

SUSTAINABILITY REPORT 2010



Connecting Words to Actions

This document is a reproduction of the content of the Sustainability Report available on internet at www.transcontinental-ecodev.com

Cautionary Notice

The information in this report may contain certain forward-looking statements that are inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information. Actual future performance will be affected by a number of factors, many of which are beyond the Corporation's control. The risks, uncertainties, assumptions and other factors that could influence the results are described in the annual MD&A and the latest Annual Information Form which are available on Transcontinental's website.

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Report Card

All amounts are in Canadian dollars, and the term "dollar", as well as the symbols "\$" and "C\$", designate Canadian dollars, unless otherwise indicated.

Some 2009 figures have been restated on a different basis to be comparable to 2010. Others have been restated as new information has become available.

	2010	2009	Change	
People				
Employees:	10,581	12,215		13%
Canada	9,450	9,667		2%
United States	336	1,658		80%
Mexico	795	890		11%
Employee wages and benefits (in millions)	\$666.8	\$699.8		5%
Benefits plan obligations (in millions)	\$394.7	\$343.2		15%
% Employees covered by formal joint manager-worker Health and Safety Committees	100%	100%		
% Employees covered by collective bargaining agreements	20.4%	21.7%		6%
% Employees covered by the pension plan	76%	58%		31%
Talent Development				
Investment in employee training courses (excluding salaries and related supplies) (in millions)	\$2.88	\$3.00		4%
Management positions filled through internal promotions	85%	Not reported		
% Managers receiving regular performance and career development reviews	100%	Not reported		
Lost Workday Case Incident Rate:				
Frequency Rate (see calculation in People section)	0.98	1.08		9%
Severity Rate (see calculation in People section)	32.01	44.58		28%
Environment				
Buildings owned	4,144,631 ft ² or 50 properties	4,350,314 ft ² or 55 properties		5%
Buildings leased	2,234,299 ft ² or 127 properties	3,334,109 ft ² or 131 properties		33%
Raw Materials				
Paper purchased (excluding paper provided by customers)	548,000 tonnes	503,000 tonnes		9%

Ink purchased	15,800 tonnes	Not reported		
Energy Use				
Energy from fossil fuels (natural gas, propane and diesel)	267,200 MWh	282,400 MWh	↓	5%
Energy from electricity purchased	301,500 MWh	319,500 MWh	↓	6%
% Renewable energy	29.2%	28.7%	↑	2%
Emissions				
Greenhouse Gases (GHG) – Scope 1 and 2 from Printing Operations	132,100 tonnes	145,100 tonnes	↓	9%
Volatile Organic Compounds (VOC)	766 tonnes	826 tonnes	↓	7%
Recycling				
Cash and in-kind contribution to public recycling programs (Ontario and Quebec)	\$ 474,000	\$ 487,000	↓	3%
Métro newspapers recovered in Montreal subway	851 tonnes	720 tonnes	↑	18%
Recovery of facility waste (paper, press plates, cardboard, plastic, etc)	94,800 tonnes	93,600 tonnes	↑	1%
Management System				
Significant spills	0	0		-%
Fines for environmental damage or non-compliance	\$0	\$0		-%
Prosperity				
Revenues (in millions)	\$2,091.6	\$2,169.8	↓	4%
Operating costs (includes selling, general and administrative expenses and excludes severance costs as well as wages and benefits) – (in millions)	\$1,042.8	\$1,131.1	↓	8%
Revenues from new streams (in millions)	\$183.0	\$170.3	↑	7%
Return on net assets (RONA)	8.0%	6.9%	↑	16%
Payments to providers of capital				
Dividends on participating shares (in millions)	\$28.3	\$25.8	↑	10%
Dividends on preferred shares (in millions)	\$7.0	\$ -		-%
Interest paid (in millions)	\$39.2	\$38.8	↑	1%
Taxes paid (in millions)	\$33.4	\$43.8	↓	24%
Earnings before interest, tax, depreciation and amortization (EBITDA) – (in millions)	\$382.0	\$338.9	↑	13%
Net debt to EBITDA ratio	1.82	2.59	↓	30%
Community investment (donations, sponsorships, goods and services) – (in millions)	\$5.8	\$5.7	↑	2%

Message from the President and Chief Executive Officer

Connecting Words to Action

Our inaugural Sustainability Report in 2009 spelled out Transcontinental's belief in the importance of environmental, social and economic performance reporting, and confirmed that our commitment to sustainability would mean eventually attaching actions to words.

This first public step was a watershed moment for us. It was both a celebration of the efforts the Corporation had made over the years towards minimizing its environmental footprint and contributing to the betterment of our host communities, as well as a call to action across the Corporation. We acknowledged that we had a long way to go in setting objectives and targets, and got to work in that regard immediately.

Last year, our key stakeholders told us we needed to connect our sustainable development commitment to actions, and with their input in 2010, that is what we have done. By reaching out to employees, customers, suppliers, investors, environmental groups and industry organizations, we made sure that our sustainability reporting responds to their expectations and that our sustainability objectives are more aligned with their concerns.

It is with great pleasure that I can report in this, our second annual Sustainability Report, that a comprehensive list of objectives and supporting targets has now been developed. Future reports will clearly track progress against these benchmarks. This kind of transparency will drive us internally to improve our performance, and allow our stakeholders to measure our progress.

I would like to sincerely thank both our Sustainable Development Steering Committee for all their hard work this past year, and thank our stakeholders who took the time to let us know how our annual reporting and objective setting could be improved. We are grateful and will honour your input by our actions.

We can't say that the way forward will be without challenges - ours is an industry in transformation during a time of continued global economic uncertainty. In 2010, we made the sometimes difficult but necessary decisions to ensure the Corporation's long-term success. Looking ahead I can say with renewed conviction that by delivering on our sustainability commitment on a day-to-day basis we will continue to create value for our shareholders, employees, and customers, and make a positive difference in the communities where we operate.



François Olivier

President and Chief Executive Officer

Transcontinental Inc.



François Olivier's Profile

Our Team

Members

Jean Denault, Co-Chair
Jennifer F. McCaughey, Co-Chair
Michel Bazinet
Sylvain Bédard
François Blondin
Karyne Bouchard
Denis Hénault
Gabriella Kovacs
Charles L'Écuyer
Brigitte Lépine
Donald Simard
Haig Poutchigian
Julia Wojciechowska

Stephanie Hamilton, ÉEM inc.
Stuart Lister, ÉEM inc.

Related publications

[Sustainability Highlights 2010](#)

[Annual Report 2010](#)

[Sustainability Report 2009](#)



Jennifer F. McCaughey, CFA
Senior Director, Investor Relations
and Financial Communications



Jean Denault
Vice President, Procurement and Technology

We are the co-chairs of Transcontinental's Sustainable Development Steering Committee. We invite your feedback on our Sustainability Report as well as our new sustainability objectives and targets. What you say matters to us. We will report back on what you tell us, as well as what we have done as a result of the feedback received. Thank you for contributing to our sustainable development journey. Your input helps us make decisions that position the Corporation for long-term success.

Contact Us : ecodev@transcontinental.ca



Sustainable Development Steering Committee

From left to right: Karyne Bouchard, Charles L'Écuyer, Stephanie Hamilton, François Blondin, Julia Wojciechowska, Michel Bazinet, Sylvain Bédard, Denis Hénault, Jean Denault, Donald Simard, Stuart Lister, Jennifer F. McCaughey. Absent from the photo: Gabriella Kovacs, Brigitte Lépine, Haig Poutchigian.

Our Business

PRINTING	MEDIA	INTERACTIVE
		
<ul style="list-style-type: none">• Revenues: \$ 1,443M• Revenues: 66% of consolidated revenues	<ul style="list-style-type: none">• Revenues: \$ 608M• Revenues: 28% of consolidated revenues	<ul style="list-style-type: none">• Revenues: \$ 123 M• Revenues: 6% of consolidated revenues

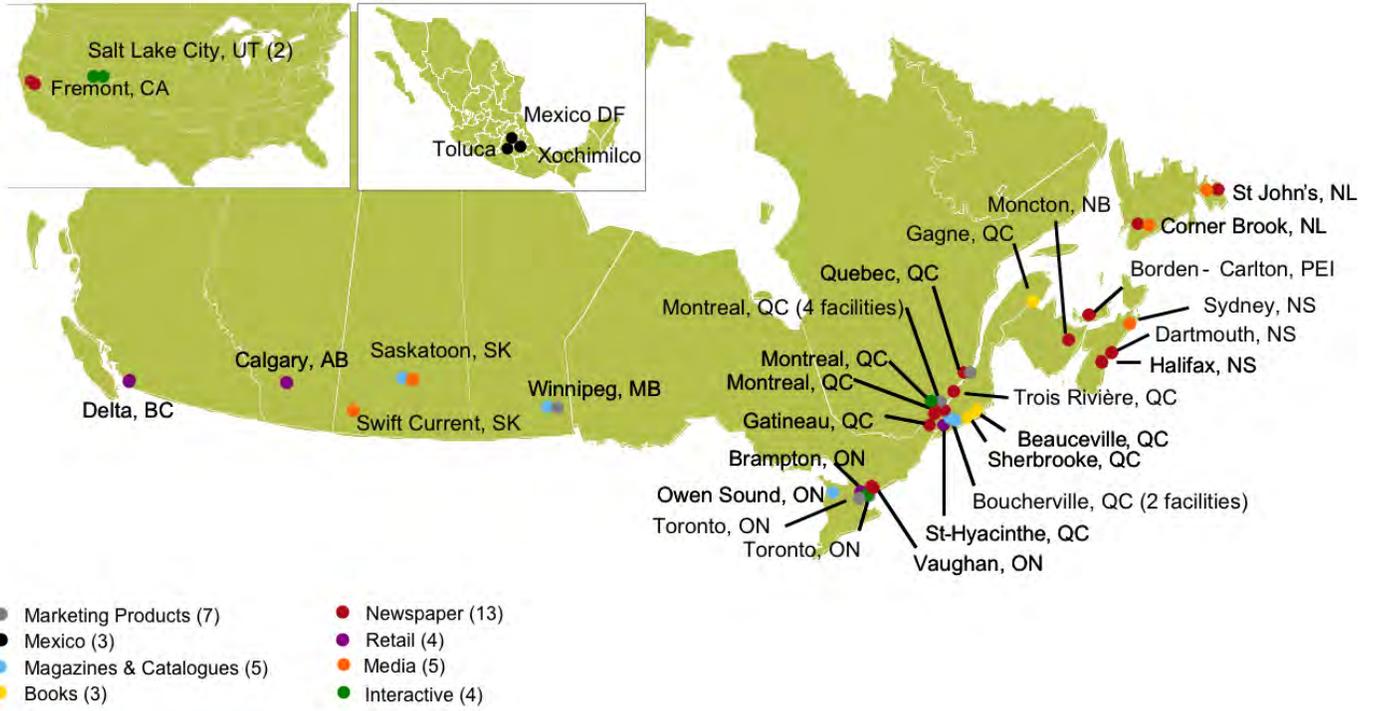
Corporate Profile

- Transcontinental creates marketing products and services that allow businesses to attract, reach and retain their target customers.
- The Corporation is the largest printer in Canada and Mexico, and fourth-largest in North America.
- As the leading publisher of consumer magazines and French-language educational resources, and of community newspapers in Quebec and the Atlantic Provinces, it is also one of Canada's top media groups. In addition, its digital platforms deliver unique content through more than 250 websites.
- Transcontinental also offers interactive marketing products and services that use new communications platforms supported by marketing strategy and planning services, database analytics, premedia, e-flyers, email marketing, custom communications and mobile solutions.
- Transcontinental (TSX: TCL.A, TCL.B, TCL.PR.D) has 10,500 employees in Canada, the United States and Mexico, and reported revenues of C\$2.1 billion in 2010. For more information about the Corporation, please visit www.transcontinental.com.
- Transcontinental is headquartered in Montreal, Quebec.

Strategy

Given the rapid changes in our industries, we are pursuing our transformation so that we can guide the activation of our customers' marketing process using our products and services, whether conventional, interactive or web-based. This we believe we can accomplish via a two-pronged approach: (1) build on our existing business and (2) develop new opportunities in interactive marketing and digital solutions. Consequently, in addition to making our existing operations even more efficient, we are ramping up the development of the new online platforms. Transcontinental is gradually shifting from a more general offer to a differentiated and innovative client-based offer that draws from all of its products and services—print and digital. Transcontinental is in fact one of the only printers in Canada with an offering that integrates print with the new one-to-one and interactive advertising tools demanded by our customers, particularly retailers. This is how we believe we can maximize our growth potential over the medium and long term. For more information about the strategy of the Corporation, please visit www.transcontinental.com.

Printing Facilities



Note: as at October 31, 2010

Media Select Brands



Other Web Portals:

Livres.transcontinental.ca,

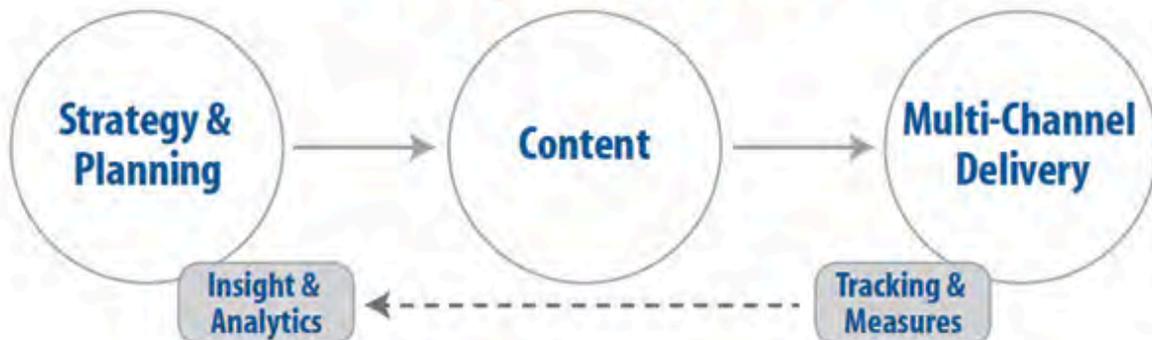
Leshebdo.com, Thehockeynews.com, Publisac.ca,

Dealstreet.ca, Weblocal.ca, Merkado.ca, Recettes.qc.ca,

Recipefeast.com, Voirvert.ca, Quebecvert.com, etc.

Interactive Marketing Services Approach

Integrated Offer



Technology

- Customer strategy
- Integrated marketing programs
- Customer insight through advanced analytics
- Measurement plans

- Content creation (visual, text and branded)
- Multi-channel content adaptation
- Content management services (CMS)

- Email marketing
- Online marketing
- Social network marketing
- Mobile marketing
- Digital promotion marketing
- Digital print on demand
- Tracking, reporting and performance analysis

Market Presence

Sectors

Printing			Media			Interactive		
	2010 Revenues 1,443 M\$	Share of consolidated revenues 66%		2010 Revenues 608 M\$	Share of consolidated revenues 28%		2010 Revenues 123 M\$	Share of consolidated revenues 6%
Retail Group	424	19%	Local Solutions Group	350	16%	Premedia Division	39	2%
Magazine Book & Catalogue Group	419	19%	Business & Consumer Solutions Group	162	7%	Digital Printing Solutions Division	34	2%
Newspaper Group	274	13%	Educational Book Publishing Group	59	3%	Custom Communications Division	29	1%
Marketing Products Group	262	12%	New Media & Digital Solutions Group	37	2%	One-to-One Marketing Solutions Division	16	1%
Mexico Group	64	3%				Digital Promotions Division	4	0%
						Mobile Solutions Division	1	0%

Note: Excludes intersegment and other activities which represents (\$82M) in 2010

Our Commitment to Sustainable Development

Transcontinental actively commits to sustainable development by integrating social, financial and environmental considerations into its day-to-day business operations and long-range planning.



The focus on sustainable development will allow Transcontinental to evolve from a Corporation founded on care, integrity and making a difference to society, to one that places the same emphasis on social and environmental performance as it does on financial performance.

The core values that have allowed the Corporation to succeed over the years— creativity and innovation, entrepreneurship, judgment and discipline, leadership, professionalism and integrity, and respect for others— will continue to be guideposts along the path to sustainability.

Key themes for success

Mobilize stakeholders: Sustainable development needs to be driven by employees at all levels of the Corporation, and will necessarily include contributions to the degree that is appropriate from shareholders, customers, host communities, suppliers and civil society partners, etc.

2010 Action: Our Sustainable Development Steering Committee, made up of employees from across the Corporation with a range of seniority, expertise and perspectives, continued its work raising awareness of sustainability issues, improving the Corporation's sustainability reporting, and developing sustainability objectives and targets. This work was validated through key stakeholder outreach.

Support innovation: Supporting and rewarding innovation is a key plank in Transcontinental's talent attraction and retention strategy, as well as being central to its ability to deliver quality, desired products to market.

2010 Action: Our Interactive sector continued to build its service offering in new marketing communications services by acquiring LIPSO and Vortex Mobile, leading providers of integrated mobile solutions. Our Media sector continued to deploy its digital strategy for

local communities by launching the pre-shopping site dealstreet.ca, revamping its French-language counterpart, publisac.ca, and introducing an online reputation management tool for advertisers.

