

GUIDE. MOBILIZE. ACHIEVE.

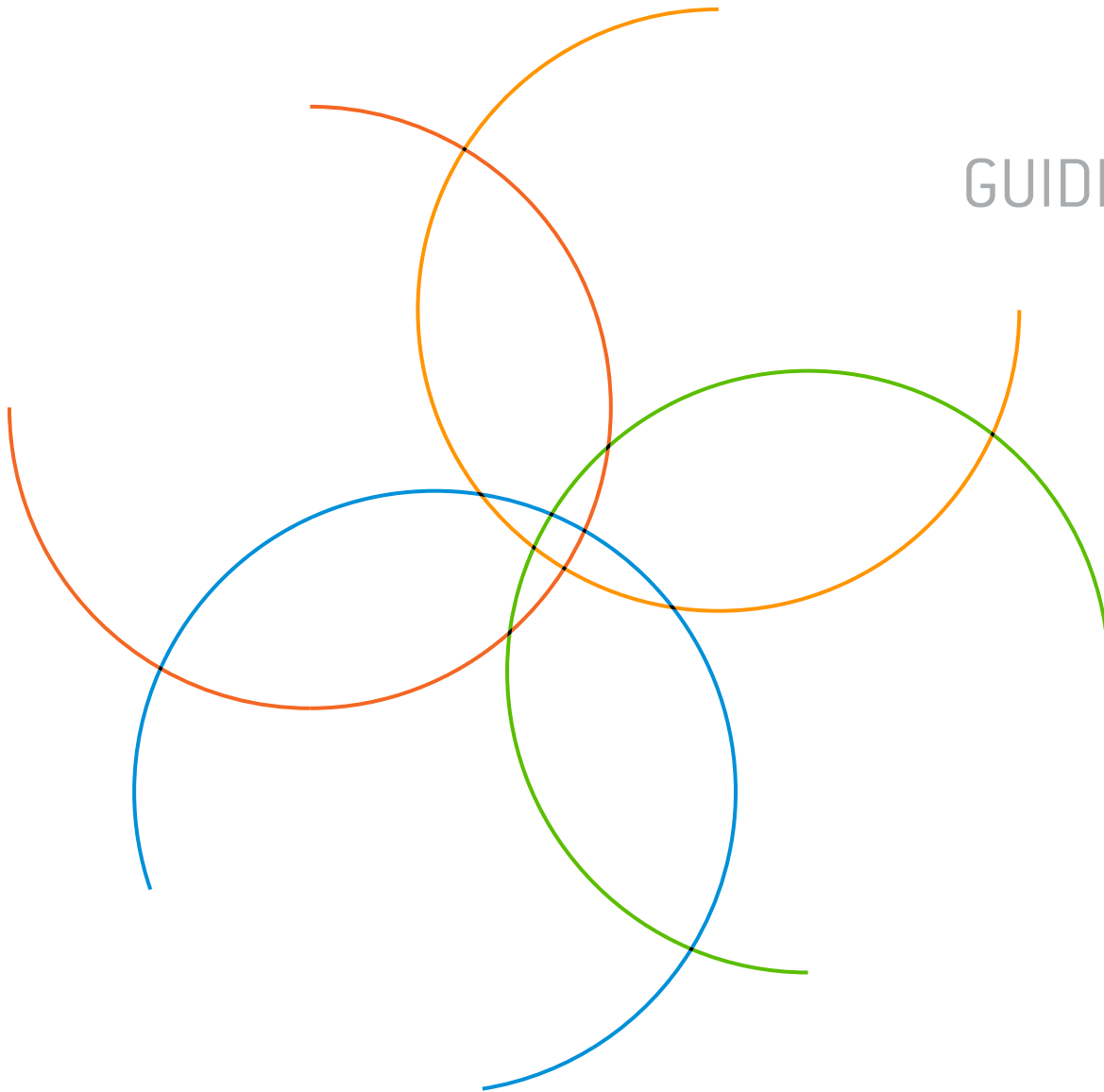


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“For our 2013-2015 plan,
we identified three pillars
to help guide our strategic
roadmap: the environment,
employees and community.”

