

Carbon Disclosure Project – Forests

TC Transcontinental 2016 response



Module: Introduction

Page: F0. Introduction

F0.1

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.

F0.2

Please select the stages of the value chain which best represent your organization's area of operation pertaining to forest risk commodities. If your organization is diversified or vertically integrated, please select all that apply

Manufacturing

F0.3

Are there any parts of your direct operations that are excluded from this disclosure?

Yes

F0.3a

Please identify the parts of your direct operations that are excluded from your disclosure

Exclusion	Description of exclusion	Potential for deforestation risk	Please explain
Business activity	This declaration only applies to Transcontinental Printing. The Transcontinental Packaging division, which consists of multi-laminate flexible packaging, is excluded.	No potential	The raw material used currently in our Transcontinental Packaging division is plastic.

F0.4

Are there any parts of your supply chain that are excluded from this disclosure?

No

F0.5

Do you produce or use materials that contain any of the forest risk commodities? Please complete the table

Forest risk commodity	Produce/use forest risk commodity	Explanation if not disclosing but produce/use the commodity
Timber	Yes	
Palm Oil	No	
Cattle Products	No	
Soy	Yes	Soy oil is often used in printing inks, but information on the content and traceability is currently unavailable.
Other	No	

F0.6

Please confirm which commodities you will be disclosing on

Timber

F0.7

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

Reporting year

Sat 01 Nov 2014 - Sat 31 Oct 2015

Module: Current State**Page: F1. Context****F1.1**

How does your organization use your selected commodities? Please provide details on the form and source of the commodities you use or produce

Forest risk commodity	Activity	Form of commodity	Source	Country of origin	% of procurement spend	Comment
Timber	Input into product manufacturing	Paper	Trader/ broker/ commodity market Contracted suppliers (manufacturers)	Canada United States of America Other: Europe, Asia	41-50%	The vast majority (>95%) of our paper purchasing comes from Canada and the United States. Small volumes of sheetfed paper may be bought from Asia (notably Indonesia) and Europe (France, Italy, Finland, etc.).

F1.2

Please indicate the percentage of your organization's revenue that was dependent on each of your selected forest risk commodities in the reporting year

Forest risk commodity	% of revenue dependent on commodity in the reporting year	Comment
Timber	71-80%	As a large-scale printing and packaging company, TC Transcontinental uses paper and cardboard with Virgin fiber coming from forests. Other revenue streams such as flexible packaging and media amounts for less than 30%.

F1.3

Has your organization experienced impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the past five years?

Yes

F1.3a

Please identify the impacts related to forest risk commodities that have generated a substantive change in your business operations, revenue or expenditure in the past five years

Forest risk commodity	Impact driver	Impact	Description of impact	Financial impact	Response strategy	Description of response strategy
Timber	Reputational: Changing consumer behavior/ market demand	Other: Lower consumer demand	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. The recent media exposure of unsustainable forestry practices and the perception of paper products being less environmentally friendly than electronic documents has led to a noticeable decrease in demand for printed products. This falls under the	Medium	Alignment of public policy positions with sustainable forest management goals Engagement with customers Engagement with public policy makers Engagement with other stakeholders	- TC Transcontinental has updated its Paper Purchasing Policy in 2012, which promotes the use of recycled fiber and of third-party certified virgin fiber. - In its 2013-2015 Corporate Social Responsibility Plan, TC Transcontinental set up an objective of purchasing over 80% of third-party certified paper, which was achieved and surpassed. - TC Transcontinental discusses yearly with suppliers, environmental not-for-profit organizations and other stakeholders in order to determine their sustainability priorities and be aware of and promote

Forest risk commodity	Impact driver	Impact	Description of impact	Financial impact	Response strategy	Description of response strategy
			transformation of the industry in which the corporation operates risk described in the MD&A for the fiscal year ended October 31, 2015.		Engagement with suppliers Tighter supplier performance standards Greater due diligence	large-scale forest conservation projects.

Module: Risk Assessment

Page: F2. Risk assessment

F2.1

Please select the option that best describes your procedures with regard to assessing deforestation risks and opportunities

Forest risk commodity	Deforestation risk assessment procedure	Operational coverage	Please explain
Timber	Integrated into a comprehensive, company-wide risk assessment process	Direct operations Supply chain	

F2.1a

Please provide further details on your risk assessment procedures with regard to deforestation risks and opportunities

Forest risk commodity	Frequency of monitoring	To whom are results reported?	Scale of risk assessment	How far into the future are risks considered?	Please explain
Timber	Six-monthly or more frequently	Board or individual/ sub-set of the Board or committee appointed by the Board	Whole company	3-6 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. Risks and opportunities related to the environment are considered for analysis in this global Enterprise Risk Management process of the Corporation.