Connect words to actions: Targets, timelines and key performance indicators will be necessary to set tangible, meaningful objectives and to measure progress towards them.

2010 Action: Sustainability objectives and targets were developed in 2010. The Corporation is now able to track progress against objectives and performance targets within its annual reporting process.

Communicate progress: Communicating challenges and progress at each step of the way is crucial to maintaining employee ownership of sustainable development initiatives, as well as keeping shareholders and other external stakeholders substantively informed. Stakeholder feedback is crucial to this process.

2010 Action: Awareness raising around sustainability issues continued in 2010 with our paper purchasing customers. In early 2011, we released our second annual Sustainability Report (this document) in a web format, along with a highlights document, to make it more accessible, engaging and reader-friendly.

Objectives and Targets

People

Develop to Attract and Retain Talent

Target: Produce Development Plans for 100% of identified Executive and senior management succession candidates in 2010.

Maintain and Enhance Employee Health, Safety and Wellness

Reduce the number of accidents and incidents

Target: Keep Lost Time Accident Frequency Rate below 1.00

Target: Improve Lost Time Accident Severity Rate to 20 by 2013.

Invest in Community Well-being

Support community cohesion

Target: Through donations and sponsorships, support the critical areas of health, education, culture, and community development to achieve mutual objectives.

Environment

Protect and Restore Ecosystems

Improve eco-paper purchases

Target: Increase the relative quantity of Gold and Gold Plus papers to 55% and decrease the relative quantity of Bronze papers to 10% by the end of fiscal year 2012

Improve the management of facility environmental aspects

Target: Improve the printing facility Environmental Management System (EMS) implementation score to 75% by the end of fiscal year 2012

Reduce emissions of Volatile Organic Compounds (VOCs)

Target: Launch initiatives to examine low VOC (volatile organic compound) printing chemicals.

Reduce emissions of greenhouse gases

Target: Reduce greenhouse gas (GHG) emissions by 15% by the end of fiscal year 2012 (Baseline 2008).

Optimize the Use of Resources

Improve waste management

Target: Implement a Waste Management Program at four printing facilities by the end of fiscal year 2012.

Reduce energy use

Target: Reduce energy consumption by 15% in printing facilities and by 10% in offices by the end of fiscal year 2012. Baseline 2008.

Prosperity

Preserve Company Value

Maintain a strong balance sheet

Target: Maintain a net debt to EBITDA around 1.5x

Maintain and enhance good governance

Target: Maintain a balanced Board of Directors with at least 2/3 independent members

Target: Increase the number of women in senior management roles to 25% (Board of Directors, Executive Management Committee and Sector Management Teams).

Invest in Future Growth

Increase efficiency

Target: Achieve a return on net assets (RONA) above the cost of capital.

Invest in innovative products, services, platforms and processes

Target: Increase the share of revenue that comes from new revenue streams to \$300 million by the end of fiscal year 2013

Our Sustainability Journey

We may not have called it sustainable development in the past, but from Transcontinental's early years as a 30-person print facility in Montreal to today's 10,500-employee Corporation operating in three countries, a long-term view has always been at the forefront of our business decision making.

The release of our inaugural Sustainability Report in 2009 was the culmination of many years of efforts to improve our social, environmental and financial performance. Making sustainable development 'business as usual' is something we continue to work at each and every day across the Corporation.

Milestones:

1993 - Environmental Policy

2000 - Code of Ethics

2002 – Corporate Disclosure Policy

2005 - Whistleblowing Policy

2005 - Insider Trading Policy

2007 - Paper Purchasing Policy

2008 - Senior manager sustainability awareness-raising workshops

2008 - Energy Policy

2008 - Global Energy Management Program

2009 - Sustainable Development Steering Committee

2009 - Inaugural Sustainability Report – Global Reporting Initiative (GRI) Level C

2010 - Corporate Social Media Policy

2010 - Formalization of stakeholder engagement

2010 - Sustainability Objectives and Targets

2010 - Sustainability Report - GRI Level B

Stakeholder Engagement

As a Corporation operating in the printing, media and interactive sectors, we have a long list of upstream suppliers and downstream customers. Our employees will always be the primary focus of our stakeholder engagement efforts. However, following the release of Transcontinental's inaugural Sustainability Report in 2009, actively and systematically reaching out to external groups and organizations that are impacted by, or have an impact on our business was identified as a priority action.



As a result, in 2010, we completed an exercise of stakeholder mapping and outreach. This began a two-way dialogue around improving both the way we report on sustainability performance, and what objectives and targets should be set to credibly attach words to actions.

The decision as to which stakeholders to consult was based on their expressed level of interest or existing engagement with the Corporation. In 2010, this list included employees, shareholders, customers, suppliers, industry associations, and non-governmental environmental organizations, including NEI Investments, Cascades, Kodak, Sappi, Rogers, SAQ, Canopy, Forest Products Association of Canada (FPAC), and the Association québécoise pour la maîtrise de l'énergie (AQME).

The feedback we received positions the company for both short and long-term success in its sustainability initiatives.

Our engagement in 2010

	HOW WE ENGAGED	FREQUENCY
Employees	Conducted an employee intranet survey on the 2009 Sustainability Report.	• Annual
	Provided training on Sustainable Development (SD) and environmental paper choices to sales teams.	• Annual
	Awareness raising on environmental good practices is provided by office green teams (Escouade Vertes) at various locations.	• Ongoing
Shareholders / Investors	Conducted an intranet survey on the 2009 Sustainability Report.	• Annual
	Conducted targeted interviews regarding the 2009 Sustainability Report and 2010 sustainability objectives and targets.	• Annual
Customers	Developed Sustainability White Papers and newsletters for website and print distribution.	• Ongoing
	Conducted targeted interviews regarding the 2009 Sustainability Report and 2010 sustainability objectives and targets.	• Annual
Suppliers	Conducted targeted interviews regarding the 2009 Sustainability Report and 2010 sustainability objectives and targets.	• Annual
Industry Associations	Conducted targeted interviews regarding the 2009 Sustainability Report and 2010 sustainability objectives and targets.	• Annual
Non-governmental organizations	Conducted targeted interviews regarding the 2009 Sustainability Report and 2010 sustainability objectives and targets.	• Annual
General public / readers	Inaugural Sustainability Report and corporate commitment featured in Annual Report.	• Annual
	Website content and reader feedback loop posted.	• Ongoing

What we heard and what we did

- **Objectives and targets**

Sustainable Development objectives and targets are needed.

This message was heard loud and clear after the release of our inaugural Sustainability Report in 2009. Objectives and targets have been included in the 2010 Report.

Are there any objectives and targets related to employee diversity?

We have not set any employee diversity targets. However, our ongoing investment in employee career development should result, over time, in higher representation of women in senior management positions. In 2010, we set a target of increasing the number of women in senior management roles to 25%.

Are there any specific objectives and goals for supporting community cohesion?

Transcontinental regularly contributes to a wide range of worthwhile initiatives and organizations in the various communities in which it operates and where our employees live and work. In 2010 our community investments totalled \$5.8 million.

- **Stakeholder engagement**

Why did you choose the stakeholders you did?

The decision as to which stakeholders to consult was based on their level of interest or existing engagement with the Corporation, and covered the gamut of suppliers, shareholders, customers, and non-governmental environmental organizations.

- **Reporting approach**

The Global Reporting Initiative (GRI) table could state whether indicators are fully or partially reported.

Every indicator in the 2009 report was fully reported. For 2010 we provided a number of partial indicators as observed in the Report's GRI table.

- **People**

You could provide more context for accident severity rate spikes.

An explanation of the inter-year fluctuations in our accident incidence and severity statistics has been added to our 2010 Sustainability Report.

You could provide more information on the Paper Purchasing Policy training for the sales force.

A discussion of the ongoing training of Transcontinental's paper sales force has been included in the 2010 Sustainability Report on Paper Purchasing.

- **Environment**

You could play a leadership role in conservation and supply chain initiatives.

As the largest printer in Canada, our paper purchasing decisions have significant impact across the forestry and paper industries. The adoption of our Paper Purchasing Policy in 2007 formalized the Corporation's commitment to progressively greening its and its customers paper purchasing decisions. This forward-looking policy also contributed to the industry climate in which partnering with non-government environmental groups was possible with the Boreal Forest Agreement in 2010 that protected huge areas of Canada's boreal forest to support biodiversity and caribou habitat protection.

You could increase sustainable forest paper purchases.

We have set a target to increase the relative quantity of Gold and Gold Plus papers we purchase to 55% in fiscal year 2012. We are actively encouraging clients to switch to environmentally preferable papers. Please read more about this in Paper Purchasing.

You could add a focus on inks.

In this year's Sustainability Report we have included a discussion on the management of ink at facilities, the positive contribution of ink purchases to recycling chain efforts, and data on the quantity and composition of the ink we use in our printing facilities, including reference to vegetable-based inks.

You could characterize footprint differences between digital media and print.

At present, we are in a position to quantify the environmental footprint of our printing activities and have included this calculation and diagram in our annual Sustainable Development reporting. A similar exercise for digital media production has not yet been conducted. Any comparison would need to quantify the full environmental footprint of the digital realm, taking into consideration the question of how the electricity is produced to power digital information transfer and storage, how computers are made and shipped to market, as well as how they are disposed of.

You could place more emphasis on paper issues, the key component of your carbon footprint.

Our Paper Purchasing Policy is the cornerstone of our commitment to improve our eco-paper purchases and contributes to protecting and restoring ecosystems. These efforts are highlighted in our Sustainability Report's section on Paper Purchasing.

With regard to the carbon footprint, we encourage our suppliers to disclose the carbon footprints of their papers so that we can make informed choices.

You could provide more context for your volatile organic compound (VOC) data.

We have added text around the provincial and national regulatory regime that frames our VOC emissions reduction efforts detailed in the 2010 Sustainability Report Environment section.

You could provide more discussion on strategic considerations relative to potential carbon regulation.

Some discussion about the current and potential regulatory regimes that frame the Corporation's carbon reduction efforts has been included in the 2010 Sustainability Report.

- **Prosperity**

You could link your social and environmental objectives back to your financial objectives.

Our three key strategic social sustainability objectives are to successfully attract and retain employee talent, maintain and enhance employee health and wellness, and invest in community wellbeing. The focus on our people and the communities they call home ensures the Corporation's continued prosperity. Our social sustainability objectives are directly linked to our two key strategic financial sustainability objectives: preserving the Corporation's value and investing in future growth.

How is compensation linked to sustainability performance?

The compensation packages, including bonus structure, for Transcontinental's Executive Chairman of the Board as well as the President and Chief Executive Officer and four other top executives are

published annually in the Management Proxy Circular. The bonus structure is tied to financial performance that, by our definition of sustainability, also reflects the Corporation's social and environmental performance. Managers' bonus structure is also partially based on annual Performance & Individual Development Management (PID) reviews that focus on progress against business targets and objectives.

Reporting Approach

In 2009, Transcontinental started producing annual sustainability performance documents and submitted a level 'C' Global Reporting Initiative (GRI) document, as confirmed by GRI's Application Level Check process.

A Sustainable Development Steering Committee was established in 2009 to lead the sustainability reporting process, and for the development of the 2010 Report this committee met six times to discuss key stakeholder feedback, prioritize issue areas, prepare thematic content and collect performance data.

In 2010, Transcontinental successfully produced a GRI 'B' report, once again confirmed through the GRI Application Level Check process. This improvement in reporting is in keeping with the Corporation's commitment to continual improvement in a measured, practical and substantive way.

The scope of information presented is based on the GRI guidelines for inclusiveness, materiality and the setting of reporting boundaries based on degree of control and significance of impact. Transcontinental is a printer, publisher and interactive marketer that operates in urbanized areas with relatively small environmental impacts, both actual and potential. Similarly, although Transcontinental exerts influence in the industry as the largest printer in Canada, the Corporation's 'significant' influence was determined to lie uniquely within the purview of its own operations and facilities. As such, the reporting boundary for all performance indicator data the 2010 Report presents is the facilities and operations in Canada, the United States and Mexico that Transcontinental owns and operates, for which it has direct control and upon which it exerts significant influence. The Corporation's wider impact and influence - both in the industry as well as on the natural and human environments in which it operates - is covered in the Report's narrative discussion about strategic challenges and opportunities, as well as in the disclosures on management approach.

Input from employees, shareholders, suppliers, customers and non-governmental organizations also helped us validate and refine our approach. Our stakeholders' sense of the utility of the information we provide as well as the transparency of its presentation is of primary concern to the Corporation and we feel it is reflected in our report structure and content. The feedback we received from key stakeholders with regard to our inaugural Sustainability Report was instrumental in helping us improve our reporting in 2010, notably by developing sustainability objectives and targets.



Statement GRI Application Level Check

GRI hereby states that **Transcontinental Inc.** has presented its report "Sustainability Report 2010: Connecting words to actions" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

28 January 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 14 January 2011 GRI explicitly excludes the statement being applied to any later changes to such material.

Reporting Scope and Content

[More about the Global Reporting Initiative](#)

Data measurement techniques and the bases of calculations

Transcontinental provides data for 35 GRI indicators (28 complete, 7 partial) that are considered relevant to our business operations and that we can measure meaningfully.

Information accountability with the Corporation

Strategy and Analysis	Information for these sections is collected by the Sustainable Development Steering Committee and validated by members of the Executive Management Committee.
Organization Profile	
Report Parameters	
Governance, Commitments, and Engagement	
Economic Performance Indicators	Information for the Prosperity section is gathered by the Finance Department and validated by the Chief Financial Officer.
Environmental Performance Indicators	Most of the environmental data is collected at the facility and rolled up for reporting to senior management through the use of an on-line environmental performance indicator dashboard that Transcontinental developed in 2009 and 2010. The information in this section is validated by the Vice-President, Procurement and Technology.
Social Performance Indicators	
Labour practices, decent work and human rights	<p>Information for this section is typically confirmed by the Vice President, Human Resources. Given that this position is currently vacant, for 2010, the information was sourced and confirmed as follows:</p> <p>Information on health and safety is sourced from enterprise software and has been confirmed by the Director, Health, Safety and Wellness.</p> <p>Talent management information is sourced from the Human Resources department and has been confirmed by the Director, Talent Development.</p> <p>Information on employment conditions is sourced from the Human Resources department has been confirmed by the Corporate Director, Human Resources.</p>
Society	<p>Donations and community investment information is sourced from the Chairman of the Board and Vice-Presidents of Finance for each sector.</p> <p>Information concerning incidents of corruption, fines or sanctions are sourced from the business units, the Internal Audit department as well as the corporate Legal Affairs department.</p>

Product responsibility	<p>Information on breaches in customer privacy is sourced from the business units and reviewed by the Director, Risk Management.</p> <p>Information with respect to product safety is reviewed by the Vice President, Procurement and Technology</p>
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Recognition and Awards

Highlights

PrintAction

In May 2010, Transcontinental prepared a submission for *PrintAction* magazine's Environmental Printing Awards. For the category "Most Environmentally Progressive Printer in Canada with more than 500 Employees", Transcontinental described its long-standing environmental efforts and more recent sustainability initiatives. We were delighted to win Gold in that category, and were also extremely proud to win the new 'Best in Show' award for the best submission.



Corporate Knights

Corporate Knights magazine recognizes Transcontinental for the seventh time as one of Canada's top 50 corporate citizens, as part of its annual rating of the social and environmental performance of Canadian companies.

Sustainalytics Jantzi Social Index

Transcontinental is listed on the Jantzi Social Index® (JSI®), a socially screened, market capitalization-weighted common stock index modeled on the S&P/TSX 60. The JSI® consists of 60 Canadian companies that pass a set of broadly-based environmental, social, and governance rating criteria which include community involvement, employee relations and the environment. Transcontinental has held its position on the Jantzi Social Index® since March 2004.



Transcontinental was a regional winner in Canada's 10 Most Admired Corporate Cultures™ program, earning a top ten position in Quebec and the Atlantic Provinces. The program recognizes leading Canadian organizations that have a culture that enhances performance and sustains a competitive advantage. It is founded and presented by Waterstone Human Capital, a professional recruitment, executive search and human resources consulting services firm based in Toronto.

The Quebec Institute of Graphic Communications

Transcontinental was rewarded with a first place prize in the *Concours Écoresponsabilité de l'industrie graphique* for its efforts in sustainable development.



League of American Communications Professionals

Transcontinental's 2009 annual report, *Working Together, Listening to Consumers*, received a Gold Award for Most Engaging annual report worldwide from the League of American Communications Professionals (LACP) 2009 Vision Awards Annual Report Competition. Transcontinental also received a Platinum Award for Most Engaging annual report in the Americas Region and a Platinum Award for excellence within its industry on the development of the annual report.



Other Awards and Distinctions Received by Transcontinental in 2010

Isabelle Marcoux was named one of Canada's Top 100 Most Powerful Women by the Women's Executive Network.

Brian Reid was declared the 2010 Most Influential Printer in Canada by *PrintAction* magazine.

Ontario's Electricity Retrofit Incentive Program (ERIP) recognizes Transcontinental RBW's air chiller retrofit as a case study for energy savings.