FRANÇOIS OLIVIER



message from the president and CEO

A new three-year plan that reflects our core values as a socially responsible Corporation

TC Transcontinental has taken another important step in corporate social responsibility with the adoption of a new three-year plan, in effect until 2015, with the theme: “Guide. Mobilize. Achieve.” The plan was developed in consultation with and in tune with the interests of our key stakeholders, and in light of our past achievements, as well as our objectives and initiatives.

As you know, our commitment to sustainable development and corporate social responsibility is deeply anchored at the heart of TC Transcontinental. We showed this over 20 years ago when we adopted our environmental policy and decided to make the environment a priority out of respect for not only our people, our customers, our stakeholders, the communities, existing and future generations, but also for ourselves. To our credit, we have shown ourselves to be forward-thinking and determined.

As a Canadian leader in the print and media industry, TC Transcontinental strives daily to implement best practices in sustainability from a social, environmental and community perspective—an approach that is directly connected to our vision for growth.

Given this, for our 2013-2015 plan, we identified three pillars to help guide our strategic roadmap: the environment, employees and community. The plan is aligned with our corporate strategy and is aimed at supporting our operational goals.

And we will head straight for our goals, starting with this new more concise but still highly effective presentation of our three-year plan. A number of major corporations have adopted this simplified presentation and we are proud to be doing the same. We know that you will read this document closely. It will demonstrate the importance we attach to always acting as a socially responsible corporate citizen. We thank you for your support.

A handwritten signature in black ink, appearing to read 'FO' followed by a stylized flourish.

FRANÇOIS OLIVIER
President and Chief Executive Officer

profile

Largest printer and leading provider of media and marketing activation solutions in Canada, TC Transcontinental creates products and services that allow businesses to attract, reach and retain their target customers.

The Corporation specializes in print and digital media, the production of magazines, newspapers, books and custom content, mass and personalized marketing, interactive and mobile applications, and door-to-door distribution.



TRANSCONTINENTAL INC.

(TSX: TCL.A, TCL.B, TCL.PR.D), including TC Transcontinental, TC Media and TC Transcontinental Printing, has over 9,000 employees in Canada and the United States, and revenues of C\$2.1 billion in 2013.

www.tc.tc

employees

A key aspect of TC Transcontinental's vision is to invest in its most valuable asset and one of its three pillars —its employees. The first priority is to attract, develop and retain talent by supporting individual development and encouraging employees to innovate.

Second, the Corporation will maintain and enhance employee health, safety and wellness by maintaining a safe and healthy work environment and through initiatives such as the *Vigilance* program and an inter-sector Health and Wellness committee.



employees



PRIORITY

1

Attract, develop
and retain talent

PRIORITY

2

Maintain and
enhance employee
health, safety
and wellness

PRIORITY

1. ATTRACT, DEVELOP AND RETAIN TALENT

OBJECTIVE 1.1 > Optimize employer branding

EMPLOYER BRANDING

Targeted internal
and external
promotional campaign

[New indicator]

Activate your talent!: employer branding that truly represents our people. In 2013, TC Transcontinental developed an employer branding that is firmly anchored in the Corporation's core values and renewed brand image. A slogan, banners, testimonies, videos, career sites and social media sites were developed and rolled out to highlight the true TC Transcontinental experience and to attract and retain internal and external talent. A targeted branding campaign was launched both within the Corporation and in the marketplace. The key elements of the brand were incorporated into two HR programs to align the organization's image with the employee experience.

OUR TARGET FOR 2015 is to renew interest in the brand, both internally and externally. HR's team role as an ambassador of this initiative will be crucial to the success of the branding campaigns.



PRIORITY

1. ATTRACT, DEVELOP AND RETAIN TALENT

OBJECTIVE 1.2 > Identify and develop the talent needed to meet our business objectives

LEADERSHIP + DEVELOPMENT + CROSS-FUNCTIONAL PROJECTS

100%

62 business units
conducted a
Leadership Review

To ensure effective succession planning, 62 Leadership Reviews were conducted across the organization in 2013, successfully meeting our target of covering all business units.