F2.1b

Please identify which of the following criteria are factored into your organization's deforestation risk assessments

Criteria	Timeframe	Relevance	Please explain
Changes in availability and quality of forest risk commodities	Current Future	Relevant, included	The Paper Procurement Team tracks the market of pulp and paper products diligently and assesses the risks associated to economic, social and environmental concerns of paper production.
Impact of activity on the status of ecosystems and habitats	Current Future	Relevant, included	The Corporate Environmental Coordinator follows all new scientific advances on the impact of paper production on ecosystems, notably through updates of third-party certification standards. TC Transcontinental also frequently discusses with environmental not-for-profit organization Canopy, which promotes forest conservation in Canada.
Regulation	Current Future	Relevant, included	TC Transcontinental has a legal watch system which helps to closely follow all environmental laws in places it operates. Discussions with suppliers also ensure that they are compliant to all forestry laws, and third-party certification confirms adequate responsible practices.
Tariffs or price increases	Current Future	Relevant, included	The Paper Procurement Team tracks the market of pulp and paper products diligently and assesses the risks associated to economic, social and environmental concerns of paper production. The higher demand and lower offer in certified fiber also has the obvious risk of increasing prices.
Loss of markets	Current Future	Relevant, included	Changes in consumer behavior, linked to better education on environmental issues, leads to losses of market for printed products. TC Transcontinental aims at educating consumers on sustainable forestry and promoting the values of third-party certification.
Stakeholder conflicts	Current	Relevant,	Clients, environmental NGOs and paper manufacturers have all been exposed in the media recently because of

Criteria	Timeframe	Relevance	Please explain
concerning forest risk commodities	Future	included	forestry practices. TC Transcontinental had identified that risk in previous years and ensured through its Paper Purchasing Policy that all paper purchases were made, and will keep on being made, in a responsible manner.
Brand damage related to forest risk commodities	Current Future		Different conflicts have erupted in Canada with respect to responsible forestry. This has had impacts on the credibility of specific brands, but also of the overall paper production practices. The Paper Purchasing Policy put forth in 2012 is a risk mitigation tool that shows transparency and leadership in our purchase of paper.
Corruption		Not evaluated	
Other			

Module: Implications

Page: F3. Risks

F3.1

Have you identified any inherent risks related to producing, marketing or sourcing forest risk commodities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Please select all that apply

Forest risk commodity	Risk
Timber	Operational risks driven by changes in physical parameters Risks driven by changes in regulation Reputational risks

F3.1a

For your selected forest risk commodities, please describe any inherent operational risks in your direct operations or supply chain driven by changes in physical parameters that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
Timber	Forest fires	Region	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 year ended October 31, 2015	Reduction/ disruption in production capacity	>6 years	Supply chain	About as likely as not	Low-medium	TC Transcontinental has suppliers who have multiple locations spread accross different regions, thus production of paper could be moved to another location in case of disruption.
Timber	Change in precipitation extremes and droughts	Region	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	Supply chain	More likely than not	Low-medium	TC Transcontinental has suppliers who have multiple locations spread accross different regions, thus production of paper could be moved to another location in case of disruption.
Timber	Availability of	Global	TC Transcontinental is	Increased	Unknown	Supply chain	About as	Low-	TC Transcontinental

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
	certified sustainable material		one of the largest buyers of third-party certified paper and aims at buying only certified fiber. Lower availability of certified sustainable material may increase operational costs and reduce supply.	operational cost Reduction/ disruption of supply			likely as not	medium	works closely with suppliers, governments, environmental not-for-profit organizations and sustainable forestry standards to ensure that adequate actions are taken to confirm a supply of certified fiber over multiple years.

F3.1b

For your selected forest risk commodities, please describe any inherent risks in your direct operations or supply chain driven by changes in regulation that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
Timber	Other: Cap and trade schemes	Province	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.	Increased operational cost	Up to 1 year	Supply chain	Virtually certain	Medium	

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/supply chain	Likelihood	Magnitude of impact	Management methods
			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 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.						
Timber	Product regulations and standards	Global	As certification standards aim to become stricter, supplier may decide to opt out due to a more complicated and costly certification process.	Increased operational cost Reduction/ disruption of supply	1-3 years	Supply chain	Likely	Medium	Show strong leadership with suppliers to show the importance of third-party verification for sustainable forestry practices. Also, work with certification standards to ensure that the standards remain coherent with the realities of the industry.