ThinData 1:1 Canada, of Transcontinental, won Silver at the Canadian Digital Marketing Awards.

Les Affaires reporter Martine Turenne won an Excellence Award from Caisse de dépôt et placement du Québec - Merrill Lynch.

Prince Albert Daily Herald reporter Angela Hill won recognition at the Media Awards in the Local Reporting category for her health coverage.

Western Star reporter Gary Kean won the Susan Rourke Award for his articles aimed at helping people understand the experience of those suffering from multiple sclerosis.

Transcontinental Northern California obtained Silver Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Council.

Transcontinental won 41 awards at the 2010 Gutenberg Gala.

Transcontinental Metropolitan won the Gutenberg "Webs".

CAA Magazine, produced by Transcontinental, ranked as a Top 10 magazine by the *Print Measurement Bureau* (PMB) for the second year in a row.

The Atlantic Journalism Awards recognized the outstanding quality of several Transcontinental publications and honoured Ron Ennis, ex-publisher and head of Transcontinental's regional newspapers in Newfoundland, awarding him an Excellence Award for career achievements.

On May 11, 2010, Transcontinental Media was announced as one of the Quebec Magazine Association's 2010 Grand Prize winners.

Targeo, a Transcontinental business unit that handles the distribution of Sears catalogues in the Atlantic Provinces, was nominated for a prestigious Partner in Progress award by Sears Canada.

Homemakers, a Transcontinental magazine, was honoured by the Society of Obstetricians and Gynaecologists of Canada.

Transcontinental Media won multiple awards at the 2010 Quebec Community Newspaper Grand Prize Awards.

The Atlantic Community Newspapers Association's Better Newspapers Competition gave 10 first-place awards to the Transcontinental Newfoundland and Labrador Newspaper Group.

With the help of Transcontinental Direct Montreal, Danone won the *Infopresse* magazine Grand Prize.

Transcontinental Northern California scored 98.9% in the prepress audit by the Audit Bureau of Circulations.

Les Affaires reporter Martin Jolicoeur won the Quebec-Japan bursary from the Quebec Federation of Professional Journalists.

The Western Magazine Awards recognized *Vancouver Magazine's* James Glave and Paul Webster, as well as *Western Living* magazine's Clinton Hussey.

Transcontinental received two prizes at the Canadian Online Publishing Awards.

Elizabeth Baird, former food editor of *Canadian Living*, won the Cuisine Canada Founders Award.

ELLECanada.com, ELLEQuebec.com and *More* were honoured at the P&G Beauty & Grooming Awards.

Social Responsibility in Action

As good corporate citizens, we have a responsibility to create value for our shareholders, employees and customers, and the wider responsibility to act in a way that makes a positive difference to society. This is reflected in Transcontinental's initiatives in a number of areas over the past year, including:

Reducing the waste in our Publisac operations

Publisac is the service we offer in Quebec for the distribution of retail flyers to consumers, as well as for the distribution of certain community newspapers.

To evaluate Publisac's value to consumers, and to ensure that it successfully reaches interested recipients with relevant content, Transcontinental enlisted CROP to conduct customer surveys. These surveys concluded that 95% of recipients consult Publisac's content. However, to further improve the Publisac offering, the following initiatives were implemented:

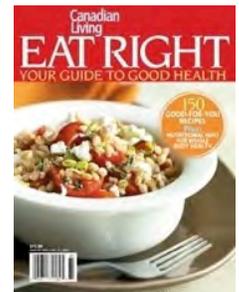
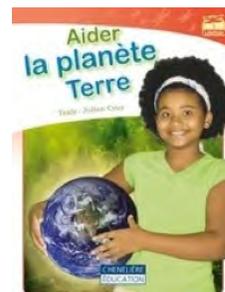
- We developed the Publi-Lobby and the Publi-Hook, tailored installations for delivery to apartment buildings and rural areas, respectively, to allow us to adjust the quantities delivered to the quantities taken by residents.
- To ensure that the content is pertinent to readers, we share market studies with our retail customers that allow them to better understand their clients' socio-demographic profile and consumer habits. In this way, retailers can better focus their flyer content and reduce the delivery of un-read material.
- We worked with various retailers and newspaper publishers who use the Publisac service to determine the best day to deliver information to consumers. The result: in many regions we have cut the number of weekly Publisac deliveries from two to one, thereby reducing the environmental impact related to transportation. There are now, on average, 1.5 deliveries per week in Quebec.
- In the last year, significant investment has been made to revamp our Publisac.ca website for Quebec and to launch a similar Canada-wide service, namely Dealstreet.ca. Web users not only benefit from the offers included in the traditional Publisac, but also have access to many additional deals.

Providing educational content in our publications

Our newspapers, magazines and websites reach a wide range of Canadians from coast to coast. The opportunity to raise awareness around sustainable development issues that touch the lives of families and business owners is one that we take seriously.

While we do not interfere with the independence of our editors or journalists, Transcontinental nevertheless encourages the publication of specialty issues, articles and magazines devoted to providing readers with interesting and useful perspectives on sustainability so that they can make informed decisions in their day to day lives.

For example, the websites voirvert.ca and visiondurable.com are geared towards a professional audience of home builders and entrepreneurs, while special editions of magazines such as *Coup de Pouce* or *Canadian Living* are focused on providing families with practical ways to save money while also contributing to society's collective sustainability efforts.



Leading by example in the industry

As one of the largest paper purchasers in the Canadian market, Transcontinental's procurement decisions have a significant impact across the forestry and paper industry.

Our development and implementation of a Paper Purchasing Policy in 2007 has resulted in a progressive shift towards the use of sustainable forestry paper, with our rates of Gold and Gold Plus paper (made with recycled or certified fibre from well-managed forests) improving from 22% in 2008 to 45% in 2010. We expect this trend to continue in the years to come.



The release of our inaugural Sustainability Report in 2009 is additional proof of the responsibility we feel to lead by example in the printing, media and interactive industries. But annual sustainability reporting is only one component of our leadership in this area. We also dedicate significant resources towards raising sustainability awareness through the ongoing training of our front-line paper sales team, as well as by developing electronic newsletters and white papers to provide our paper customers with practical, useful information on sustainable development.

Two members of Transcontinental's Sustainable Development Steering Committee are currently participating in the Carbon Footprint Working Group, hosted by Magazines Canada, to develop educational tips, tools, resources and best practices to answer the most commonly asked questions from publishers, printers, suppliers and other industry stakeholders.

Participation in industry conferences and roundtables (such as the [Paper Futures conference](#), [B2B magazine's sustainable paper roundtable](#)) is also part of the wider responsibility we assume towards putting our social, environmental and financial performance principles into practice, as is our participation on Sappi's Sustainability Customer Council.

Our efforts to improve our performance do not stop at our own doors. We understand and continue to act on the reality that the journey towards sustainability is necessarily shared across the private, public and NGO sectors.

Actively supporting multi-sector partnerships for sustainable development – Boreal Forest Agreement

In the spring of 2010, the Forest Products Association of Canada (FPAC) and nine leading environmental organizations unveiled a new agreement – the Canadian Boreal Forest Agreement. This Agreement, when fully implemented, will conserve significant areas of Canada's vast Boreal Forest, protect threatened woodland caribou and provide a competitive market edge for participating companies while maintaining essential fiber supplies for uninterrupted mill operations.

FPAC members committed to the highest environmental standards of forest management within an area twice the size of

"As one of North America's largest purchasers of Boreal forest paper products, Transcontinental was instrumental in getting 21 forestry companies to sit down with nine environmental organizations to sign the world's largest conservation initiative, the Canadian Boreal Forest Agreement.

Transcontinental will continue to play a critical role in supporting the conservation community, forest industry and government to turn this Agreement into action over the coming three years."

Nicole Rycroft, Canopy, Executive Director

Canopy is a non-governmental organization that is committed to safeguarding forests and the environment by harnessing the power of the marketplace and changing business practices.

Germany. For their part, conservation groups committed to global recognition of this effort and to support FPAC member efforts.

Environmental groups, including the three organizations that have been mobilizing large customers towards green products, say the coming together of two traditional adversaries reflects a new commitment to a common goal.

“Together FPAC member companies and their ENGO counterparts have identified a more intelligent, productive way to manage economic and environmental challenges in the Boreal that will reassure global buyers of our products’ sustainability. It’s gratifying to see nearly a decade of industry transformation and hard work greening our operations, is culminating in a process that will set a forestry standard that will be the envy of the world.”

Avrim Lazar, President and CEO of FPAC

“This is our best chance to save woodland caribou, permanently protect vast areas of the Boreal Forest and put in place sustainable forestry practices. Concerns from the public and the marketplace about wilderness conservation and species loss have been critical drivers in arriving at this Agreement.”

Richard Brooks, Forest Campaign Coordinator of Greenpeace Canada

Link to [The Canadian Boreal Agreement website](#)

Taking responsibility for all stages of a product's lifecycle

We recognize that we need to consider the environmental impacts at all stages of a product's lifecycle - in the selection of our raw materials, in our production process, in the use of the product by a consumer and in what happens to the product after its use.

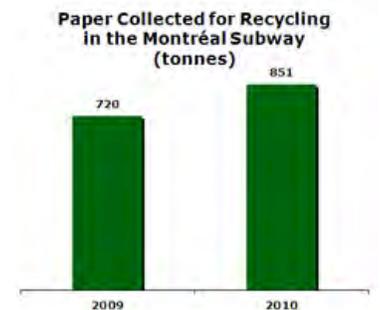


We demonstrate to paper producers that there is a demand for recycled paper through our Paper Purchasing Policy that places recycled paper at the top of the hierarchy of environmental papers. This allows paper recovery companies to find outlets for their sorted materials.

Many of our products can be diverted from landfill through recycling so we participate in the design, implementation and promotion of programs available to our consumers.

1) Métro in the Montreal Subway

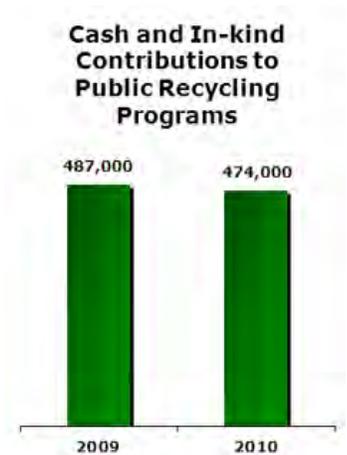
This year, we recovered over 850 tonnes of paper in the Montreal subway system, where Transcontinental had a contract to distribute its *Métro* newspaper until December 2010. Collection points are set-up at the exits of the transit system. Of course, more than just the *Métro* is recovered. *Métro* donates 20% of the revenue from the recycled paper to the Literacy Foundation.



2) Support for Municipal Curbside Recycling

Other programs take the form of government agreements, such as the contributions made in Ontario and Quebec to municipalities to fund curbside recycling. Transcontinental is a contributor to:

- Eco-Entreprises, the industry association responsible for co-funding curbside recycling of packaging and printed matter in Quebec, including the Publisac bag;
- RecycleMédias, the industry association responsible for co-funding recycling of Quebec publications. Transcontinental currently chairs this association. Advertising space is given to the promotion of recycling programs; and,
- Stewardship Ontario, the industry association responsible for funding recycling in Ontario.



Overall, Transcontinental has contributed \$474,000 to such programs in 2010.

3) New, Certified Recyclable Bags

Working with Eco-Entreprises and Recyc-Québec, Transcontinental decided to shift from using oxo-biodegradable bags for Publisac to recyclable plastic bags certified under the Bureau de Normalisation du Québec (BNQ)'s new standard 3869-911, finalized in September 2010. The certification ensures that the mix of plastics and additives used in the manufacture of the bag are compatible with recycling processes. The change will take place over the next year as suppliers obtain certification. The recommendation came after Recyc-Québec studies showed the benefits of moving the bags up the 3RVE hierarchy and a new willingness of consumers to take advantage of recycling programs. Our recent CROP survey showed that 82% of recipients recycle their Publisac, while a further 13% use it for another purpose in the home.

Please recycle your Publisac!

Please place the paper content in your recycling bin, and collect plastic bags together. Please do not place the paper content back in the bag, as this impedes rapid sorting at the recycling centre.

Thank you!



PEOPLE

Transcontinental 2010
Sustainability Report

We are keenly aware that people are at the core of our business, from the 10,500 employees in three countries that create our print, media and interactive products and services, to the families that make us part of their day-to-day lives.

Transcontinental strives to be a great place to work for its employees by providing a safe, stimulating and inclusive environment. Professional development and the support of employee-driven innovation are the foundation of the Corporation's talent attraction and retention strategy and enable us to continue providing products and services of value.

We also strive to make a positive difference in the communities where we operate by investing in worthy local causes and organizations through donations and sponsorships.

Our sustainability efforts in this area are focused on three strategic objectives:

- 1. Maintain and Enhance Employee Health, Safety and Wellness**
- 2. Develop to Attract and Retain Talent**
- 3. Invest in Community Well-being**

Accidents and Incidents

Employee health and safety is a core value at Transcontinental. Maintaining a safe and healthy work environment is our first priority.

Transcontinental's Health, Safety and Wellness (HSW) Department manages the Corporation's efforts in this area through the *Vigilance* Program, supported at the facility level by local HSW Committees. The *Vigilance* program is the umbrella for all of Transcontinental's HSW activities and initiatives. It is a corporation-wide prevention program that encompasses policies, procedures, standards, legislated programs and best practices in health, safety and wellness.

Le Service de SST-ME applique aussi un programme d'audit basé sur des normes internationales et communique les résultats au Comité de vérification du conseil d'administration annuellement. En 2010, 18 audits ont été réalisés par le Service de SST-ME. Le taux de conformité aux standards du programme-cadre *Vigilance* de Transcontinental était de 80 %.

The HSW Department also conducts an audit program based on international standards, with results communicated to the Audit Committee of the Board of Directors on an annual basis. In 2010, 18 audits were conducted by the HSW Department and the conformance level to the standards of Transcontinental's *Vigilance* prevention program was 80%.

Overall, Transcontinental's health and safety performance in 2010 remained well above the industry average. We measure this by looking at the insurance assessment rate established by worker compensation boards in each province, based on each business unit's record. Transcontinental's average assessment rate for all Canadian business units (all classifications) was \$1.11, which is 21% lower than the industry average of \$1.40. Also worth noting is the average rate for Transcontinental's Quebec-based business units (\$0.95) which is 39% lower than the provincial industry average of (\$1.55).

As assessment setting systems in the United States and Mexico are different, data in these countries is not available in terms of rates. However, we can make a comparison between the incurred costs of the business units. In 2010, these costs represent, in percentage of insurable payroll:

- 1.08% in Mexico
- 1.17% in the United States

In 2010, the accident frequency rate was 0.98 accidents per 200,000 worked hours compared to 1.08 in 2009. Our objective is to keep the frequency rate below 1.00 accidents per 200,000 hours worked.

There were 93 lost time accidents in 2010 compared to 125 in 2009.

In 2010, our accident severity rate was 32.01 lost days per 200,000 worked hours compared to 44.58 in 2009. The decrease in the severity rate in 2010 is due primarily to the effectiveness of our Return-to-Work program as well as to the sale or closure of a number of business units.

We strive to become an industry leader in health and safety performance and will continue to work toward reaching our target rate of 20 lost days per 200,000 worked hours by 2013.



Accidents and Incidents

Objective:

Reduce the number of accidents and incidents

Target:

Keep Lost Time Accident Frequency Rate below 1.00

and

Improve Lost Time Accident Severity Rate to 20 by 2013

Status in 2010:

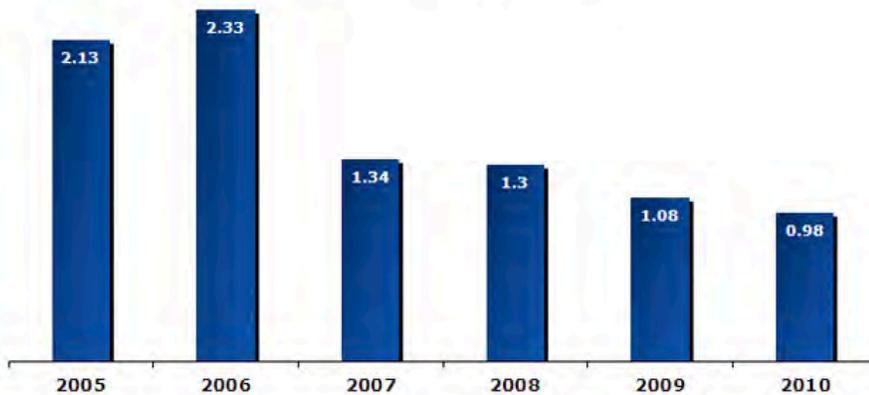
Frequency Rate: 0.98 lost time accidents per 200,000 worked hours – calculation: (number of lost time cases) x (200,000 hours) / (total worked hours)

Severity Rate: 32.01 lost days per 200,000 worked hours – calculation: (number of lost days) x (200,000 hours) / (total worked hours)

Performance to date

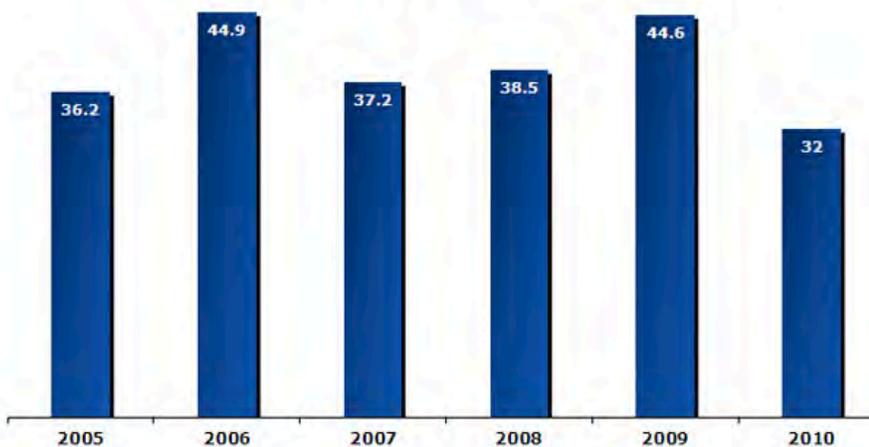
Lost Time Accident Frequency Rate

**Lost Time Accident Frequency Rate
(number of lost time cases
per 200,000 hours)**



Lost Time Accident Severity Rate

**Lost Time Accident Severity Rate
(number of lost days per 200,000 hours)**



Employee Wellness

Investing in the wellness of our employees means continually working to eliminate accidents and injuries along with actively supporting healthy lifestyle choices and work/life balance.