We also implemented development plans for succession candidates to accelerate their development and career advancement. This year, 100% of the development plans for succession candidates were implemented using the 70-20-10 approach.

Based on the understanding that the most critical development occurs on the job, 49% of executive and senior management succession candidates in 2013 were assigned to a cross-functional project—achieving well over 100% of our target of 10%.

OUR TARGET FOR 2015 is to ensure that 100% of our business units conduct Leadership Reviews and that 100% of our succession candidates have a 70-20-10 development plan. We also intend to assign at least 30% of our succession candidates to cross-functional projects.

100%

of succession
candidates' development
plans implemented using
the 70-20-10 approach

100% +

of our objective of 10%
of candidates assigned
to a cross-functional project
was achieved

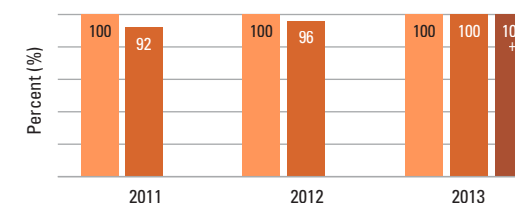
Talent management

Leadership reviews conducted for identified business units

Succession candidates individual development plans

based on 70-20-10 approach

Successors at senior level assigned to a cross-functional project



PRIORITY

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1. ATTRACT, DEVELOP AND RETAIN TALENT

OBJECTIVE 1.3 > Support individual development

PERFORMANCE

100%
of performance reviews
were completed
(beginning of year, mid-year,
and year-end reviews)

We encourage employees and managers to meet at least twice a year to review individual progress and achievement of performance and development objectives.

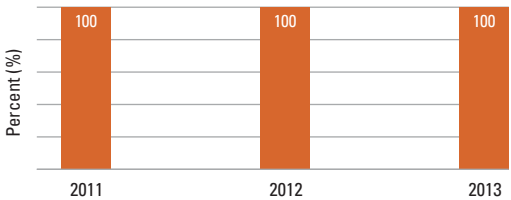
In 2013, we once again met our target, which is to ensure that 100% of our non-unionized employees meet with their managers at least twice a year.

Since we believe leadership to be a key part of our success, we laid the foundations for a TC Transcontinental leadership development framework in 2013.

This leadership development framework will provide employees with a clear definition of what we expect from our leaders, as well as guidelines for developing their competencies and measuring the progress achieved.

OUR TARGETS FOR 2015 are to ensure that 100% of our non-unionized employees meet with their managers—at least twice a year—to review performance and implement the key components of the leadership development framework.

Performance and individual development meetings



PRIORITY

1. ATTRACT, DEVELOP AND RETAIN TALENT

OBJECTIVE 1.4 > Encourage employee-driven innovation

INNOVATION

1,853 employees,
190 facilitators and
267 senior managers
have participated
in the *Innovation
Challenge* since 2011

Through this innovation initiative we give our employees the opportunity to express their creative potential and develop their skills while focusing on customer needs, technology trends and pressing business challenges.

In 2013, a shorter, faster, simpler *Innovation Challenge* was introduced; it focused on ideas that were aligned with our organizational capabilities and our innovation needs, based on key customer groupings.

In 2014, we will continue to both enhance our internal capacity to innovate—the innovation process will be handled by the business at the operational level—and leverage employees' and managers' skills to stimulate innovation.

OUR TARGET FOR 2015 is to ensure the innovation process is fully integrated into our operations.



2. MAINTAIN AND ENHANCE EMPLOYEE HEALTH, SAFETY AND WELLNESS

OBJECTIVE 2.1 > Maintain a safe and healthy work environment

FREQUENCY

0.66

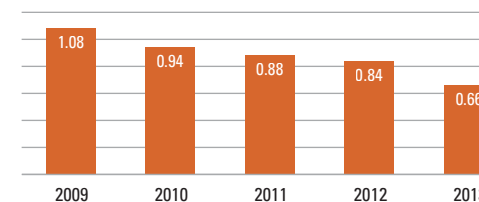
accidents per
200,000 worked hours

We reached our 2013 target by keeping the frequency rate below 1.00 accident per 200,000 worked hours. Our accident frequency rate is 0.66 accidents per 200,000 worked hours, compared to 0.84 in 2012 (a 21% decrease). There were 55 lost time accidents in 2013 compared to 75 in 2012.

