for printed products, which is the core of TC Transcontinental's business. Carbon regulation could highlight the environmental impact of printing and lead to additional EPR regulation. |                   |                    |
| Product efficiency regulations and standards | Required recycled content in material used. This falls under the regulations risk described in the MD&A for the fiscal year ended October 31, 2015. | Increased operational cost | 3 to 6 years | Indirect (Supply chain) | About as likely as not | Medium              | Since there are limited options for increasing the recycled content of paper and plastic raw materials, such regulations could increase costs and requirement for R&D investments. Carbon regulation could   |                   |                    |

| Risk driver | Description | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact | Estimated financial implications   | Management method | Cost of management |
|-------------|-------------|------------------|-----------|------------------|------------|---------------------|--|-------------------|--------------------|
|             |             |                  |           |                  |            |                     | highlight the environmental impact of printing and lead to additional recycled content requirements. Financial implication not estimated |                   |                    |

## CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

| Risk driver                          | Description  | Potential impact                            | Timeframe | Direct/ Indirect        | Likelihood             | Magnitude of impact | Estimated financial implications | Management method | Cost of management |
|--------------------------------------|--|---|-----------|-------------------------|------------------------|---------------------|----------------------------------|-------------------|--------------------|
| Induced changes in natural resources | Climate impacts on forests, such as fire patterns, pine beetle devastation, species health, etc., could disrupt the supply chain. This falls under the raw materials and energy prices risk described in the MD&A for the fiscal | Reduction/disruption in production capacity | >6 years  | Indirect (Supply chain) | About as likely as not | Low-medium          |                                  |                   |                    |

| Risk driver                                   | Description  | Potential impact                            | Timeframe | Direct/<br>Indirect | Likelihood           | Magnitude<br>of impact | Estimated<br>financial<br>implications   | Management<br>method  | Cost of<br>management |
|---|--|---|-----------|---------------------|----------------------|------------------------|--|---|-----------------------|
|   | year ended October 31, 2015.   |   |           |                     |                      |                        |  |   |                       |
| Change in precipitation extremes and droughts | The climate change impacts on urban environment (heat waves, storm water sewer overflows, floods, electricity supply disruption) could lead to disruption in facility operations, the employees' ability to get to work and increased heating/cooling costs. This falls under the disruptions risk described in the MD&A for the fiscal year ended October 31, 2015. | Reduction/disruption in production capacity | >6 years  | Direct              | More likely than not | Low-medium             | Production of printed products often have short timelines, thus the disruption could have important financial impacts on a short time-frame. | TC Transcontinental has operational business units in multiple provinces, thus the different printed projects could be moved to another location in case of disruption. Contingency plans are already in place for temporary shutdowns. |                       |

## CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

| Risk driver                 | Description   | Potential impact                  | Timeframe    | Direct/ Indirect  | Likelihood | Magnitude of impact | Estimated financial implications   | Management method  | Cost of management                                    |
|-----------------------------|---|-----------------------------------|--------------|-------------------|------------|---------------------|--|--|---|
| Changing consumer behaviour | Consumers are interested in environmentally friendly products and customers prefer to do business with corporations that take care of the environment and have good sustainability practices. In particular, paper is often seen as the cause for deforestation, and plastics are made with non-renewable resources. This falls under the transformation of the industry in which the corporation operates risk described in the MD&A for the fiscal year ended October 31, 2015. | Reduced demand for goods/services | 1 to 3 years | Indirect (Client) | Likely     | Medium-high         | A portion of TC Transcontinental's revenue comes from flyers, which could be targeted due to their distribution process and perceived lack of value by some residents. A decrease in consumer demand could have a major financial impact on the Corporation. | Educate on the value of responsibly-printed flyers, use sustainably sourced products, increase recycled content and review distribution processes. | The costs are minor compared to the potential losses. |

## Page: CC6. Climate Change Opportunities

## CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

## CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

| Opportunity driver   | Description   | Potential impact               | Timeframe    | Direct/Indirect | Likelihood           | Magnitude of impact | Estimated financial implications  | Management method | Cost of management |
|----------------------|---|--------------------------------|--------------|-----------------|----------------------|---------------------|---|-------------------|--------------------|
| Air pollution limits | More stringent air pollution limits will lead to the necessity of more efficient production equipment and pollution control. Companies who already have this equipment will be at an advantage. | New products/business services | 3 to 6 years | Direct          | More likely than not | Low-medium          | TC Transcontinental has modern and efficient equipment in most of its operational units and therefore may not require as much investment in new or improved equipment as other players of the industry. |                   |                    |