This commitment to wellness is instilled in employees from day one, and reinforced with corporate initiatives and awareness-raising that keep health, safety and wellness top of mind and allow employees to make better choices outside of work.

The *Vigilance* program promotes wellness through targeted awareness initiatives that take place throughout the year in all Transcontinental business units. Training and/or information sessions, information pamphlets and posters, contests and participation prizes were offered in the following areas.

January: Tobacco-free Month Challenge

February: Heart Month

March: Nutrition Month

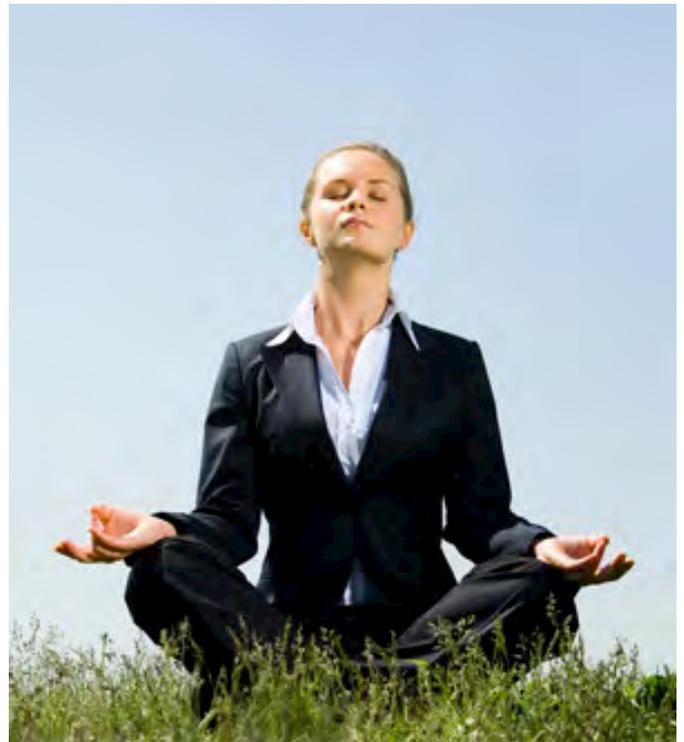
April: Cancer Awareness Month

May: North American Occupational Safety and Health Week

October: Fire Prevention Week

October to December: Seasonal Flu Vaccination

November: Mental Health Month



In addition, with the support of the HSW Department, each business unit is required to develop a targeted action plan to address its workplace-specific issues. The audit process of the HSW ensures the continued monitoring of each business unit's performance.

Employee Training and Development

At Transcontinental we recognize that our employees are the driving force behind our success and one of the key pillars (along with our clients and shareholders) that enable our business to grow and transform successfully.

In order to support the professional growth of our people and ensure that they are prepared to face industry-challenges, Transcontinental has implemented a Talent Strategy that in 2010 included a range of initiatives:

Performance & Individual Development Management (PID)

We encourage our managers and employees, at a minimum of twice a year, to review their progress in terms of performance against established business targets and objectives, and to identify and work on their development needs. In fact, a portion of the managerial bonus structure is contingent on the completion of these reviews.

Leadership Reviews

The main goal of leadership reviews is to accelerate the development of our employees. Leadership Reviews are performed on an annual basis across the organization (with a minimum of one to two follow-up meetings during the year).

Development & Training Programs

Some examples of development programs offered to our employees are:

- **Mission Leadership:** A two day training program aimed at developing our manager's basic management skills such as communication, decision making, empowerment, delegation and coaching.
- **Accountability and Candour Training:** A one day training session aimed at developing collaboration and accountability among team members.
- **Transformation Training Platform:** An on-line training tool available to employees that includes a catalogue of over 400 courses that cover a wide array of work skills.
- **Codevelopment Groups:** This provides our employees with concrete coaching opportunities. This training approach is based on action and it focuses on the interaction among participants in order to achieve/resolve a common business objective.
- **360 Feedback:** This provides employees the opportunity to build a picture of their skills as a leader, their impact on others and the areas they need to develop.
- **GARE (Gestion Active de la Relève Émergente) / T.R.A.IN (Talent Reinforcement through Active INtegration):** A development strategy aimed at positioning the ownership and responsibility of professional development on identified successors. As a result, successors benefit from access to a 70-20-10 development plan, a follow-up on development progress, and exposure to career opportunities.
- **Supervisors Development Options Tool:** A general tool that provides managers and employees information and tips on ways to develop individuals in front-line leadership roles.

We remain committed to the development of our employees and to continuously finding new ways of providing professional opportunities that support career growth and internal management succession. This investment in the Corporation's key asset—our people—positions us for continued long-term success.

Employee Training and Development

Objective:

Develop to attract and retain talent

Target:

Produce Development Plans for 100% of identified Executive and senior management succession candidates in 2010.

Status in 2010:

100% of development plans were completed for Executive and senior management succession candidates

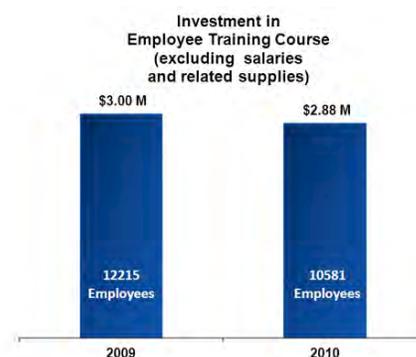
Performance to Date:

Number of employees: **10,581**

Number of managers who have completed Performance and Individual Development Reviews: **Over 1,050**

Percentage of managers receiving regular performance and career development reviews: **100%**

Management positions filled through internal promotions: **84%**



Community Cohesion

Transcontinental invests in the communities in which its employees live and work by contributing to worthwhile initiatives and organizations in the areas of health, education, culture, and community development. We provide direct funding for events as well as donations in kind, such as free printing and advertising space.

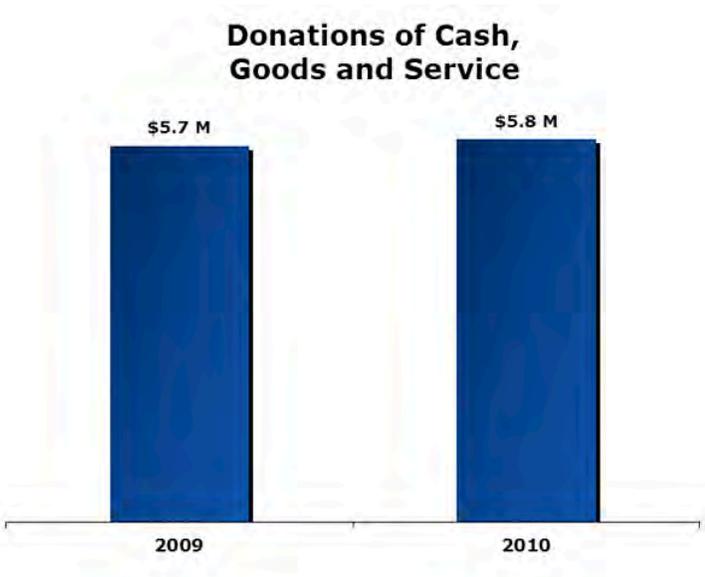
Contributions by Transcontinental:
\$5,8 million



In addition, we are proud of employee-led fundraising initiatives in the workplace.

Many of our employees are also active volunteers in their communities, including President and CEO François Olivier, who has been on the Québec Centraide Steering Committee since 2008 and is currently serving as President of the Executive Committee for the organization's Communications Division.

Performance to date



Communauté

Objective:
Support Community Cohesion

Target:
Through donations and sponsorships, support the critical areas of health, education, culture, and community development to achieve mutual objectives

Status in 2010:
Donations and sponsorships:
\$5.8 million

Employment Conditions

Management Approach

Goals

Transcontinental is committed to the health, safety, wellness and professional development of its employees and puts significant resources into these efforts. Zero accidents is always the goal along with a healthy, engaged workforce.

One of the many positive outcomes of the Corporation's efforts in the area of professional development and mentoring will be a more balanced gender and age distribution on the Sector Management Teams and Executive Management Committee over time.

Guidelines

Transcontinental acknowledges the United Nations' Universal Declaration of Human Rights, as well as the International Labour Organization's Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration). The Corporation's labour practices are in accordance with these international standards. Transcontinental facilities in Canada, the United States and Mexico adhere to the labour laws of each respective country, including minimum-age requirements for employees.

The Transcontinental [Code of Ethics](#) is a guiding document for all employees. It is widely distributed and establishes rules with respect to integrity, confidentiality, conduct and conflicts of interest. The document's clear guidelines for the highest standard of ethical behaviour apply at all levels of the Corporation, each and every day.

Occupational Health and Safety is led by the Corporation's Health, Safety and Wellness Department with the support of HSW committees at the facility level. *Vigilance* is the umbrella program for wellness activities, policies and best practices; every year it rolls out a myriad of educational tools to employees.

Organisational Responsibility

Transcontinental's 13-person Board of Directors, two-thirds of whom are independent, are ultimately responsible for all corporate compliance matters. Labour matters across all business sectors are the responsibility of Transcontinental's Vice-President of Human Resources, who reports to the Executive Management Committee led by President and Chief Executive Officer François Olivier.

Procedures Related to Training and Awareness

The 37 members of Transcontinental's Sector Management Teams are provided regular information and training regarding regulatory and corporate policy changes in the areas of labour/management relations and occupational health and safety.

Monitoring

Employment issues are reviewed on a regular basis through a number of sector management review channels



Employment Conditions

Indicators:
Workforce by region:
Canada: 9,450
United States: 336
Mexico: 795
Total: 10,581
Employee Wages and Benefits: \$666.8 million
Employees covered by collective bargaining agreements : 20.4%
100% of workforce represented in formal health and safety committees
Percentage of managers receiving regular performance and career development reviews : 100%

Related Documents

[Code of Ethics](#)

Product Responsibility

Health and safety impacts of products and services

Transcontinental makes every effort to ensure that its printing, media and interactive marketing products and services are safe for consumers, including children. We sample and test our products to ensure they are safe, and obtain relevant certifications as required. Transcontinental also works with suppliers to reduce the use of controlled substances in the printing process.

New rules under the Consumer Product Safety Improvement Act (CPSIA) came into effect on August 14, 2009. The new rules address the concentration of lead and phthalates (chemicals used to soften plastic) in products intended for use by children under the age of 12 in the United States, including books. The rules require manufacturers to demonstrate that lead or phthalates are not present in the product at concentrations above the allowable amount. Certifications by third-party laboratories are required in most cases.

- [Link to Letter concerning CPSIA.doc](#)
- [Link to Letter concerning REACH.doc](#)



Practices related to customer satisfaction, including results of surveys

Transcontinental also works to ensure that its products are valued in the marketplace, and regularly conducts phone and web-based surveys to generate both quantitative and qualitative customer satisfaction data. In 2010, this included a CROP phone survey of Publisac customers confirming that:

- 95% of respondents stated that they look at the Publisac contents and of those, 93% do so weekly; and,
- 82% of respondents stated that they recycle the Publisac after consulting it, while 13% put it to an alternate use.

We respect the wishes of consumers who have expressed the desire not to receive the Publisac and do not deliver it to households where a pictogram (issued by either Transcontinental or the municipality/town) is displayed on the mailbox.

Adherence to marketing standards

Transcontinental is subject to a number of laws and voluntary standards pertaining to advertising standards and consumer privacy. These include:

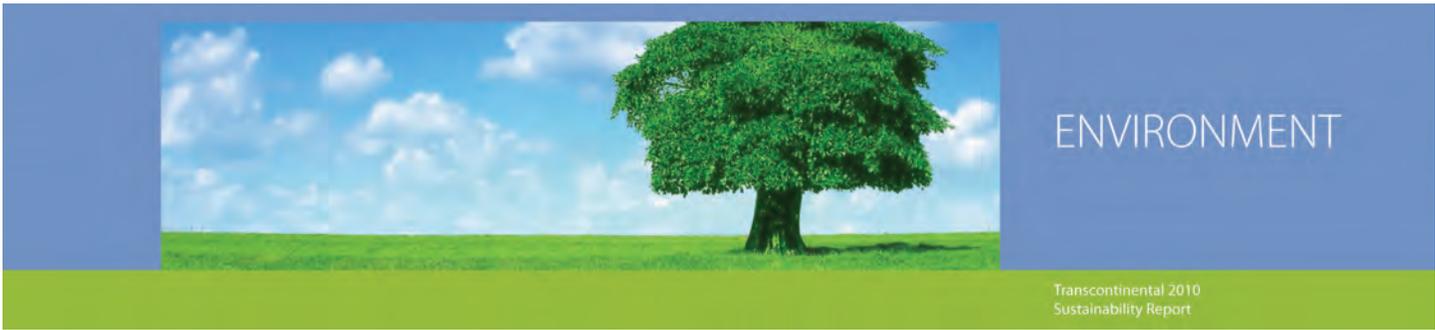
- the CAN-SPAM Act that sets the rules for commercial email, establishes requirements for commercial messages, gives recipients the right to opt-out, and spells out penalties for violations;
- the Personal Information Protection and Electronic Documents Act that governs how private sector organizations collect, use and disclose personal information in the course of commercial business;
- the Canadian Marketing Association's Code of Ethics, specifically its Internet privacy policy;
- the Canadian Code of Advertising Standards that sets out criteria for truthful, fair and accurate advertising; and,
- the standards of the Flyer Distribution Standards Association.

The President of our Media sector is a member of the Board of Directors of Advertising Standards Canada.

In the past year, there were no material incidents of non-compliance with respect to advertising, promotion and sponsorship regulations and voluntary codes.

Substantiated complaints regarding privacy breaches: 1

Transcontinental discovered that an unauthorized party gained access to personal information from a legacy website hosted by Transcontinental on behalf of a third party. As soon as the incident was reported, the appropriate steps were taken to limit any damage to individuals and prevent further incidents. No complaints were received resulting from this event. This was the only such incident. With our security process and tools, we believe our security measures generally protect adequately the privacy and confidentiality of customer information.



Transcontinental's commitment to the environment has been core to our business since the publication of our Environmental Policy in 1993. The policy is bolstered by corporate requirements, the sharing of best practices and appropriate training to ensure implementation at printing facilities.

Performance at our printing facilities is monitored on a monthly and annual basis. In 2009, we introduced a technology-based system to track our key environmental performance indicators, such as waste, greenhouse gases and spills. This system provides us with the information we need to set performance improvement objectives and targets for 2010 and beyond.

Sustainability efforts are focused on two strategic objectives:

1. Protect and Restore Ecosystems
2. Optimize the Use of Resources

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

Issues at the facility level are the responsibility of Plant Managers, who report to the corporate Environment Coordinator, as well as to the Sector Management Team. A quarterly report on activities is also produced for senior management and is shared with the Legal Department, the Director of Risk Management, the Audit Committee and the Chief Financial Officer.

The Environment Coordinator works within the Materials, Real Estate and Operations team, in close collaboration with the Team Leader, Energy Efficiency, Environment and Procurement.

Paper Purchasing

Forests play a vital role on the global stage. They provide filtration for our water and purification of our air. They absorb and store carbon dioxide and help regulate the global temperature. Forests are biodiverse and a sustainable source of food and wood-based products.

As paper is the largest input into our printing facilities, we work to ensure that we do not contribute to forest loss or ecosystem deterioration when we make our products. We believe that using recycled fibre is an excellent way to do this. We also believe that forests can be sustainably harvested, paying attention to rates of re-growth, diversity of species and age, soil erosion, high conservation values and social issues.