This improvement is due mainly to better implementation of the *Vigilance* prevention program by management, the Health, Safety and Wellness committee and employees.

OUR TARGET FOR 2015 is to reduce the frequency rate to less than 0.66 accidents per 200,000 worked hours and to less than 55 lost time accidents.

Lost time accident frequency rate



SEVERITY

19.73

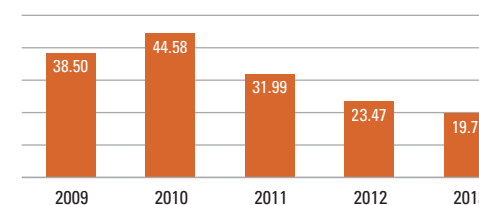
lost days per
200,000 worked hours

We reached our 2013 target by keeping the severity rate below 20 lost days per 200,000 worked hours. Our accident severity rate is 19.73 lost days per 200,000 worked hours, compared to 23.47 days in 2012 (a 16% decrease). In total, 17 HSW (Health, Safety and Wellness) audits were conducted. The target of 86% of average risk control was achieved.

This improvement is due primarily to the lower number of accidents and the effectiveness of our Return-to-Work program.

OUR TARGET FOR 2015 is to reduce the accident severity rate to less than 19.73 lost days per 200,000 worked hours and to obtain an overall audit score above 86%.

Lost time accident severity rate



PRIORITY

2. MAINTAIN AND ENHANCE EMPLOYEE HEALTH, SAFETY AND WELLNESS

OBJECTIVE 2.2 > Improve employee wellness

WELLNESS + MENTAL HEALTH

80%

of business units
participated in the
Health and Wellness Day

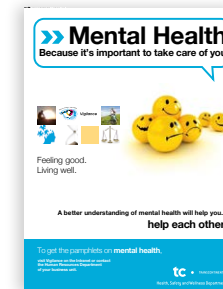
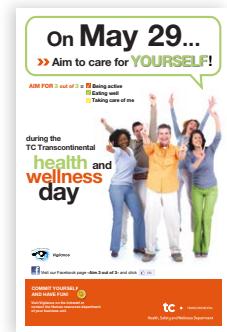
Over 25

conferences on mental
health issues were
held as part of
Mental Health Month

The month of May is dedicated to raising awareness about and promoting healthy lifestyle choices through initiatives such as the *Aim for 3 out of 3 Challenge* and the *Health and Wellness Day*. Pamphlets, posters, contests and participation prizes are offered during the campaign. Over 10% of employees signed up for the *Aim for 3 out of 3 Challenge*.

November is mental health awareness month. Training, information sessions and conferences are offered to all business units in all sectors.

OUR TARGET FOR 2015 is to achieve a 10% increase in overall participation in the wellness activities outlined in TC Transcontinental's HSW Action Plan.



communities

TC Transcontinental's vision also includes its involvement in the communities in which it operates. The Corporation's priority is to invest primarily in the areas of health and education.



To this end, TC Transcontinental identified three key components on which to build its community engagement program. First, it will contribute to the community not only through financial donations, but also through the donation of goods and services. Second, it will use its network of publications and digital platforms to promote activities of various non-profit organizations. Third, it will encourage employees to get involved and will support their participation in fundraising activities.

communities



PRIORITY

1

Invest in community
well-being

1. INVEST IN COMMUNITY WELL-BEING

OBJECTIVE 1.1 > Contribute to the community through donations of cash, goods and services