## CC6.1b

Please describe the inherent opportunities that are driven by changes in physical climate parameters

| Opportunity driver                            | Description  | Potential impact                                | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact | Estimated financial implications   | Management method   | Cost of management |
|---|--|---|-----------|------------------|------------|---------------------|--|---|--------------------|
| Change in precipitation extremes and droughts | Regional climate extremes will have an impact on production abilities. | Increased demand for existing products/services | >6 years  | Direct           | Unlikely   | Low                 | TC Transcontinental could benefit from its geographical spread, as it can readily relocate print orders to alternative printing facilities within its network. | Maintain operational units in multiple regions of North America, in order to have good contingency plans for temporary shutdowns. |                    |

## CC6.1c

Please describe the inherent opportunities that are driven by changes in other climate-related developments

| Opportunity driver          | Description   | Potential impact                                | Timeframe    | Direct/ Indirect | Likelihood  | Magnitude of impact | Estimated financial implications  | Management method   | Cost of management       |
|-----------------------------|---|---|--------------|------------------|-------------|---------------------|---|---|--------------------------|
| Changing consumer behaviour | Consumers are interested in environmentally friendly products and customers want to do business with corporations concerned about their environmental impact. Flexible multi-laminate plastic | Increased demand for existing products/services | Up to 1 year | Direct           | Very likely | Medium-high         | TC Transcontinental is investing in its packaging division in order to gain market shares in this growing business. | Acquisition of flexible packaging companies in the United States. | Large-scale investments. |

| Opportunity driver | Description  | Potential impact | Timeframe | Direct/ Indirect | Likelihood | Magnitude of impact | Estimated financial implications | Management method | Cost of management |
|--------------------|--|------------------|-----------|------------------|------------|---------------------|----------------------------------|-------------------|--------------------|
|                    | packaging can be seen as a more eco-friendly alternative to rigid packaging due to lower resource use and lower weight and volume for transport. |                  |           |                  |            |                     |                                  |                   |                    |

## Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

### Page: CC7. Emissions Methodology

#### CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

| Scope                    | Base year                         | Base year emissions (metric tonnes CO2e) |
|--------------------------|-----------------------------------|--|
| Scope 1                  | Tue 01 Nov 2011 - Wed 31 Oct 2012 | 59200                                    |
| Scope 2 (location-based) | Tue 01 Nov 2011 - Wed 31 Oct 2012 | 52600                                    |
| Scope 2 (market-based)   |                                   |  |



**CC7.2**

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**CC7.2a**

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

N/A

**CC7.3**

Please give the source for the global warming potentials you have used

| Gas | Reference                                     |
|-----|---|
| CO2 | IPCC Fifth Assessment Report (AR5 - 100 year) |
| CH4 | IPCC Fifth Assessment Report (AR5 - 100 year) |
| N2O | IPCC Fifth Assessment Report (AR5 - 100 year) |

## CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

| Fuel/Material/Energy | Emission Factor | Unit                     | Reference                                |
|----------------------|-----------------|--------------------------|--|
| Natural gas          | 0.00188         | metric tonnes CO2 per m3 | Canada National Greenhouse Gas Inventory |
| Diesel/Gas oil       | 2.663           | metric tonnes CO2 per m3 | Canada National Greenhouse Gas Inventory |
| Propane              | 1.51            | metric tonnes CO2 per m3 | Canada National Greenhouse Gas Inventory |

## Further Information

Find attached the Excel Spreadsheet for electricity emission factors for the provinces and states in which TC Transcontinental operates.