The best way for us to ensure that a wood supply is sustainable is to encourage suppliers to certify their forest under a recognized sustainable forest management system, and for all operators in the supply chain to have a chain of custody certificate to track the paper from the forest to the printing facility. With this aim, in 2007 we introduced a Paper Purchasing Policy that states a preference for recycled fibre and for fibre from forests certified under a sustainable forest management system.

Paper choices

Since then, we have been working with suppliers to ensure that customers can make informed decisions when selecting paper for their projects. To do this, we devised a classification table to rank paper fibre, which provides a clear definition of environmentally preferable papers.

In 2010, we continued our efforts to inform customers about their buying choices and encourage a switch to environmentally preferable paper. Our sales force is trained to educate customers about the benefits of environmental papers. To continue informing customers about the best paper choices to meet their needs, our sales force participates in conferences and hosts customer information sessions on an ongoing basis. For example, our Paper Supply Coordinator, participated in a discussion panel to present ways to lighten the environmental footprint using certified and recycled papers; this panel was organized and reported by the industry magazine *Purchasing b2b*.

Target

In late 2009, we set ourselves a double objective: to increase purchase of paper ranked Gold and Gold Plus from 22% in 2008 to 55% in 2012, and to decrease our purchase of Bronze-ranked paper from 23% in 2008 to 10% in 2012.



Paper Purchasing

Objective:

Improve eco-paper purchases

Target:

Increase the relative quantity of Gold and Gold Plus papers to 55% by the end of fiscal year 2012

and

Decrease the relative quantity of Bronze papers to 10% by the end of fiscal year 2012

Status in 2010:

45% Gold Plus and Gold
11% Bronze

Performance to Date:

Paper purchased in 2010:
548,000 tonnes

Related Publications

[Paper Purchasing Policy](#)

[Paper Classification Table](#)

[Purchasing b2b panel on](#)

[Paper Options](#)

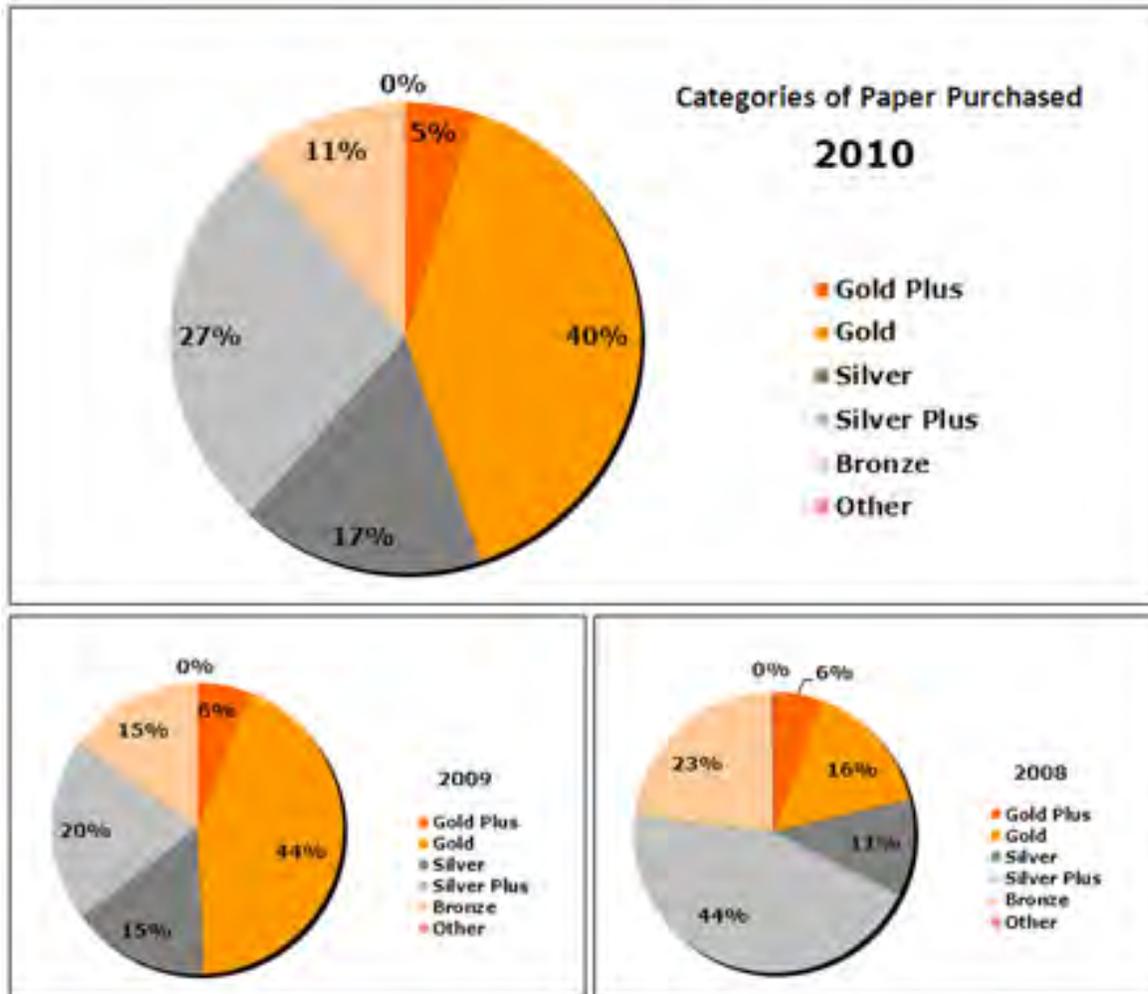
[Boreal Forest Agreement 2010](#)

Results to date

Significant progress towards this goal has been made. In 2009, our Gold and Gold Plus paper purchases increased to 49%-- clear progress towards our goal of 55% by 2012. However, two key factors impeded our 2010 results:

- the definition of recycled content was revised in order to correspond to the ISO14021 standard which excludes wood chip produced as co-products at sawmills.
- a key supplier, paper and cardboard company Atlantic Packaging Products closed its plant east of Toronto; it was Canada's first 100 per cent recycled newsprint plant.

Our Gold and Gold Plus purchases are at 45%, while our Bronze purchases have steadily been decreasing and are now at 11%.



However, we have secured a number of new contracts for more certified paper for 2011 and are optimistic about reaching our 2012 target.

Chain of custody (CoC)

Customers also want reassurance that their products are printed on paper that contains a large portion of recycled fibres or comes from a well-managed forest. Some customers may themselves want to externally promote their responsible choices, made in consideration of both the environment and society.

Because it is important for Transcontinental to respond to those customer needs, in 2009 we put in place chain of custody certification. As a printer, we are a key player in the supply chain that takes fibre from a certified forest and turns it into a customer product. Each link in that chain must be validated with a chain of custody certificate in order to print the appropriate forestry logo on the printed product.

Transcontinental obtained independent third party chain of custody certification for all our Canadian facilities as well as for Rastar in the US. We opted for triple certification. This means that when a customer requests certified paper, the applicable logo can be printed, whether Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) or Program for the Endorsement of Forest Certifications (PEFC).

These logos represent important visual cues to those seeking assurance that the paper they are holding has come from a well-managed forest, independently verified against FSC®, SFI® and PEFC standards while continuing to offer our print customers some flexibility.

Internal and external audits of our tracking system were performed throughout the year. All our facility certifications were maintained in 2010.

Facility Environmental Management

Environmental Management Systems

Environmental Management Systems (EMS) such as ISO 14001 allow facilities to identify their environmental aspects and manage them according to policy needs, corporate best practices and legislative compliance requirements. These systems operate in a Plan - Do - Check - Act cycle of continuous improvement and thorough record keeping.

Transcontinental has developed an environmental management system based on ISO 14001 for implementation at its printing facilities. The level of implementation varies, and some facilities have obtained external certification of their systems.



EMS Implementation Target

By the end of fiscal year 2012, our goal is to achieve a level of EMS implementation at our printing facilities of 75%. We are currently compiling the information under our recently developed scoring system. The level of implementation is assessed as part of each facility's environmental legislative compliance audit. Each of the 17 elements of the EMS are assessed and reported to form a facility score. Under the corporate audit program, each printing facility is audited every three to five years, depending on the equipment and location of the facility.

Implementation support for this improvement will come from the Manufacturing Efficiency Committee's program that identifies and addresses opportunities for improvement and the new focus on Environment highlighted through the Enterprise Risk Management program.

Compliance to legislation

Compliance to legislation is assured through systematic tracking of legislative changes using an on-line update service and a corporate audit program covering all facilities with printing operations.

As part of our compliance audit program, we invite external auditors to assess our facilities to complement our internal auditing practices.

Facility Management

Objective:

Improve the management of facility environmental aspects

Target:

Improve the printing facility EMS implementation score to 75% by the end of fiscal year 2012.

Status in 2010:

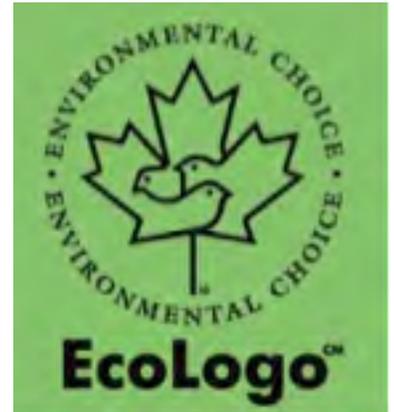
Average facility implementation score across our 43 printing facilities (Print and Media Divisions): under development.

Training

Facility personnel are trained regularly on environmental issues, including on how the management system works and internal and external reporting requirements.

EcoLogo

In 2010, five printing facilities successfully applied for certification under the federal program EcoLogo, bringing the total to six. EcoLogo certification addresses the type of chemistry used in the printing process as well as recovery, recycling and pollution reduction equipment. Other facilities are evaluating the business case for certification.



Reducing VOCs

Volatile Organic Compounds (VOCs) are released from the printing process as ink dries and during press cleaning. VOCs are a large group of chemicals with differing properties. Photochemically reactive VOCs contribute to the formation of smog and can be detrimental to the health of employees. We therefore capture VOCs coming from the dryers and incinerate them in powerful afterburners.

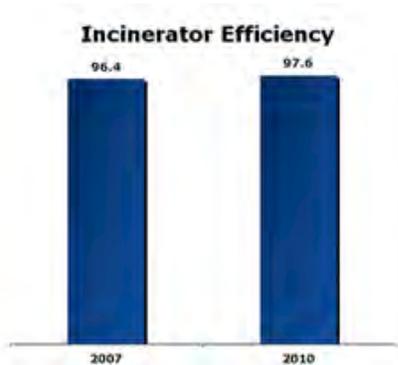


However, some fugitive emissions from printing operations escape from the press area to the outside, especially during press cleaning. We track VOC releases using mass balance calculations and report them to the National Pollution Release Inventory for Canadian operations.

In 2010, we released approximately 766 tonnes of VOCs, down from 826 tonnes in 2009. The reduction is explained primarily by the global economic slow-down, as the emission per \$1000 of value added (VA) by the printing facilities has remained near constant at 0.82 kg/\$1000 VA. These figures differ from those stated in last year's report due to a change in the reporting and estimating methods. We are now tracking more products that contain VOCs than in the past and have refined our calculations to better reflect the printing set-up at different facilities.

Efficiency of incinerators

Critical to the destruction of VOCs is the efficiency of incinerators. These powerful afterburners should operate at maximum efficiency at all times. We have therefore implemented a comprehensive preventative maintenance program and track equipment efficiency. Since the implementation of this program, the average incinerator efficiency has improved by 1.21%.



Reducing VOCs

Objective:

Reduce emissions of VOCs

Target:

Launch initiatives to examine low VOC printing chemicals

Status in 2010: 766 tonnes

VOC reduction at source

Rather than using natural gas to destroy these pollutants, we would like to reduce pollution at the source. In support of our objective to reduce VOCs, we are launching a thorough examination of the products that we use and will evaluate the feasibility of reducing VOC content. The following table presents areas of interest.

Product Category	Current use - typical VOC content (% range)	Current alternatives available - typical VOC content (% range)	Possibility of lowering VOC content	Action to be developed
Heatset Ink	30 to 42	30 to 42	None at present	Encourage suppliers to develop lower VOC products
Coldset Ink	5 to 22	0 to 22	0 to 8	Switch to lower VOC products after appropriate testing
Fountain Solution	0 to 12	0 to 12	For some sectors only	Switch to lower VOC products after appropriate testing
Blanket Wash	75 to 98	10 to 98	10 to 30	Switch to lower VOC products after appropriate testing
Roller Cleaner	100	100	None	Reduce and control consumption

Greenhouse Gases

Climate change is affecting the planet and has started to affect our business, not just because we must take into account the impacts of emission taxes or trading schemes, but also due to the direct impacts on our supply chain. The spread of the mountain pine beetle is currently devastating the forests of British Columbia. Milder winters mean that the beetle or their larvae no longer die off during the winter months. Huge tracks of forest that we depend on for paper, our principal raw material, are now affected. While this has not yet had an impact on our ability to source paper, it is a stark reminder that climate change must be taken seriously.



As a result of this and other business drivers, Transcontinental is moving to maximize operational efficiency and encourage a transition to low-carbon fuels and renewable energy. Our principal efforts relate to energy efficiency and are detailed in this report's Energy section.

Specific initiatives to reduce greenhouse gases

In 2010, we converted a number of forklift trucks used in our Quebec facilities from propane to electricity. This simple measure has improved plant air quality, and reduced our energy bill and greenhouse gas emissions, since electricity in Quebec is generated principally from hydroelectric energy.

Tracking performance

For a number of years, we have tracked our fuel and electricity use and have calculated the associated greenhouse gas emissions, reporting our results and actions to the Carbon Disclosure Project since 2006.

In 2010, we achieved a 20% reduction in our emissions relative to 2008. When we look at the emission intensity of our operations, measured as the amount of emissions related to producing \$1000 of value added in our printing operations, we also achieved a significant reduction of 11%. The reductions are mainly due to:

- The closure or sale of a number of United States operations in states where electricity was predominantly generated from fossil fuels;
- The re-organization of some business units and the more efficient use of space; and,
- The numerous energy efficiency projects implemented in 2010

We will continue to seek new opportunities to further reduce our greenhouse gas emissions.

Greenhouse Gases

Objective:

Reduce emissions of GHG

Target:

Reduce greenhouse gas emissions by 15% by the end of fiscal year 2012

Baseline 2008

Status in 2010:

20% reduction in emissions in tonnes

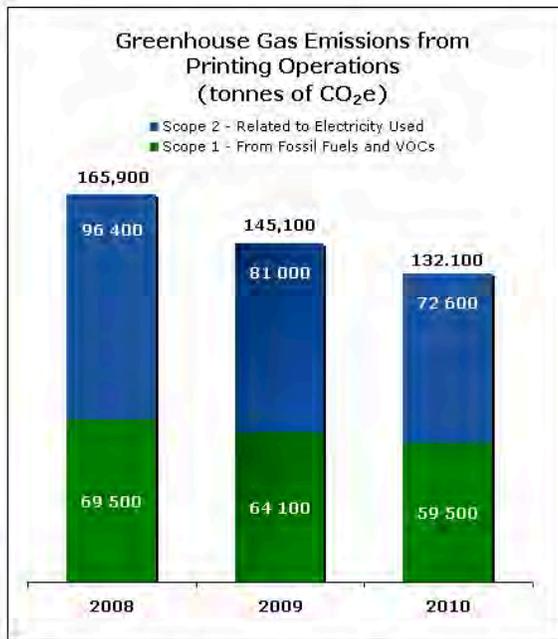
11% reduction in emissions relative to production (tonnes per \$1000 of value added)

Related Information

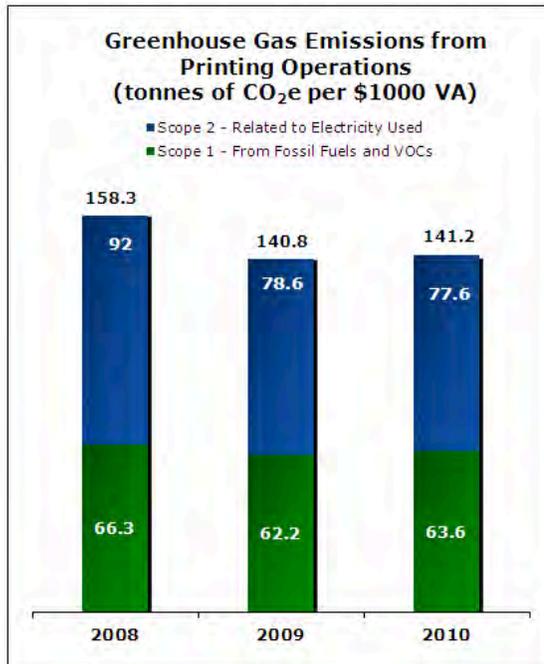
[Mountain Pine Beetle BC Ministry of Forest and Range](#)

[Carbon Disclosure Project](#)

Performance to date

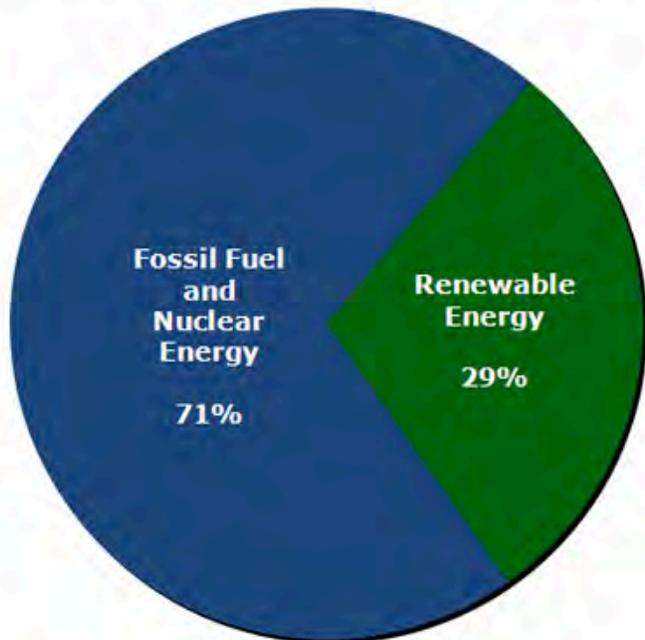


The 2008 and 2009 figures are re-stated. The emission factors for electricity related emissions are re-published by the government annually. Our figures have changed as a consequence.