F3.1c

For your selected forest risk commodities, please describe any inherent reputational risks in your direct operations or supply chain that have the potential to generate a substantive change in business operations, revenue or expenditure

Forest risk commodity	Risk driver	Geographical scale	Description of risk	Potential impact	Timeframe	Direct operations/ supply chain	Likelihood	Magnitude of impact	Management methods
Timber	Negative media coverage	Global	Environmental NGOs have in the past targeted pulp & paper, printers or retailers with respect to their use of non-certified fiber or their unsustainable forestry practices.	Reduced demand for goods/service Reduced stock price (market valuation) Wider social disadvantage	Up to 1 year	Direct operations	More likely than not	Medium-high	TC Transcontinental has been showing leadership and transparency with respect to paper purchasing. It has a strong focus on sustainable paper procurement practices and has quantitative targets with respect to responsible purchasing. The Corporation also releases an annual Corporate Social Responsibility report with multiple key performance indicators for social, community, economical and environmental performance.

Page: F4. Opportunities**F4.1**

Have you identified any opportunities related to producing, marketing or sourcing these commodities sustainably that have the potential to benefit your organization?

Forest risk commodity	Opportunities?
Timber	Yes

F4.1a

Please describe the opportunities related to producing, marketing or sourcing these commodities sustainably, and your organization's strategy to capitalize on them

Forest risk commodity	Opportunity	Scale of opportunity	Strategy to realize opportunity	Timeframe	Comment
Timber	Increased brand value	The leadership of TC Transcontinental in sustainability has help the Corporation to become the biggest printer in Canada.	The sustainability leadership role of the Corporation has led to differentiation from competitors and gains in market shares.	Last 3-6 years	
Timber	Driving demand for sustainable materials		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. TC Transcontinental offers both transparency with respect to its purchases and offers products for more sustainable printing options.	Last 3-6 years	

Module: Measure & Monitor

Page: F5. Measurement

F5.1

Do you own or manage land used for the production of any of your selected commodities? Please complete the table

Forest risk commodity	Own and/or manage land?	Size (Hectares)	Type of control	System in place to monitor deforestation?	Recent infractions?	Please explain
Timber	Don't own or manage land					

F5.2

Does your organization collect production and/or consumption data for your selected commodities?

Forest risk commodity	Production and/or consumption data available?
Timber	Consumption data available, disclosing

F5.2a

Please disclose your production and/or consumption data using the table below

Forest risk commodity	Production/consumption data	Volume	Metric	Full/Partial data?	If partial data, please explain
Timber	Consumption data	505102	Metric tons	Full commodity production/consumption	

Page: F6. Traceability

F6.3

Please provide details on the level of traceability your organization has for your selected commodities

Forest risk commodity	% of total production/consumption traceable	Traceability system	Point to which traceable	Exclusions	Exclusion description, if applicable	Comment
Timber	91-99%	Chain of custody FSC, SFI, PEFC (CSA) certification schemes, FSC controlled wood and SFI Certified Sourcing.	Forest	Not applicable		

F6.3a

Please describe your organization's approach to establishing traceability

TC Transcontinental has a strong commitment to sustainable forestry certifications and chain-of-custody traceability. More than 95% of paper bought by the Corporation in Fiscal 215 was 100% chain-of-custody certified and therefore fully traceable. To make sure our suppliers are able to trace our purchases back to species and forest levels, we have created a Due Diligence system where we sample a few orders from different suppliers annually to obtain these information.

As a strong supporter of third-party certification, we have been pushing our suppliers to increase their supply in certified fiber over the years. This also led to improvement in traceability and ensures a continuous flow of information on the origin of our paper.

Module: Response**Page: F7. Governance and strategy****F7.1**

Please indicate where the highest level of direct responsibility for deforestation risk lies within your organization and detail the frequency and nature of engagement on the issue

Highest level of responsibility	Name/position of individual or name of committee	Frequency of briefing	Nature of engagement
Board or individual/sub-set of the Board or committee appointed by the Board	Board or individual/sub-set of the Board or committee appointed by the Board	Bi-annually	Risks with respect to environmental issues are part of the Corporation's Enterprise Risk Management process. 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.

F7.2

Have you evaluated how the availability or quality of forest risk commodities could affect your organization's growth strategy?