DONATIONS

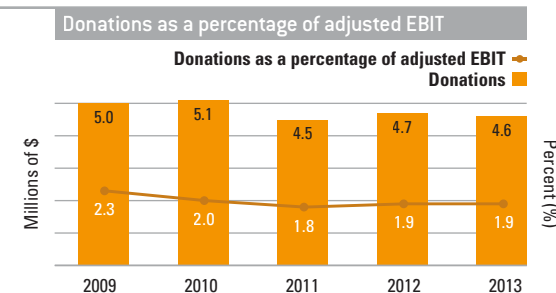
1.9%
of adjusted EBIT
donated in 2013

In 2012, TC Transcontinental adopted a *donations policy* aimed primarily at supporting organizations dedicated to health and education. The common link among the activities supported by the Corporation is their relevance to the communities in which TC Transcontinental does business and where its employees live and work.

In that spirit, TC Transcontinental donates more than 1% of its adjusted operating income before interest and taxes every year in the form of cash or goods and services. In 2013, \$4.6 million, or 1.9% of its adjusted EBIT, was donated to over 400 organizations. This amount does not include the hundreds of hours paid for by the Corporation during which employees helped charitable and humanitarian organizations during regular business hours.

In 2013, in the area of health for example, TC Transcontinental donated \$100,000 to the *Princess Margaret Cancer Centre* in Toronto. And in education, the Corporation committed to disburse a total of \$1 million over ten years to HEC Montréal to create the *Rémi Marcoux Entrepreneurial Track*.

OUR TARGET FOR 2015: Maintain an annual donation budget of over 1% of adjusted operating income before interest and taxes.



environment

TC Transcontinental continues to minimize the environmental footprint of its operations, products and services by reducing impacts on ecosystems, optimizing resource use and reducing its greenhouse gas emissions. The Corporation has thus identified three priorities.

The first is to evaluate and reduce the environmental impact of its operations by measuring its air emissions, optimizing waste management, monitoring its water use and wastewater quality, and reducing energy consumption and greenhouse gas emissions. Second, it will continue to implement ecoresponsible procurement practices by increasing the proportion of paper that is 100% certified and/or recycled and reducing the use of paper with no certified or recycled content. In recent years, TC Transcontinental has focused its attention primarily on paper, because paper is a major component of its procurement. Going forward, it will closely analyze all purchases in both the Printing and Media sectors. Its third priority is to reduce the environmental impact of its products and services by promoting responsible business practices in the Printing and Media sectors.



environment



PRIORITY **1**
Track and reduce
the environmental
impact of our
activities

PRIORITY **2**
Adopt ecoresponsible
procurement practices

PRIORITY **3**
Promote
ecoresponsible
corporate practices

PRIORITY

1. TRACK AND REDUCE THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

OBJECTIVE 1.1 > Control our volatile organic compound (VOC) emissions

VOCS

98%

Incinerator efficiency

Volatile organic compounds (VOCs) are released as ink dries and during press cleaning. To keep close track of our VOC emissions, mass balance calculations are performed each year using TC Transcontinental's procurement reports, particularly with regard to inks, fountain solutions and blanket washes. In order to reduce VOC emissions at the source, we are paying particular attention to the chemical composition of the products we use for printing. Emissions may also be reduced during the process itself simply by maintaining incinerators at their maximum efficiency (which destroys a large portion of VOCs) and by spreading automatic cleaning across our business units.

OUR TARGET FOR 2015 is to keep close track of our annual VOC emissions.



OBJECTIVE 1.2 > Optimize waste management

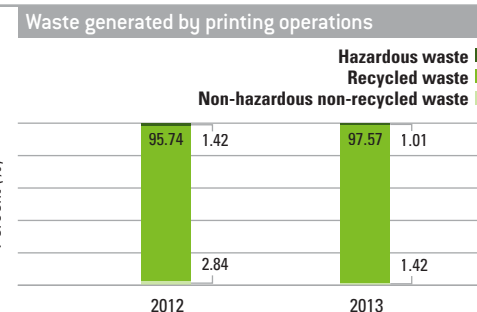
WASTE

97.6%

Waste recovery rate

As part of its ongoing commitment to reduce its environmental footprint, TC Transcontinental achieved a 97.6% waste recovery rate in 2013, 96% of which came from recycled, reused or recovered paper. Moreover, metal, plastic, lightbulbs, aerosols, electronic appliances and returnable containers are being diverted from landfill through initiatives implemented in business units. The Corporation also employs sound management practices for its hazardous wastes (which represent 1% of all its waste) by systematically sending them to specialized firms for proper disposal.