The 2008 and 2009 figures are re-stated. The emission factors for electricity related emissions are re-published by the government annually. Our figures have changed as a consequence.

Origins of Energy Used in 2010 including Electricity Sources



Wastewater Discharges

Some components of printing chemistry are not suitable for release to municipal sewer systems. For example, prepress chemistry is often slightly acidic or alkaline and may damage sewer pipes over the long term if not neutralized before discharge. Similarly, used fountain solution can pick up metal or other contaminants from the inks on the press or may contain flammable liquids that could cause gases to accumulate in the sewer system.

Through our printing facility environmental management system and compliance audit plan, Transcontinental ensures that process discharges not suitable for municipal sewer systems are recovered and sent for disposal according to legislative requirements.

Transcontinental is proceeding with a characterization of the discharges to better understand their environmental impact. This work began in 2010 with ten facilities participating in sampling programs. Once sufficient data has been gathered, a portrait of our global discharges will emerge. The target date to complete this work is the end of fiscal year 2012.



Controlled Substances

In the various printing chemicals and maintenance products that we use, there are small amounts of substances that have been identified for control by government agencies. These are substances that can, under certain conditions and at certain concentrations, be considered harmful to humans or to the environment even if the use of the products is not restricted.

While our printing facility environmental management systems and our compliance audit programs ensure that we use these products responsibly in accordance with all regulations, and that they are disposed of according to legal requirements, we recognize that it would be better to reduce and eventually eliminate their use.

In 2010, we worked on a computer-based tracking tool that allows us to identify and measure the various controlled substances in the products that we use across our printing facilities. Not only will this give us access to more accurate information for reporting the use of controlled substances, but it will also allow us to focus efforts and work with suppliers on finding alternative product formulations.



Waste Management

Implementing a facility Global Waste Management Program

In 2010, two facilities worked on comprehensive waste management programs that aim to segregate different waste streams as waste is generated and divert that waste from landfill. While paper recycling has been a long-standing practice, other materials have not been the focus of recycling or recovery efforts in the past.

The program follows the 3RVE hierarchy, where efforts are made to first:

- Reduce the amount of waste generated, then
- Reuse materials (e.g. return the containers in which we receive ink to suppliers for re-use), then
- Recycle waste, such as plastic, cardboard, paper roll cores, printing plates, etc, then,
- Extract value from waste that cannot be recycled (e.g. heat recovery from solvent or oils that cannot be reprocessed), then
- Eliminate the rest, typically by sending waste to a landfill site.



Waste Management

Objective:

Improve waste management

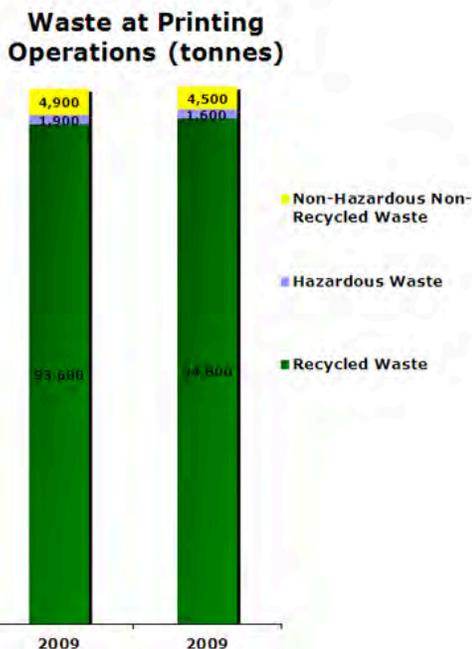
Target:

Implement a Waste Management Program at four printing facilities by the end of fiscal year 2012

Status in 2010:

Two out of four programs implemented

Performance to date



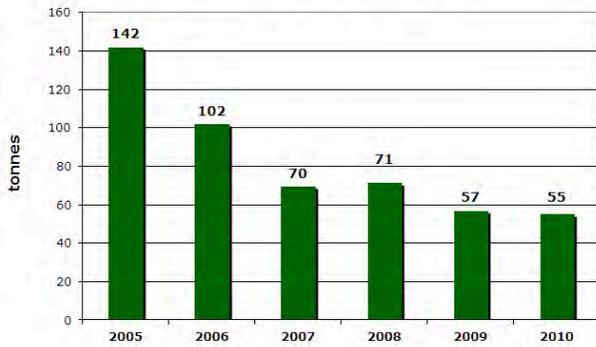
The term hazardous waste refers to wastes not suitable for landfill disposal or sewer discharge, such as used diluted fountain solution, water/oil mixes, ink sludges, used solvent, batteries, etc.

The recycled waste figure provided in the 2009 Sustainability Report was a misprint.

3RVE Hierarchy:

- Reduce,
- Re-use,
- Recycle,
- Extract Value
- Eliminate

Reduction of Landfill Waste at Transcontinental Interweb



In 2006, plastic recycling was introduced at Transcontinental Interweb, followed in 2007 by comprehensive recycling programs and waste diversion strategies. In 2008, major alterations to layouts and equipment were made at the facility, resulting in unusual waste production. Annual waste generation is now stable at around 55 tonnes per year.



Electronic Waste

In 2010, Transcontinental had nearly two tonnes of electronic waste (old computers, printers, etc.) We decided to use the services of Recypro, an ISO14001 certified sorting, disassembly and recycling facility in Quebec to collect the redundant material for re-use, parts recovery or recycling. As well as environmental protection, Recypro encourages the re-integration of young adults in difficulty into the labour force.

Energy

Global Energy Management Program

Recognizing the dual challenge of climate change and energy supply security, Transcontinental has embarked on a Global Energy Management Program to achieve energy savings and reduce greenhouse gas emissions.

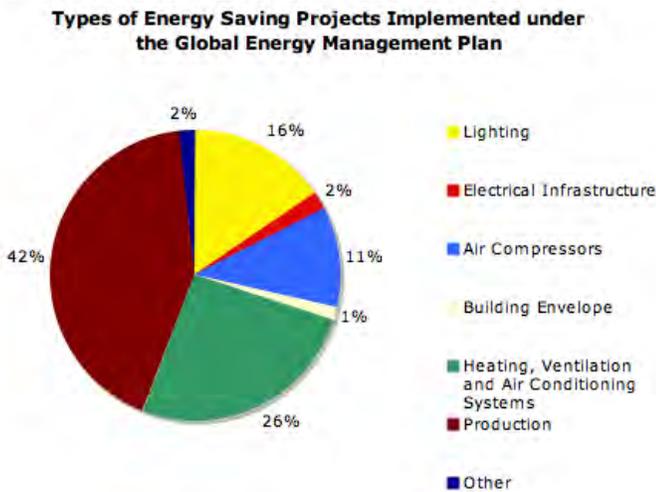
Business units are encouraged to apply for funds from a \$1.5 million capital expenditure reserve dedicated to energy efficiency projects. The fund has been renewed for 2010-2011 at 5% of all capital expenditures.

A member of the Energy Team visits a business unit to conduct a “walk-through” assessment of potential areas for efficiency improvement. The most interesting areas are then revisited and the potential energy savings are assessed in detail. At that point, an application for funding is made and appropriate funds are allocated.



Energy Saving Investments for 2010

In 2010, 34 projects were slated for a \$2.4 million investment.



For example, Transcontinental RBW in Owen Sound installed a 500 tonne, high efficiency centrifugal chiller with matching cooling tower. This has resulted in annual savings of 1,322 MWh (and a saving of \$93,177 on Transcontinental's electricity bill, as well as a reduced maintenance bill). Taking advantage of the Ontario Power Authority's Electricity Retrofit Incentive Program (ERIP) incentive, payback is expected within 5 years.

Energy

Objective:

Reduce energy use

Target:

Reduce Transcontinental's energy consumption by 15% in printing facilities and by 10% in offices by the end of fiscal year 2013.

Baseline 2008

Status in 2010:

Absolute reduction at printing facilities: 14.7%

Reduction in energy intensity at printing facilities: 4.5%

Offices: to be compiled in 2012.

Target 2008-2013

The target for the Global Energy Management Program is to reduce annual energy consumption by 15% by the end of 2013 as compared to our 2008 energy use.

Projects implemented between 2008 and 2010 have resulted in energy savings of 43,000,000 kWh. While our energy use since 2008 has decreased by 14.7%, we still have work to accomplish as the energy intensity of our printing operations has only decreased by 4.5% in the same period. Energy intensity is measured as the amount of energy to produce \$1000 of value in our printing operations.

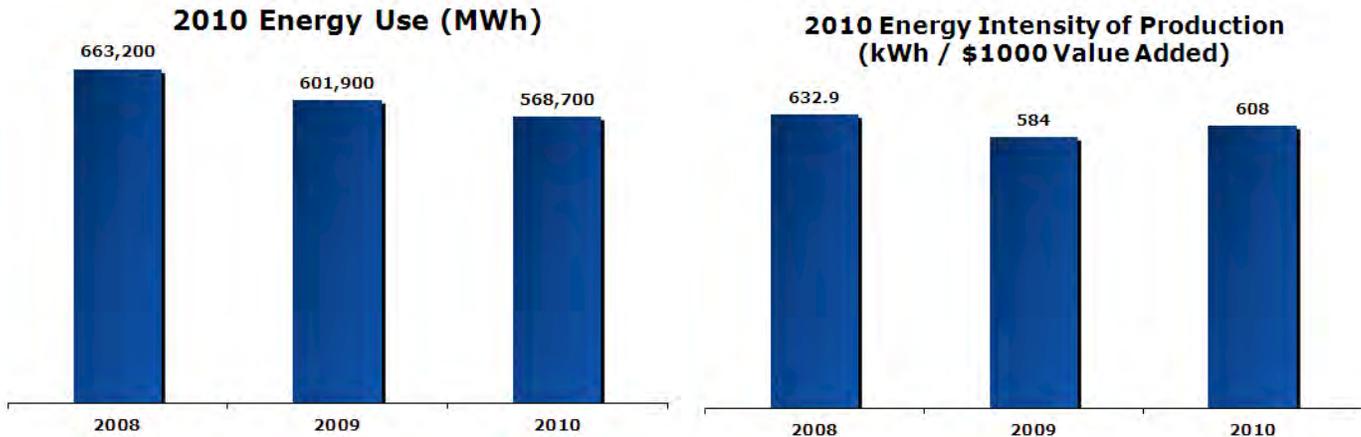
Industry Leadership

Transcontinental is a founding member of a new collaboration between the Québec Association for Energy Advancement (AQME) and four other leading companies (National Bank of Canada, Desjardins Group, Société des alcools du Québec and Sobeys). Together, sharing their expertise and knowledge, the partners have set ambitious targets to reduce energy consumption over the next five years. Transcontinental's target is a 15% reduction across its Quebec operations.

In July 2009, Transcontinental opened the new *San Francisco Chronicle* print facility in Fremont, California. The building is one of the first printing facilities in North America to receive Silver certification under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System™. Many of the points gained under the rating system were due to energy efficiency measures.

An interesting project is currently underway at Transcontinental Interglobe Beauceville. The information management company Ener21, with the support of Hydro-Québec, has been retained to measure and analyze the energy footprint of the facility. While the electricity consumption of the facility is known from the main meter, Ener21 installed readers on each piece of production equipment and facility system. This has allowed targeted action to be undertaken to get the best returns on energy efficiency investments. One of the surprising results is that the facility showed high usage even when the facility was in stand-by mode. This will be further investigated.

Performance to date



Inks

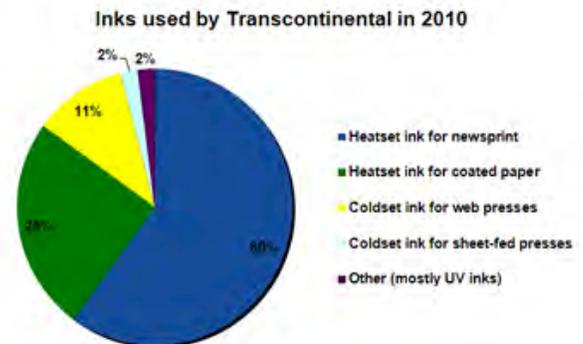
Different products require different formulations of ink. For example.

- A newspaper printed in black and white or with limited colour on newspaper stock is typically printed on a high-speed press. The ink needs to dry quickly as there is rarely a dryer to speed up the drying process, although the uncoated paper also absorbs a certain amount of the ink. The ink does not need to be hard-wearing as newspapers have a short life.
- A full colour magazine or catalogue is printed on a press with a dryer to cure the ink and speed up the drying. The coated paper absorbs less ink than newspaper stock. The ink must be hard-wearing and the colours bright.
- Commercial projects, such as printed card for packaging or brochures also require hard-wearing bright inks. These projects are usually printed on special paper in sheet-fed rather than web presses. These are rarely dried with a heat source but may pass under UV light to be cured. As such, UV sensitive inks are used.
- Modern newspapers, as well as retail flyers, require full colour on every page. Our new hybrid presses use heat-set ink. Colours must be sharp, although durability is not an issue.



Ink Purchases

Transcontinental purchases just over 15,800 tonnes of ink each year. 85% of the inks are heatset by dryers on the press-line, the remaining 15% are cold-set, needing no heat source to dry. Within the cold-set inks, sheet-fed inks account for 2%, while a further 2% of cold-set inks are set with ultra-violet light.



Ink Composition

Inks contain pigments, resins, oils, drying agents and additives. Of these, the resins and the oils, which make up between 40 to 80% of the ink, could be obtained from renewable resources, and indeed there is a push to do this in the industry. Replacing the mineral based oil with vegetable based oil has the environmental benefit of moving away from a finite resource (petroleum distillates) to one that more readily breaks down at the end of its useful life. Soy bean oil is a good renewable substitute for a portion of the oil in the ink, but while it has many benefits, it tends to dry more slowly than mineral oils, which is why it cannot be used to replace all the mineral oil in fast drying applications. Transcontinental is working with suppliers to test different ink formulations that contain more vegetable-based oils.

Used Ink Management

A full 97.5% of the ink purchased remains on the printed paper. The remainder appears as container bottoms, off-spec ink or expired product. Such ink waste is either returned to the supplier for re-blending, or sent for disposal in compliance with regulations. Because of their high oil content, they are often disposed of by incineration with heat recovery. In some cases, the ink containers are returned to the supplier or collected by a third party to be recycled into new plastic products.

De-inking Paper in the Recycling Process

The ink used on a printing project will influence the ease of recycling of the paper. Inks that breakdown more readily will require fewer chemicals and energy in the de-inking process. Sludge from the de-inking process can be burned for energy recovery. Transcontinental is working with several suppliers to better understand the processes involved and effect positive change on the recycling chain.

Water

As the planet's population grows, easy access to clean water is becoming an increasingly urgent issue. Canada is home to roughly seven per cent of the planet's renewable freshwater, but approximately 60% of Canada's fresh water drains north, while 85% of the population lives within 300 kilometres of the southern border with the United States. So while we appear to have an abundance of water available to us, bringing that water to the place that it is needed and ensuring that it is fit for consumption is a complex undertaking.

Transcontinental's water use in the printing process is low, limited to fountain solution make-up and some cleaning operations, but we are keen to find out what our consumption is in order to determine key areas for water use reduction initiatives. Our target for 2012 is to inventory the uses of water at key facilities and develop a global picture of our usage patterns.



Biodiversity

Although our operations are located in urban or semi-urban areas and we have little immediate impact on any areas rich in biodiversity, we recognize that our paper purchasing could have a negative impact if not managed responsibly. We believe that we have made real progress in addressing this with our Paper Purchasing Policy and continue to encourage our customers to choose papers that are the least damaging to the environment.



Transport

Our printed products leave printing facilities and are shipped to businesses, warehouses, distribution centres, and sometimes to Canada Post to be delivered to households across Canada. In the case of Publisac, we are the distributors. In other cases, our customers take charge of their publications at the shipping bay of printing facilities.