## Attachments

[https://www.cdp.net/sites/2016/05/19305/Climate Change 2016/Shared Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/Electricity\\_Emission\\_Factors.xlsx](https://www.cdp.net/sites/2016/05/19305/Climate%20Change%202016/Shared%20Documents/Attachments/ClimateChange2016/CC7.EmissionsMethodology/Electricity_Emission_Factors.xlsx)

**Page: CC8. Emissions Data - (1 Nov 2014 - 31 Oct 2015)**

## CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

## CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e

61700

## CC8.3

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

No

## CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e

| Scope 2, location-based | Scope 2, market-based (if applicable) | Comment |
|-------------------------|---------------------------------------|---------|
| 41100                   |                                       |         |

## CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

## CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

| Scope                    | Uncertainty range                         | Main sources of uncertainty                 | Please expand on the uncertainty in your data  |
|--------------------------|---|---|--|
| Scope 1                  | More than 2% but less than or equal to 5% | Data Gaps<br>Assumptions<br>Data Management | Assumptions are made with respect to smaller operational units where data is not available. These assumptions should not have a big impact on the final value. |
| Scope 2 (location-based) | More than 2% but less than or equal to 5% | Data Gaps<br>Assumptions<br>Data Management | Assumptions are made with respect to smaller operational units where data is not available. These assumptions should not have a big impact on the final value. |
| Scope 2 (market-based)   |   |   |  |

## CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

No third party verification or assurance

## CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

No third party verification or assurance

## CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

| Additional data points verified | Comment |
|---------------------------------|---------|
| No additional data verified     |         |

## CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

**Page: CC9. Scope 1 Emissions Breakdown - (1 Nov 2014 - 31 Oct 2015)**

## CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

## CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

| Country/Region           | Scope 1 metric tonnes CO2e |
|--------------------------|----------------------------|
| Canada                   | 56900                      |
| United States of America | 4800                       |

**CC9.2**

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By business division  
By facility  
By GHG type

**CC9.2a**

Please break down your total gross global Scope 1 emissions by business division

| Business division             | Scope 1 emissions (metric tonnes CO2e) |
|-------------------------------|--|
| TC Transcontinental Printing  | 60500                                  |
| TC Transcontinental Packaging | 1200                                   |

## CC9.2b

Please break down your total gross global Scope 1 emissions by facility

| Facility                             | Scope 1 emissions (metric tonnes CO2e) | Latitude | Longitude |
|--------------------------------------|--|----------|-----------|
| Transcontinental Halifax             | 2000                                   | 44.62    | -63.66    |
| Transcontinental St-Hyacinthe        | 9000                                   | 45.63    | -72.97    |
| Transcontinental Acme Direct         | 700                                    | 45.58    | -73.62    |
| Transcontinental de la Capitale      | 200                                    | 46.82    | -71.31    |
| Transcontinental Interglobe          | 3000                                   | 46.22    | -70.78    |
| Transcontinental Interweb Montréal   | 4000                                   | 45.56    | -73.40    |
| Transcontinental Québec              | 100                                    | 46.82    | -71.31    |
| Transcontinental Métropolitain       | 200                                    | 45.65    | -73.52    |
| Transcontinental Qualimax            | 25                                     | 45.45    | -75.73    |
| Transcontinental Ross-Ellis          | 200                                    | 45.42    | -73.63    |
| Transcontinental Transmag            | 400                                    | 45.61    | -73.58    |
| Transcontinental PLM                 | 2400                                   | 43.84    | -79.31    |
| Transcontinental Brampton            | 7300                                   | 43.17    | -79.68    |
| Transcontinental Vaughan             | 4800                                   | 43.76    | -79.62    |
| Transcontinental RBW Graphics        | 7500                                   | 44.58    | -80.90    |
| Transcontinental LGM-Coronet         | 1500                                   | 49.89    | -97.26    |
| Transcontinental Saskatoon           | 100                                    | 52.18    | -106.65   |
| Transcontinental Calgary             | 7000                                   | 51.00    | -114.05   |
| Transcontinental Vancouver           | 4400                                   | 49.19    | -122.96   |
| Transcontinental Northern California | 3600                                   | 37.47    | -121.92   |
| Transcontinental Dartmouth           | 640                                    | 44.71    | -63.60    |
| Transcontinental Capri               | 1000                                   | 33.39    | -93.76    |
| Transcontinental Ultraflex           | 250                                    | 40.66    | -73.86    |
| Transcontinental Concord             | 150                                    | 43.81    | -113.63   |
| Transcontinental Edmonton            | 800                                    | 53.56    | -63.60    |

## CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

| GHG type    | Scope 1 emissions (metric tonnes CO2e) |
|-------------|--|
| CO2         | 46000                                  |
| CH4         | 25                                     |
| N2O         | 250                                    |
| Other: VOCs | 15425                                  |

Page: CC10. Scope 2 Emissions Breakdown - (1 Nov 2014 - 31 Oct 2015)

## CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

## CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region



| Country/Region           | Scope 2, location-based (metric tonnes CO2e) | Scope 2, market-based (metric tonnes CO2e) | Purchased and consumed electricity, heat, steam or cooling (MWh) | Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh) |
|--------------------------|--|--|--|--|
| Canada                   | 30000  |  | 465507   | 147560   |
| United States of America | 11000  |  | 49000  | 4208   |

**CC10.2**

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

By facility

**CC10.2a**

Please break down your total gross global Scope 2 emissions by business division

| Business division             | Scope 2 emissions, location based (metric tonnes CO2e) | Scope 2 emissions, market-based (metric tonnes CO2e) |
|-------------------------------|--|--|
| TC Transcontinental Printing  | 34000  |  |
| TC Transcontinental Packaging | 7000   |  |

## CC10.2b

Please break down your total gross global Scope 2 emissions by facility

| Facility                             | Scope 2 emissions, location based<br>(metric tonnes CO <sub>2</sub> e) | Scope 2 emissions, market-based<br>(metric tonnes CO <sub>2</sub> e) |
|--------------------------------------|--|--|
| Transcontinental Dartmouth           | 2200   |  |
| Transcontinental Halifax             | 4700   |  |
| Transcontinental St-Hyacinthe        | 42   |  |
| Transcontinental Acme Direct         | 6  |  |
| Transcontinental de la Capitale      | 4  |  |
| Transcontinental Interglobe          | 34   |  |
| Transcontinental Interweb Montréal   | 57   |  |
| Transcontinental Québec              | 6  |  |
| Transcontinental Métropolitain       | 16   |  |
| Transcontinental Qualimax            | 1  |  |
| Transcontinental Ross-Ellis          | 10   |  |
| Transcontinental Transmag            | 15   |  |
| Transcontinental PLM                 | 1300   |  |
| Transcontinental Brampton            | 1600   |  |
| Transcontinental Vaughan             | 1200   |  |
| Transcontinental RBW Graphics        | 2200   |  |
| Transcontinental LGM-Coronet         | 20   |  |
| Transcontinental Saskatoon           | 500  |  |
| Transcontinental Calgary             | 14900  |  |
| Transcontinental Vancouver           | 200  |  |
| Transcontinental Northern California | 4000   |  |
| Transcontinental Edmonton            | 960  |  |
| Transcontinental Capri               | 6800   |  |
| Transcontinental Ultraflex           | 200  |  |

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

| Energy type | Energy purchased and consumed (MWh) |
|-------------|-------------------------------------|
| Heat        |                                     |
| Steam       |                                     |
| Cooling     |                                     |

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

260400

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

| Fuels       | MWh    |
|-------------|--------|
| Natural gas | 252200 |
| Propane     | 8200   |

**CC11.4**

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

| Basis for applying a low carbon emission factor  | MWh consumed associated with low carbon electricity, heat, steam or cooling | Comment   |
|--|---|---|
| Contract with suppliers or utilities, with a supplier-specific emission rate, not backed by electricity attribute certificates | 151768  | This is calculated using the percentage of renewable energy per province (National Inventory Report). |

**CC11.5**

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

| Total electricity consumed (MWh) | Consumed electricity that is purchased (MWh) | Total electricity produced (MWh) | Total renewable electricity produced (MWh) | Consumed renewable electricity that is produced by company (MWh) | Comment |
|----------------------------------|--|----------------------------------|--|--|---------|
| 254000                           | 254000                                       | 0                                | 0  | 0  |         |

## Page: CC12. Emissions Performance

## CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

## CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

| Reason                                  | Emissions value (percentage) | Direction of change | Please explain and include calculation   |
|---|------------------------------|---------------------|--|
| Emissions reduction activities          | 1                            | Decrease            | Energy efficiency projects have been implemented across our printing facilities, lowering both Scope 1 and Scope 2 emissions.                                    |
| Divestment                              | 7                            | Decrease            | In 2015, TC transcontinental announced the closing of Transcontinental Concord, Edmonton and Acme Direct.  |
| Acquisitions                            | 1.5                          | Increase            | In 2015, TC Transcontinental acquired Transcontinental Ultraflex in Brooklyn, NY, as well as having its first full year with Transcontinental Capri in Missouri. |
| Mergers                                 | 1                            | Decrease            | Multiple mergers happened in Fiscal 2015 in the Media Sector, which led to reduced electricity consumption.  |
| Change in output                        |                              |                     |  |
| Change in methodology                   |                              |                     |  |
| Change in boundary                      |                              |                     |  |
| Change in physical operating conditions |                              |                     |  |
| Unidentified                            |                              |                     |  |
| Other                                   |                              |                     |  |

## CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

## CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

| Intensity figure = | Metric numerator (Gross global combined Scope 1 and 2 emissions) | Metric denominator: Unit total revenue | Scope 2 figure used | % change from previous year | Direction of change from previous year | Reason for change   |
|--------------------|--|--|---------------------|-----------------------------|--|---|
| 51.40              | metric tonnes CO2e   | 1000000                                | Location-based      | 7.5                         | Decrease                               | While the Corporation's revenues have stayed somewhat stable at 2 billion \$CAD, the energy consumption was lowered due to energy efficiency projects, divestments and mergers. |

## CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

| Intensity figure = | Metric numerator (Gross global combined Scope 1 and 2 emissions) | Metric denominator                  | Metric denominator: Unit total | Scope 2 figure used | % change from previous year | Direction of change from previous year | Reason for change  |
|--------------------|--|-------------------------------------|--------------------------------|---------------------|-----------------------------|--|--|
| 12.84              | metric tonnes CO <sub>2</sub> e                                  | full time equivalent (FTE) employee | 1                              | Location-based      | 6.5                         | Decrease                               | While the Corporation's number of employees was reduced to 8000 due to divestments and mergers, the energy consumption was lowered significantly more. |

### Page: CC13. Emissions Trading

#### CC13.1

**Do you participate in any emissions trading schemes?**

No, and we do not currently anticipate doing so in the next 2 years

#### CC13.2

**Has your organization originated any project-based carbon credits or purchased any within the reporting period?**

No

## Page: CC14. Scope 3 Emissions

## CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

| Sources of Scope 3 emissions                                      | Evaluation status                  | metric tonnes CO2e | Emissions calculation methodology  | Percentage of emissions calculated using data obtained from suppliers or value chain partners | Explanation   |
|---|------------------------------------|--------------------|--|---|---|
| Purchased goods and services                                      | Relevant, not yet calculated       |                    |  |   | TC Transcontinental is aware that its purchases, notably for paper and chemicals, involves embedded GHG emissions, and has some procedures in place to mitigate them. On the other hand, the Corporation has yet to delve further into quantifying this aspect of Scope 3 calculations. |
| Capital goods   | Not relevant, explanation provided |                    |  |   | N/A   |
| Fuel-and-energy-related activities (not included in Scope 1 or 2) | Relevant, calculated               | 4700               | TC Transcontinental tracks the area (in square feet) of leased office buildings. This area is then multiplied by industry accepted electricity consumption factors per area. | 0.00%   | TC Transcontinental leases multiple office spaces, where we do not control the energy invoicing. Therefore, the data is coming from extrapolation rather than through supplier or value chain partners.   |
| Upstream transportation and distribution                          | Relevant, not yet calculated       |                    |  |   | TC Transcontinental knows that the transport and distribution of its purchased goods creates GHG emissions. On the other hand, the Corporation has yet to delve further into quantifying this aspect of Scope 3 calculations.   |
| Waste generated in operations                                     | Relevant, not yet calculated       |                    |  |   | The Corporation's recovery rate is calculated as part of our annual Corporate Responsibility Report. All of our waste streams are known and quantified, but not looked at through the GHG emission lens.  |
| Business travel   | Relevant,                          | 4200               | This calculation includes air travel, car  | 100.00%   |   |