OUR TARGET FOR 2015 is to maintain a recovery rate above 95%.



PRIORITY

1. TRACK AND REDUCE THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

OBJECTIVE 1.3 > Calculate our water consumption and monitor wastewater discharge quality

WATER

Consumption management

[New indicator]

Although the printing process does not involve large quantities of water compared to other industries, TC Transcontinental nonetheless strives to ensure this resource is used responsibly. To this end, we are gradually equipping our business units with water meters and are tracking readings much more closely.

In 2014, we will conduct a study aimed at pinpointing possible sources of pollutants in the printing process. This will allow us to make improvements to both our process and our practices. Despite the fact that existing legislation does not extend to all the communities in which we operate, we wish to be proactive in managing our wastewater.

OUR TARGET FOR 2015 is to develop an accurate picture of our water usage and improve the quality of our wastewater.



OBJECTIVE 1.4 > Reduce our energy consumption

ENERGY

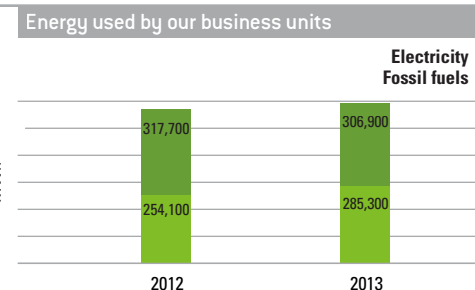
6,200 MWh

Reduction in energy consumption post-energy efficiency projects

The increase in energy consumption in 2013 can be attributed to a change in our equipment utilization rate, which led to an increase in fossil fuel consumption during both production and heating operations. However, our electricity use decreased as a result of the multitude of energy efficiency measures introduced (for a total reduction of 6,200 MWh), particularly with regard to lighting, control and monitoring of HVAC (heating, ventilation and air conditioning) systems, and the replacement of outdated equipment (compressors, pumps and coolers). Consolidation and re-organization projects have also had an impact on our energy consumption.

Note that the TC Media facilities and administrative offices are now included in our energy and emissions calculations.

OUR TARGET FOR 2015 is to reduce our energy consumption.



1. TRACK AND REDUCE THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

OBJECTIVE 1.5 > Expand the scope of our GHG emission calculations

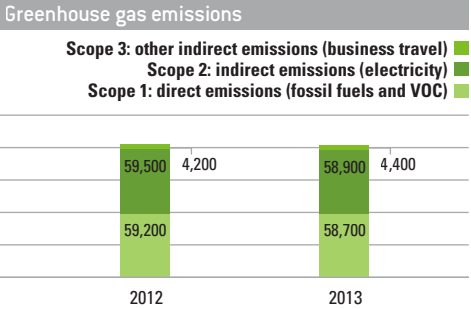
GREENHOUSE GASES (GHG)

4,400
tons of CO₂e
Business travel
emissions

In 2013, Scope 1 and Scope 2 emissions decreased slightly as a result of reductions in VOCs and electricity consumption, respectively.

As part of our ongoing commitment to better track and understand the environmental impact of our activities, we have expanded our GHG emission calculations to include certain aspects of the Scope 3 emissions. Accordingly, our figures now reflect emissions from business travel, such as the use of personal vehicles, rental vehicles and air travel for business purposes.

OUR TARGET FOR 2015 is to delve further into other Scope 3 elements in order to include them in our GHG emission calculations.