To date, we have not collected information from our 177 business units on the quantity of product shipped, over what distance, by what means, and by whom. The level of effort for this would be significant and it is currently not one of Transcontinental's priority environmental footprint analyses. However, we have developed a modeling tool to estimate greenhouse gas emissions related to a print project, and this has allowed us to understand that transport emissions are often a significant part of a product's lifecycle greenhouse gas impacts. Programs to optimize transport are therefore under review.

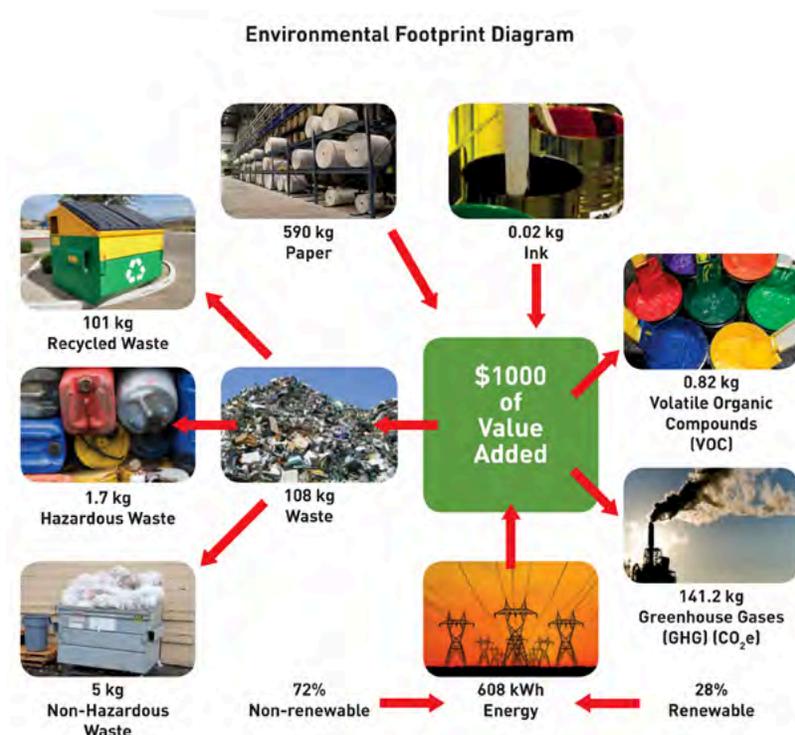
On a more tangible note, we recently provided our employees with modern teleconferencing options and actively encourage people to make use of this service when possible, in preference to face-to-face meetings that involve travel.



Environmental Footprint



This environmental footprint diagram presents the raw materials, energy, waste and emissions involved in creating \$1000 of product or providing \$1000 of value at Transcontinental's facilities (known as value added).



2008 - 2010 Chart

Per \$1000 of value added	2010	2009	2008
Paper	590 kg	490 kg	Not reported
Ink	0,02 kg	Not reported	Not reported
Energy	608 kWh	571 kWh	636 kWh
Non-Renewable	72 %	71 %	73 %
Renewable	28 %	29 %	27 %
Waste	108 kg	97 kg	100 kg
Recycled Waste	101 kg	91 kg	92 kg
Hazardous Waste	1.7 kg	1.8 kg	1,9 kg
Non-Hazardous Waste	5 kg	5 kg	6 kg
VOC	0,82 kg	0,80 kg	Not reported
GHG	141 kg eCO ₂	140 kg eCO ₂	154 kg eCO ₂



At Transcontinental, we understand that our financial performance is directly tied to our social and environmental performance. Each business aspect is inter-dependent and contributes to our continued prosperity over the long term.

Two years ago, in response to structural changes occurring in the print and media industries, we put in place a strategy to build on our existing assets while developing new business lines.

The ongoing successful implementation of this strategy requires that we continually support innovation and efficiency initiatives, have sufficient cash on-hand for strategic investments, and maintain strict and transparent governance oversight. This strategy protects shareholder value and allows us to continue delivering quality and relevant products and services to our customers.

Sustainability efforts in this area are focused within two strategic objectives:

- 1. Preserve Company Value**
- 2. Invest in Future Growth**

Please also find further information on our Management Approach to:

- Economic Performance ([Annual Report](#), [Annual Information Form](#))
- Market Presence ([Annual Report](#), [Annual Information Form](#))



In 2010 we grew our new revenue streams from \$170.3 million to \$183.0 million, an increase of 7%.

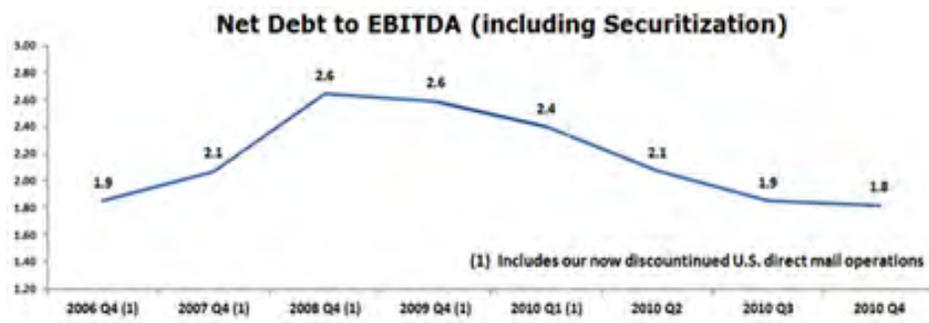
In 2010 we grew our EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) from \$338.9 million to \$382.0 million, an increase of 13%. This represents the highest historic EBITDA of Transcontinental.

In 2010 we de-leveraged the Corporation. Our net debt to EBITDA reached 1.8x as at October 31, as compared to 2.6x as at October 31, 2009.

Maintain a Strong Balance Sheet

As a corporation in the print and media industries, among others, we need to manage the transformation of our business from traditional markets to new digital platforms. We have chosen the net debt to EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio to measure our performance with regard to maintaining a strong balance sheet while also continuing to reinvest in the business.

Having said this, when we take into account the rapid transformation of the industries in which we operate, our desire to have increased financial flexibility as well as new minimum standards for investment grade status established by credit rating agencies, we decided to set our target net debt to EBITDA ratio at around 1.5x.



Over the past two years our net debt to EBITDA ratio peaked at 2.6x and steadily decreased to 1.8x at the end of 2010. We improved this ratio in the past few quarters by increasing our EBITDA while simultaneously decreasing our debt. First, we increased our EBITDA by starting to generate a return on recent investments and continuing to increase our efficiency. Second, we reduced our debt by selling our U.S. direct mail operations and using the proceeds to pay down debt. In addition, our debt level was reduced by our preferred share issue, which is considered as 100% equity in this calculation, as well as a favourable foreign exchange rate on our U.S. dollar denominated debt.

We believe we can achieve a net debt to EBITDA ratio of 1.5x in quite short order due to a number of factors. First, we expect our EBITDA growth to continue through plant consolidations, market share gains and the leveraging of our new hybrid retail and newspaper platform. Second, considering the recent credit crisis, the uncertainty surrounding the recent recession and the profound transformation of the industries in which we operate, we believe it is more prudent at this time to have increased flexibility on our balance sheet. Since our capital expenditures will decline substantially in the coming years, we plan on primarily using our free cash flow to further reduce our debt.

Strong Balance Sheet

Objective:

Maintain a strong balance sheet

Target:

Maintain a net debt to EBITDA ratio around 1.5x

Status in 2010:

Net debt to EBITDA ratio: 1.8x

Related publications

[Annual Report](#)

Governance

Our governance structure ensures that the business is properly managed based on the interests of Transcontinental's three pillars: shareholders, employees and customers. We believe we already have a solid governance structure in place but continually work to improve on it.

Our governance objectives are the maintenance of at least 2/3 Board independence, and eventually seeing 25% of women in senior management roles (Board of Directors, Executive Management Committee and Sector Management Teams).

Board of Directors

Our 13-person Board of Directors, led by Executive Chairman and Transcontinental founder Rémi Marcoux, meets regularly to review financial performance and strategic planning decisions. The role of the Executive Chairman of the Board and the President and Chief Executive Officer are segregated. Nine Board members are independent out of 13, or 69%. Additional oversight is provided through three standing committees made up of independent directors only: Human Resources and Compensation, Corporate Governance, and Audit Committees. Further information on the mandates of these committees can be found on the Transcontinental website in the Corporate Governance section.

Executive Management Committee

The Corporation's day-to-day management is the responsibility of a ten-person Executive Management Committee, led by President and Chief Executive Officer François Olivier, supported by the three Sector Management Teams in Print, Media and Interactive.

Governance

Objective:

Maintain and enhance good governance

Target:

Maintain a balanced Board of Directors with at least 2/3 independent members

Status in 2010:

Over two-thirds of the 13 directors (nine, or 69%) on the Corporation's Board are independent

Target:

Increase the number of women in senior management roles to 25%. (Board of Directors, Executive Management Committee and Sector Management Teams)

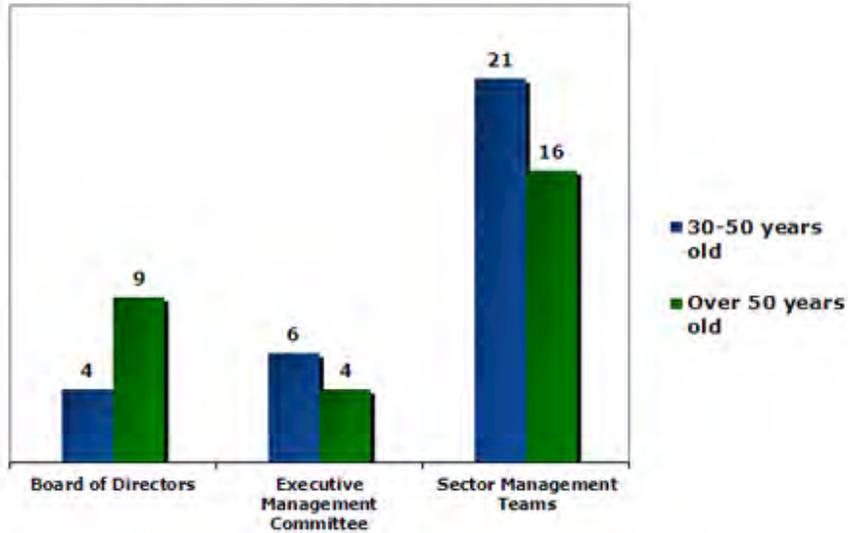
Status in 2010:

18% of senior management positions are currently filled by women

Related documents:

- [Transcontinental's Code of Ethics](#)
- [Other policies](#)
- [Current Board of Directors](#)
- [Mandate of the Board and Committees](#)
- [Role and Responsibilities of the Corporate Governance Committee](#)
- [Management Proxy Circular](#)

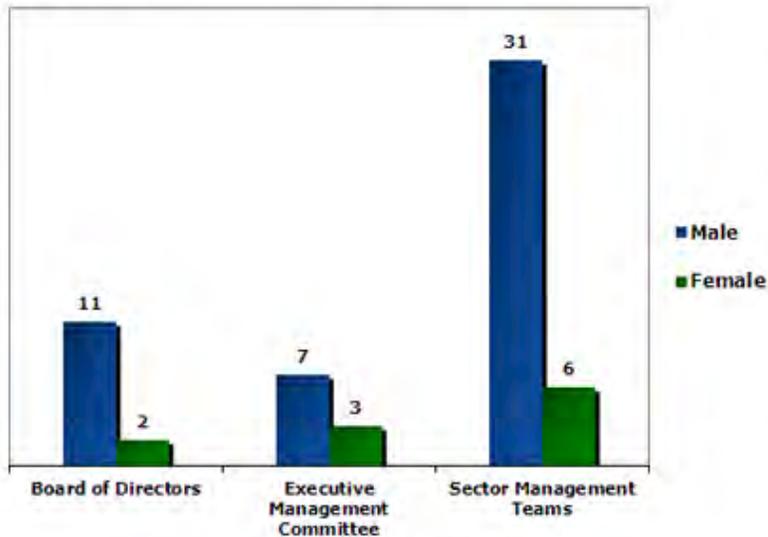
Corporate Governance Age Breakdown



Women in Senior Management Roles

We want to increase the number of women in senior management roles to 25% (Board of Directors, Executive Management Committee and Sector Management Teams). Currently, women hold 18% of senior management positions.

Corporate Governance Gender Breakdown



Dual Class Shares

Transcontinental has Class A subordinate voting shares which entitle holders to 1 vote per share and Class B shares which entitle holders to 20 votes per share. Under this share structure, Transcontinental founder and Executive Chairman of the Board, Rémi Marcoux, owns 16.31% of the equity and 71.45% of voting rights. While certain stakeholders may question this structure, we feel that it favours long-term planning and is in line with the interests of all shareholders. In fact, there have been a number of studies which concluded that there are benefits to family-controlled companies, namely, from The Institute for Governance of Public and Private Organizations (2006) as well as from Miller and Le Breton-Miller (2006).

Code of Ethics

The Transcontinental Code of Ethics is a guiding document for all employees. It is widely distributed and establishes rules with respect to integrity, confidentiality, conduct and conflicts of interest. The document's clear guidelines for the highest standard of ethical behaviour apply at all levels of the Corporation, each and every day.

Corporate Policies

Transcontinental has also developed policies relating to Insider Trading, Whistle-blowing, Corporate Disclosure and Social Media. They can be found on the Transcontinental website in the Corporate Governance section.

Risk Management

Transcontinental has a Risk Management Director who has put an Enterprise Risk Management Program (ERM) in place in collaboration with the Executive Management Committee. Together they have prioritized the Corporation's six top risks and established a reporting and review process to manage the Corporation's risks. The Board of Director's Audit Committee regularly receives a Risk Management presentation.

Favouring Local Hiring

Transcontinental's 177 facilities in Canada, the United States and Mexico are almost exclusively staffed locally, including management positions. There are currently three expatriates working for Transcontinental in Mexico, two of whom are managers. In the United States, five expatriates are working for Transcontinental at the new printing plant in Fremont, California. This facility operates with a flat organizational structure and as such a management-to-worker ratio is not applicable. In our Interactive sector, one of our managers is an expatriate in the United States.

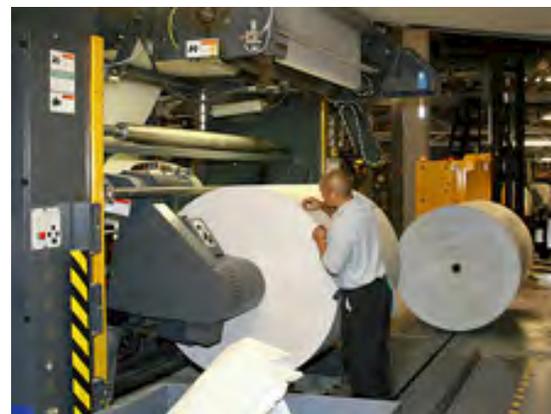
Diversity and Equal Opportunity

Transcontinental is committed to developing the talent and leadership skills of its employees. One of the many positive outcomes of this will be a more balanced gender distribution on the Sector Management Teams and Executive Management Committee over time.

Increase Efficiency

Printing is one of the Corporation's core competencies and Transcontinental is known for its technological innovation and efficiency. Since 2007, we have invested some \$700 million in property, plant and equipment, primarily in three major projects that are now all operational:

- The construction of the new plant to print the *San Francisco Chronicle* in Fremont, California;
- The modernization of the Transcontinental Transmag plant in Montreal in 2009; and,
- The Canada-wide network of hybrid presses to print newspapers and flyers, operational since October 2010.



The latter project was undertaken to fulfill a renewed 18-year contract with *The Globe and Mail* worth \$1.7 billion, including \$25 million in new business each year. With this unique network of hybrid presses, *The Globe and Mail* can be printed on coated stock, with colour on every page. This means that the platform can also meet the needs of our retail customers to print flyers during the day, when presses are traditionally idle. Overall efficiency is therefore improved through more productive use of equipment and capabilities. The investment will reduce capital expenditures in the Retail Group in coming years, and retail customers will benefit from top-notch print quality, as well as formatting and colour options that are unequalled in Canada.

We have chosen the return on net assets (RONA) to measure our ability to generate increased profitability from our asset base. Our target is to achieve a return on net assets above our weighted average cost of capital (WACC) of 9%.

Increase Efficiency

Objective:

Increase Efficiency

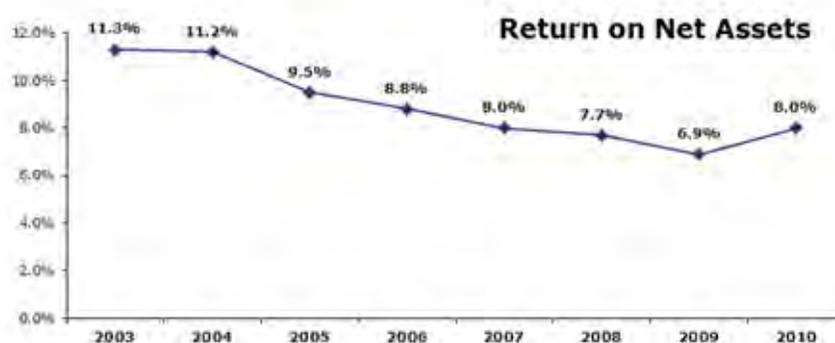
Target:

Achieve a return on net assets (RONA) above the cost of capital

Status in 2010:

RONA: 8%

Cost of capital: 9%



Transcontinental's RONA has been below its WACC of 9% from 2006 to 2010 due to the negative impact from foreign exchange, the fact that some projects had not yet derived their full benefit, as well as the fact that we have made strategic investments in our Media and Interactive businesses. Our 2010 RONA of 8% is a turning point - we have started to move in the right direction as our profit improves and our capital expenditures begin to subside. Going forward, we expect our RONA to continue to improve as profitability increases from returns on our recent investments and efficiency improvement initiatives, combined with a significant reduction of our capital expenditures, to below the average level of the last ten years, following the acceleration of the program over the past few years.