| Sources of Scope 3 emissions               | Evaluation status                  | metric tonnes CO2e | Emissions calculation methodology                          | Percentage of emissions calculated using data obtained from suppliers or value chain partners | Explanation   |
|--|------------------------------------|--------------------|--|---|---|
|  | calculated                         |                    | location and personal cars used for professional purposes. |   |   |
| Employee commuting                         | Relevant, not yet calculated       |                    |  |   | TC Transcontinental has estimated the impact of employee commuting on its Scope 3 emissions in the past through surveys, but the data is not representative of the new structure of the company.  |
| Upstream leased assets                     | Not relevant, explanation provided |                    |  |   | N/A   |
| Downstream transportation and distribution | Relevant, not yet calculated       |                    |  |   | TC Transcontinental's distribution of finished goods is an important aspect of the business and creates GHG emissions. The scope of this calculation is very large and needs to be determined, and the use of third-party suppliers for distribution adds to the challenge of obtaining data. |
| Processing of sold products                | Not relevant, explanation provided |                    |  |   | The products produced by TC Transcontinental do not require any further processing, as they are finished goods.   |
| Use of sold products                       | Not relevant, explanation provided |                    |  |   | The use of printed materials and packaging doesn't require any energy or create any emissions.  |
| End of life treatment of sold products     | Relevant, not yet calculated       |                    |  |   | Recycling of paper and plastic products creates some emissions, but also prevents emissions from being created by using new raw material.   |
| Downstream leased assets                   | Not relevant, explanation provided |                    |  |   | N/A   |
| Franchises                                 | Not relevant, explanation provided |                    |  |   | N/A   |
| Investments                                | Not relevant,                      |                    |  |   | N/A   |

| Sources of Scope 3 emissions | Evaluation status                  | metric tonnes CO2e | Emissions calculation methodology | Percentage of emissions calculated using data obtained from suppliers or value chain partners | Explanation |
|------------------------------|------------------------------------|--------------------|-----------------------------------|---|-------------|
|                              | explanation provided               |                    |                                   |   |             |
| Other (upstream)             | Not relevant, explanation provided |                    |                                   |   | N/A         |
| Other (downstream)           | Not relevant, explanation provided |                    |                                   |   | N/A         |

**CC14.2**

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No emissions data provided

**CC14.3**

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

**CC14.3a**

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

| Sources of Scope 3 emissions  | Reason for change              | Emissions value (percentage) | Direction of change | Comment   |
|---|--------------------------------|------------------------------|---------------------|---|
| Fuel- and energy-related activities (not included in Scopes 1 or 2) | Mergers                        | 25                           | Decrease            | The Corporation has merged multiple regional offices of its TC Media sector into one main building, thus reducing the square footage of its leased assets and their energy consumption. |
| Business travel   | Emissions reduction activities | 7                            | Decrease            | The Corporation has been promoting the use of telecommunications when possible  |

**CC14.4**

**Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)**

Yes, our suppliers  
 Yes, our customers  
 Yes, other partners in the value chain

**CC14.4a**

**Please give details of methods of engagement, your strategy for prioritizing engagement and measures of success**

On our supplier side, we work with our paper suppliers to ensure that they fit the requirements of our Paper Purchasing Policy, as well as check their overall environmental performance and reporting. Our Paper Procurement Policy requests the use of third-party certification and best practices in responsible forestry, which in turn reduces GHG emissions and lowers negative impacts on the environment.

On the customer side, we encourage our clients to choose paper with post-consumer recycled content and paper made with third-party certified fiber with chain-of-custody certification. We also help them achieve their own sustainability targets, notably for procurement of printed products.

Finally, we engage every three years in large-scale stakeholder questionnaires to determine our sustainability priorities, which include GHG emissions and climate change. The stakeholders include internal employees, suppliers, customers, as well as environmental not-for-profit organizations.

To measure the success of these measures, we have put forward sets of sustainability indicators, which are tracked quarterly and presented in our annual CSR report.

**CC14.4b**

**To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent**

| Number of suppliers | % of total spend (direct and indirect) | Comment  |
|---------------------|--|--|
| 16                  | 50%                                    | TC Transcontinental's biggest purchases come from paper, which accounts for approximately 50% of our procurement expenses. |

**CC14.4c**

**If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data**

| How you make use of the data                                | Please give details   |
|---|---|
| Identifying GHG sources to prioritize for reduction actions | TC Transcontinental stays aware of the sustainability challenges of our industry and learns from our supplier's objectives and projects. This also helps to determine which aspects of our supply chain is more carbon intensive, and where the focus of our initiatives should be. |

**Module: Sign Off****Page: CC15. Sign Off****CC15.1**

Please provide the following information for the person that has signed off (approved) your CDP climate change response

| Name           |  |  | Job title                         |  |  | Corresponding job category               |  |  |
|----------------|--|--|-----------------------------------|--|--|--|--|--|
| Sylvain Levert |  |  | Senior Vice-President Procurement |  |  | Other: Senior Vice-President Procurement |  |  |