Yes, evaluated over the next 5 years

F7.2a

Please explain how you evaluated the effects of the availability or quality of forest risk commodities on the success (viability, constraints) of your organization's growth strategy

TC Transcontinental is aware that most of its business relies on paper supply. Large-scale deforestation or climate related issues such as insects or fires could impact the supply of wood products. We also believe that, with the actual concerns over sustainable forestry practices, part of our growth in the retail business comes from the availability of sustainable printing options.

Page: F8. Policies

F8.1

Does your organization have a policy that recognizes the role of reducing deforestation for climate change mitigation and sets out clear goals and guidelines for action?

Policy	Please explain
Yes, a publicly available company-wide policy with performance standards for direct operations including supplier, procurement and contracting best practices	As a leading Canadian publisher and printer, TC Transcontinental buys important quantities of paper each year. We believe that by playing an active role in the paper procurement process we can not only have a positive impact on forest management practices, but also protect biodiversity and ecosystem integrity, thereby bringing long-term social and economic benefits to communities. This is why we have updated in 2012 our Paper Purchasing Policy, which sets out guidelines for our supply of paper (see attached). Our newly released 2016-2018 Corporate Responsibility Plan also sets clear goals with respect to third-party certification purchases (see attached).

F8.2

Has your organization made a commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain?

Yes

F8.2a

Please identify which of the following criteria are specifically stated in your organization's commitment to reduce or remove deforestation and forest degradation from your direct operations and/or supply chain

Criteria	Commodity coverage	Operational coverage	% of total production/ consumption covered by commitment	Commitment timeframe	Please explain
Zero deforestation and forest degradation High Conservation Value (HCV) management	Timber	Supply chain	91-99%	2018	See attached Paper Purchasing Policy.

Criteria	Commodity coverage	Operational coverage	% of total production/ consumption covered by commitment	Commitment timeframe	Please explain
Avoidance of land area under conservation Legality Certification					

F8.4

Do you have commodity specific sustainability policies?

Forest risk commodity	Commodity specific sustainability policies?	Criteria	Cut-off date, if applicable	Please explain
Timber	Yes	Zero deforestation and forest degradation High Conservation Value (HCV) management Avoidance of land area under conservation Legality Certification	No cut-off date	See attached Paper Purchasing Policy.

Further Information**Attachments**

[https://www.cdp.net/sites/2016/05/19305/Forests 2016/Shared Documents/Attachments/Forests2016/F8.Policies/2016-2018_CSRR_Plan.pdf](https://www.cdp.net/sites/2016/05/19305/Forests%2016/Shared%20Documents/Attachments/Forests2016/F8.Policies/2016-2018_CSRR_Plan.pdf)

[https://www.cdp.net/sites/2016/05/19305/Forests 2016/Shared Documents/Attachments/Forests2016/F8.Policies/TRANSCONTINENTAL PAPER PURCHASING POLICY 2012 final.pdf](https://www.cdp.net/sites/2016/05/19305/Forests%2016/Shared%20Documents/Attachments/Forests2016/F8.Policies/TRANSCONTINENTAL%20PAPER%20PURCHASING%20POLICY%202012%20final.pdf)

Page: F9. Standards and targets

F9.2

Does your organization enforce any procurement standards that impact your sourcing of forest risk commodities?

Forest risk commodity	Procurement standards in place?	Monitor compliance?	Impact on sourcing activities	Please explain
Timber	Yes	Yes	Factored into supplier selection process Impact on supplier engagement strategy	TC Transcontinental has set up strict procurement targets for sustainable procurement. All suppliers must be able to provide 100% third-party certified paper from one of the three recognized certification schemes (FSC, SFI, PEFC). The certification status of our suppliers is tracked bi-annually.

F9.3

Are you involved in any multi-partnership or stakeholder initiatives relating to the sustainability of these commodities? Please describe your role

Forest risk commodity	Involved in initiatives?	Initiatives	Please explain
		FSC PEFC Sustainable Packaging Coalition (SPC) Sustainable Forestry Initiative (SFI)	TC Transcontinental has been holding chain-of-custody certification from FSC, SFI and PEFC for approximately 9 years. We actively participate in discussions with these certification schemes, especially with respect to new or adjusted standards. 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.

F9.4

Do you specify any third party certification schemes for your selected commodities? Please indicate the percentage of total production and/or consumption currently certified

Forest Risk Commodity	Specify third party certification schemes?	% of total production/ consumption certified	Certification scheme breakdown	Please explain
	FSC PEFC SFI Canadian Standards Association (CSA)	91-99%	FSC Forest Management certification FSC Chain of Custody FSC Controlled Wood FSC Recycled PEFC Sustainable Forest Management certification PEFC Chain of Custody SFI Forest Management certification SFI Chain of Custody SFI Fiber Sourcing certification	TC Transcontinental has set up strict procurement targets for sustainable procurement. All suppliers must be able to provide 100% third-party certified paper from one of the three recognized certification schemes (FSC, SFI, PEFC).