Invest in Innovation

The print and media industries are undergoing a transformation with the gradual shift of advertising to digital platforms. Since over 80% of our revenues are derived directly or indirectly from our customer's advertising budgets, we must adapt our products and services to meet evolving customer needs.

As a result, in the past few years, we have increasingly invested in our Media sector to develop products and services on new media platforms. We also invested in digital printing technology, a growing trend for short run printing and, two years ago, we created the Interactive sector to develop products and services in interactive marketing. The combination of revenues from our investments in our new media platforms in the Media sector, digital printing in the Print sector and interactive marketing in the Interactive sector, is what we refer to as new revenue streams.

We have chosen to track growth in these new revenue streams as a measure of our success to transform our business. Our target is to increase revenues that is generated from new revenue streams from \$183.0 million in 2010 to \$300 million by the end of fiscal year 2013. We plan on achieving this through a mix of internal growth and acquisitions.



Invest in innovation

Objective:

Invest in innovative products, services, platforms and processes

Target:

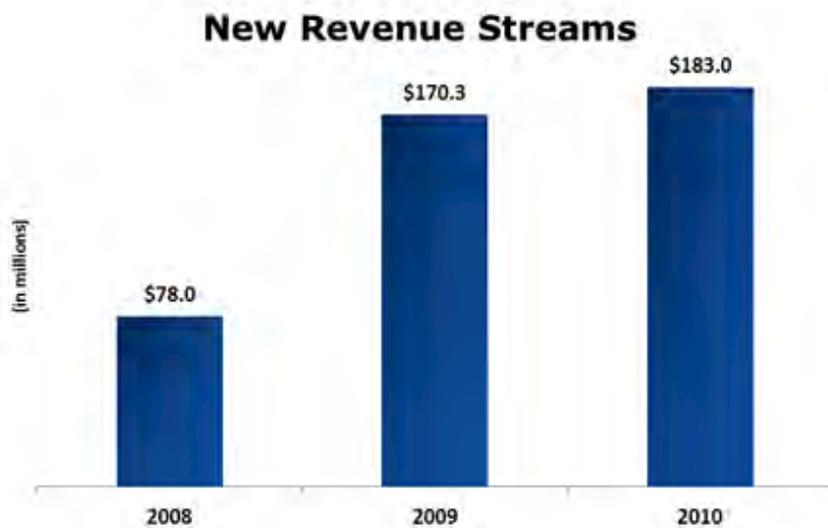
Increase the share of revenue that comes from new revenue streams to \$300 million by end of fiscal year 2013

Status in 2010:

\$183.0 million

Related publications

[Annual Report](#)



Our new revenue streams increased from \$78.0 million or 3% of our portfolio in 2008 to \$183.0 million or 9% of the portfolio in 2010. This growth was generated principally through acquisitions in the Interactive sector (Thindata 1:1, Rastar, Conversys, LIPSO, and Totem) as well as internal growth initiatives in our Media and Printing sectors on the digital side. Transcontinental also recently acquired Vortex Mobile, a Toronto-based provider of mobile solutions, which will contribute to 2011 fiscal year performance for new revenue stream generation.

Economic Value

As we create wealth, we also contribute to the well-being of society. We share our success with shareholders, employees and the communities in which we operate through dividends, direct and indirect job creation, and donations and sponsorships.

(in millions \$)	2010	2009*
Direct economic value generated:		
Revenues	\$2,091.6	\$2,169.8
Economic value distributed:		
Operating costs (includes selling, general and administrative expenses and excludes severance costs as well as wages and benefits)	\$1,042.8	\$1,131.1
Employee wages & benefits (excluding severances)	\$666.8	\$699.8
Payments to providers of capital:		
Dividends on participating shares	\$28.3	\$25.8
Dividends on preferred shares	\$7.0	\$-
Interest paid	\$39.2	\$38.8
Payments to government – taxes paid	\$33.4	\$43.8
Community donations and sponsorships	\$5.8	\$5.7

* Some 2009 figures have been restated on a different basis to be comparable to 2010.

Revenues

We generated \$2.1 billion of consolidated revenues in 2010, down 4% from \$2.2 billion generated in 2009. However, excluding acquisitions, the divestiture or closure of publications and plants, the paper and exchange rate effects, revenues grew by \$25.6 million or 1.2%.

Economic Value Distributed:

Operating costs

In 2010 we paid \$1.0 billion in operating costs. These expenses include such goods and services as paper, plates and ink as well as selling, general and administrative expenses.

Employee wages & benefits

We employed about 10,500 employees in Canada, the United States and Mexico in 2010 (9,450 in Canada, 336 in the U.S. and 795 in Mexico). Our employee compensation totalled \$666.8 million in 2010, excluding severance packages. Since it was necessary to reduce our workforce due to the economic downturn and our changing business, we provided \$13 million in severance packages and appropriate career coaching services.

Providers of capital

To be able to invest strategically, we need access to capital, which can only be obtained by having a robust business plan, a strong management team, a good track record, and credibility. To remain credible, we need to meet our obligations to providers of capital through timely interest payments, dividend payments and re-payment of capital. Transcontinental's capital structure is a combination of equity and debt. In 2010, we increased our dividends paid to participating shareholders from 32 cents per share on an annual basis, or \$25.8 million, to 44 cents per share or \$35.6 million (announced in conjunction with our 2010 year-end results and will start in the first quarter of fiscal 2011), which represents an increase of 38%. In addition, we paid \$7.0 million in dividends to preferred shareholders. For debt holders, we paid \$39.2 million in interest expenses.

Taxes

Transcontinental's tax payments help all levels of government in Canada, the United States and Mexico. In 2010, our overall income tax contribution was \$33.4 million. This amount includes \$32.8 million in Canada, \$0.4 million in Mexico and \$0.2 million in the U.S.

Community donations and sponsorships

Transcontinental has always demonstrated its commitment towards the communities in which it does business. In 2010, we provided \$5.8 million in donations, sponsorships, in-kind donations and other contributions to support charities, not-for-profit organizations and other causes. Transcontinental's community investment is typically focused in the areas of education, health, and the arts.



Transcontinental's community commitment in action:

François Olivier, Transcontinental's President and CEO, has served on the Québec Centraide Steering Committee since 2008 where his current role is President of the Executive Committee for the organization's Communications Division.

Employees also contribute to the Centraide Campaign through pay deductions, special donations, and other activities.

Indirect impacts

Apart from the direct economic impacts of the employee wages we pay, the goods and services we procure, and our tax contributions, Transcontinental as a major printer, publisher and marketing communications provider in North America also has a range of indirect economic impacts. This would include the goods and services that Transcontinental's suppliers procure from their suppliers, and the wages that are spent in the community as a result of Transcontinental's direct and indirect job creation. Please read more on the economic value generated by the Corporation in our [Annual Report](#).

GRI Index

Transcontinental Sustainability Report 2010: Connecting Words to Actions

Note: The information mentioned is inline with the guidelines of GRI. See the following web site: www.globalreporting.org

		Report Section	Report Page Number	Partially reported	Fully reported
Strategy and Analysis					
1.1	President and CEO's statement	Message from the President and CEO	6		✓
1.2	Description of key impacts, risks and opportunities	Message from the President and CEO	6		✓
		Our Business	8		
		People	36		
		Paper Purchasing	46		
		Greenhouse Gases	53		
		Energy	59		
		Water	63		
		Biodiversity	64		
		Invest in Innovation	73		
		Stakeholder Engagement	19		
		Social Responsibility in Action	31		
Organization Profile					
2.1	Name of organization	Transcontinental Inc.			
2.2	Primary brands, products and services	Our Business	8		✓
2.3	Operational structure	Our Business	8		✓
2.4	Location of headquarters	Our Business	8		✓
2.5	Countries of operation	Our Business	8		✓
2.6	Nature of ownership and legal form	Our Business	8		✓
2.7	Markets served	Our Business	8		✓
2.8	Scale of organization	Our Business	8		✓
2.9	Significant changes during reporting period	Message from the President and CEO	6		✓
2.10	Awards received	Recognition and Awards	28		✓
Report Parameters					
Report profile					
3.1	Reporting period	Nov. 1, 2009 to Oct. 31, 2010			
3.2	Date of most recent report	2009 Report, released Feb. 2010			
3.3	Reporting cycle	Annual			
3.4	Contact point on the report	Jennifer F. McCaughey, CFA Senior Director, Investor Relations and Financial Communications (jennifer.mccaughey@transcontinental.ca)			
3.5	Process for defining report content	Reporting Approach	24		✓
		Stakeholder Engagement	19		
3.6	Boundary of report	Reporting Approach	24		✓
3.7	Limitations on the scope or boundary of report	Reporting Approach	24		✓
3.8	Basis for reporting on joint ventures, etc.	Reporting Approach	24		✓

3.9	Data measurement techniques and the bases of calculations	Reporting Approach	24	✓
3.10	Explanation of any re-statements	Report Card	4	✓
		Economic Value	74	
		Volatile Organic Compounds	51	
		Greenhouse Gases	53	
3.11	Significant changes from previous reporting	Reporting Approach	24	✓
3.12	Table identifying GRI standard disclosures in the report	GRI Index	76	✓
3.13	Policy and current practices with regard to seeking external assurance for the report.	Reporting Approach	24	✓

Governance, Commitments, and Engagement - Governance

4.1	Governance structure	Governance	69	✓
4.2	Indicate whether the chair of the highest governance body is also an executive officer	Governance	69	✓
4.3	Independent and/or non-executive members	Governance	69	✓
4.4	Mechanisms for shareholders & employees to provide recommendations or direction to highest governance body	Governance	69	✓
4.5	Linkage between compensation and organizational performance	Stakeholder Engagement	19	✓
4.6	Processes for the highest governance body to ensure conflicts of interest are avoided	Governance Code of Ethics	69 Code of Ethics	✓
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Not reported - proprietary information The qualifications of the Board of Directors for the Corporation are publicly available on Transcontinental's website but the process by which prospective Board members are evaluated cannot be disclosed for reasons of confidentiality.		
4.8	Mission and values statements, codes of conduct, and principles	Governance Code of Ethics	69 Code of Ethics	✓
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of risk	Governance	69	✓
4.10	Processes for evaluating the highest governance body's own performance	Governance	69	✓
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Reducing VOCs	51	✓
		Controlled Substances	56	
		Greenhouse Gases	53	
		Product Responsibility	43	
4.12	Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses	Employment Conditions	42	✓
4.13	Memberships in associations and/or advocacy organizations	Product Responsibility	43	✓
4.14	List of stakeholders engaged by organization	Stakeholder Engagement	19	✓
4.15	Basis for identification and selection of stakeholders to engage	Stakeholder Engagement	19	✓

4.16 Approaches to stakeholder engagement	Stakeholder Engagement	19	✓
4.17 Key topics and concerns raised through stakeholder engagement and response	Stakeholder Engagement	19	✓

Economic Performance Indicators

Management approach, goals, performance, policies, contextual information on

• Economic Performance	Report Card	4	✓
	Our Business	8	
	Economic Value	74	
• Market Presence	Our Business	8	✓
	Economic Value	74	✓
• Indirect Economic Impacts	Economic Value	74	✓

Economic Performance

EC1 Direct economic value generated and distributed	Economic Value	74	✓
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	Greenhouse Gases	53	✓
EC3 Coverage of the organization's defined benefit plan obligations	Report Card	4	✓

Market Presence

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Governance	69	✓
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Indirect Economic Impacts

EC8 Investments that provide public benefit	Economic Value	74	✓
EC9 Description of indirect economic impacts	Economic Value	74	✓

Environmental Performance Indicators

Management approach, goals, performance, policies, contextual information

• Materials	Paper Purchasing	46	✓
	Ink	61	
• Energy	Energy	59	✓
• Water	Water	63	✓
• Biodiversity	Biodiversity	64	✓
	Paper Purchasing	46	
• Emissions, Effluents and Waste	VOCs	51	✓
	Greenhouse Gases	53	
	Wastewater Discharges	55	
	Waste	63	
• Products and Services	Invest in Innovation	73	✓
	Product Responsibility	43	
• Compliance	Environment	45	✓
• Transport	Transport	65	✓
• Overall	Environment	45	✓

Materials				
EN1	Materials used by weight or volume	Paper Purchasing Ink	46 61	✓
EN2	Materials used that are recycled input materials	Paper Purchasing Ink	46 61	✓
Energy				
EN3	Direct energy consumption	Energy Report Card	59 4	✓
EN4	Indirect energy consumption	Energy	59	✓
EN5	Energy conservation and efficiency improvements	Energy	59	✓
EN6	Energy-efficient or renewable-energy- based products and services	Energy	59	✓
EN7	Initiatives to reduce indirect energy consumption	Energy	59	✓
Biodiversity				
EN12	Impacts on biodiversity-rich areas	Biodiversity Paper Purchasing	64 46	✓
Emissions, Effluents and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight	Greenhouse Gases	53	✓
EN17	Other relevant indirect greenhouse gas emissions and reductions achieved	Greenhouse Gases	53	✓
EN18	Initiatives to reduce greenhouse gas emissions	Greenhouse Gases	53	✓
EN20	NOx, SOx and other significant air emissions by type and weight	Reducing VOCs Report Card	51 4	✓
EN23	Total number and volume of significant spills	Facility EMS	49	✓
Products and Services				
EN26	Environmental impacts of products and services	Report Card	4	✓
Social Performance Indicators				
Labour practices and decent work				
Management approach, goals, performance, policies, contextual information				
• Employment	Governance	69	✓	
	Employment Conditions	42		
• Labour/Management Relations	Governance	69	✓	
	Employment Conditions	42		
• Occupational Health and Safety	Accidents and Incidents	37	✓	
	Employee Wellness	39		
	Employment Conditions	42		
	Report Card	4		
• Training and Education	Employee Training & Development	40	✓	
		69		
• Diversity and Equal Opportunity	Governance	69	✓	
	Employment Conditions	42		
Employment				
LA3	Benefits for full-time employees	Report Card	4	✓
Labour/Management Relations				

LA4	Employees covered by collective bargaining agreements	Report Card	4	✓
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Occupational Health and Safety

LA6	Workforce represented in formal health and safety committees	Report Card	4	✓
LA7	Rates of injury, lost days, number of work-related fatalities	Report Card Accidents and Incidents	4 37	✓

Training and Education

LA12	Percentage of employees receiving regular performance and career development reviews	Report Card Employee Training and Development Employment Conditions	4 40 42	✓
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Diversity and Equal Opportunity

LA13	Composition of governance bodies and breakdown of employees by diversity indicator	Governance	69	✓
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Human Rights

Management approach, goals, performance, policies, contextual information				
• Investment and Procurement Practices	Governance	69	✓	
	Economic Value	74		
• Non-Discrimination	Governance	69	✓	
	Employment Conditions	42		
• Freedom of Association and Collective Bargaining	Report Card	4	✓	
	Employment Conditions	42		
• Abolition of Child Labour	Governance	69	✓	
	Employment Conditions	42		
• Prevention of Forced and Compulsory Labour	Governance	69	✓	
	Employment Conditions	42		
• Complaints and Grievances Practices	Governance	69	✓	
• Security Practices	Employment Conditions	42	✓	
	Employee Wellness	39		
• Indigenous Rights	Employment Conditions	42	✓	

Child Labour

HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Governance Employment Conditions	69 42	✓
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Society

Management approach, goals, performance, policies, contextual information				
• Community	Community Well-being	41	✓	
• Corruption	Governance	69	✓	
	Code of Ethics	Code of Ethics		
• Public Policy	Governance	69	✓	
• Anti-competitive Behaviour	Governance	69	✓	
• Compliance	Governance	69	✓	

Corruption				
SO2	Number of business units analyzed for corruption risks	Governance	69	✓
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Governance Code of Ethics	69 Code of Ethics	✓
Public policy				
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Code of Ethics	Code of Ethics	✓
Product responsibility				
	Management approach, goals, performance, policies, contextual information	Product Responsibility	43	✓
Customer Health And Safety				
PR1	Health and safety impacts of products and services	Product Responsibility	43	✓
Product and Service Labeling				
PR5	Practices related to customer satisfaction, including results of surveys	Product Responsibility	43	✓
Marketing Communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Product Responsibility	43	✓
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by type of outcomes	Product Responsibility	43	✓
Customer Privacy				
PR8	Substantiated complaints regarding privacy breaches	Product Responsibility	43	✓