F9.5

Do you have any quantified targets for third party certified materials in your direct operations and/or supply chains?

Forest risk commodity	Quantified targets for third party certification?	Certification scheme breakdown	Baseline year	Target year	Coverage	% of materials third party certified in target year	Please explain
Timber	FSC PEFC SFI Canadian Standards Association (CSA)	FSC Forest Management certification FSC Chain of Custody FSC Controlled Wood FSC Recycled PEFC Sustainable Forest Management certification PEFC Chain of Custody SFI Forest Management certification SFI Chain of Custody SFI Fiber Sourcing certification	2012	2015	Supply chain	91-99%	In its 2013-2015 Corporate Responsibility Plan, TC Transcontinental had set up a goal to see 80% of its paper purchases be either 100% third-party certified or 100% recycled PCW. In 2015, this target was surpassed with 96% of purchases falling in one of the two categories.

F9.6

Do you have any quantified targets for sustainable production and/or procurement, other than third party certification?

Forest risk commodity	Quantified targets for sustainable production/ procurement?	Type of target	Baseline year	Target year	Coverage	% of materials to meet requirements in target year	Please explain
Timber	No						

Page: F10. Engagement

F10.1

Have you identified sufficient sources of sustainable materials to meet your operational needs? Please explain what you are doing to ensure security/continuity of supply

Forest risk commodity	Current demand	Future demand	Actions to ensure security/ continuity of supply	Please explain
Timber	Yes	Yes	Supplier improvement plans to increase capacity of supply Engaging in capacity building activities in the value chain	TC Transcontinental's request for certified paper leads to a higher demand for certified fiber on the market and thus gives incentives to forest land owners to get certification and maintain good forestry practices. This ensures a continuity in supply.

F10.3

Are you working with your direct suppliers to support and improve their capacity to supply sustainable materials?

Forest risk commodity	Working with direct suppliers?	Supplier engagement strategy	Please explain
Timber		Encouraging certification Encouraging work with multi-stakeholder groups Contractual agreements	TC Transcontinental encourages its suppliers to follow the guidelines of responsible forestry and ensures that agreements are made to confirm that all of the paper purchased holds one of the three certifications.

F10.4

Are you working beyond the first tier of your supply chain to manage and mitigate risk?

Forest risk commodity	Work beyond first tier of supply chain?	Please explain
Timber	Yes	TC transcontinental has been involved with Canopy, a Canadian environmental not-for-profit organization which promotes forest conservation. We have participated in roundtables, conferences and governmental meetings to promote large-scale forest conservation projects, such as the Great Bear Rainforest and the Broadback Valley Region.

F10.5

Do you engage in activities that could either directly or indirectly influence the market for sustainable forest risk commodities?

Activity	Please explain
Increasing demand for sustainable materials Increasing awareness of sustainable materials Raising awareness of the issue of deforestation	As Canada's biggest printer, TC Transcontinental's consistent demand for certified fibre in the past 10 years has impacted the market and played a role in the noticeable growth of certified fiber supply in Canada. Also, to increase transparency and environmental awareness among consumers and customers, TC Transcontinental aims at using certification logos on applicable TC Media publications in line with the Forest Management Certification schemes. We will also include messages to encourage recycling of our products and to increase the supply of paper with post-consumer recycled content.

Module: Challenges

Page: F11. Barriers and challenges

F11.1

Please describe any key barriers or challenges to achieving deforestation free direct operations and supply chains

The key barrier to achieving total sustainability lies in the supply side. As demand is rising for certified fiber and paper, more land owners need to obtain Forest Management certifications in order to adequately fill up the supply chain. The cost of such certification is very high, and most small landowners can't afford such a change. Therefore, the certified fiber may become rare, and prices could end up getting much higher. The certification process itself should be more accessible: this would lead to a growth of sustainable forestry and ensure that the supply will meet the demand.

F11.2

Please describe any measures that would improve your organization's ability to manage deforestation risk

Responsible forestry practices start from solid forest regulations, not just from third-party certification. Differences in regulations between provinces/states and nations creates inconsistencies in sustainable practices, which creates the need for third-party certification. A more unified set of regulations could ensure that location-based purchasing would be sufficient to manage the deforestation risk.

Module: Sign Off**Page: F12. Sign off****F12.1**

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

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