2. ADOPT ECORESPONSIBLE PROCUREMENT PRACTICES

OBJECTIVE 2.1 > Expand the scope of our ecoresponsible procurement practices

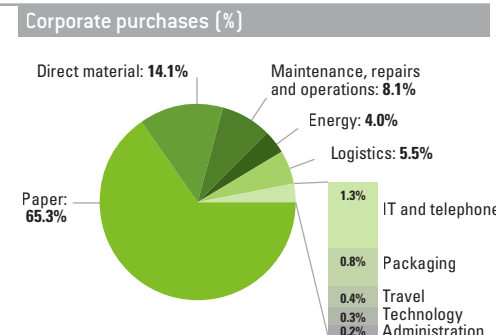
PURCHASES

84%

Purchases included
in our annual
environmental report

With the aim of expanding the scope of our ecoresponsible procurement practices, we prepared a financial analysis detailing our material purchases for the Corporation in 2013. Not surprisingly, paper represents 65.3% of our purchases, for a total of 569,000 tonnes in 2013. The size of this expenditure explains TC Transcontinental's focus over the last few years on its *Paper Purchasing Policy*. The other sectors included in this report, i.e., energy, direct materials (inks, chemicals and plates) and business travel, are examined on an annual basis.

OUR TARGET FOR 2015 is to identify opportunities in the other sectors that would allow us to reduce the overall environmental footprint of our services.



OBJECTIVE 2.2 > Increase usage of Gold and Gold Plus papers

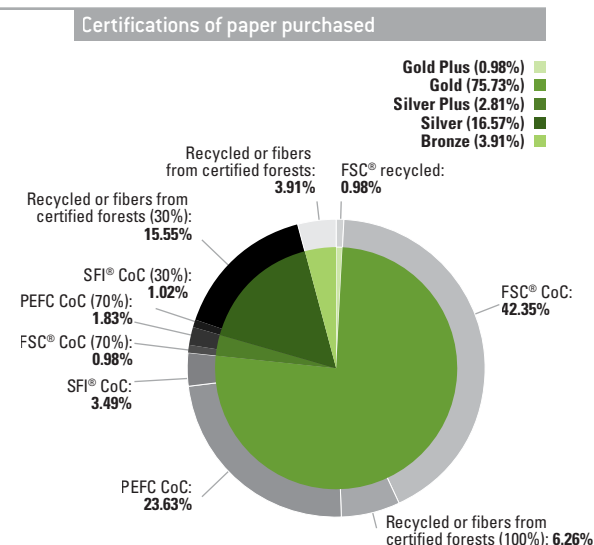
PAPER

77%

Procurement of Gold
and Gold Plus papers

In our 2012 *Paper Purchasing Policy*, we stated our preference for paper made with 100% recycled fibre (Gold Plus) or a combination of recycled and either FSC®, SFI® or PEFC® certified fibres (Gold). Recall that these three certifications are designed to assure customers that the products they purchase have come from responsibly and sustainably-managed forests. In 2013, thanks to sustained efforts by TC Transcontinental's Procurement team, 76.7% of the paper purchased was ranked Gold and Gold Plus, an increase of more than 14% over last year.

OUR TARGET FOR 2015 is to achieve an 80% purchasing target for Gold and Gold Plus papers.



PRIORITY

3. PROMOTE ECORESPONSIBLE CORPORATE PRACTICES

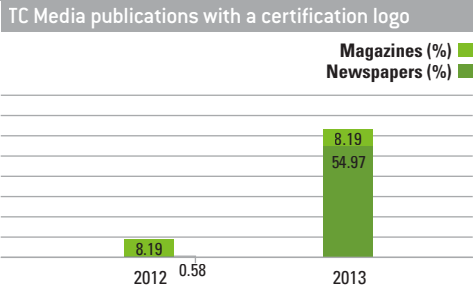
OBJECTIVE 3.1 > Increase TC Media publication certification rates

CERTIFICATIONS

63%
TC Media publications
bearing the certified
paper logo

As outlined in our 2012 *Paper Purchasing Policy*, TC Transcontinental is committed to ensuring the use of sustainable forest management chain-of-custody certification logos on its TC Media publications. By 2012, 14 magazines and one daily newspaper (*Métro* Montréal, the first FSC® certified North American newspaper in 2011) carried a certification logo. We continued our efforts in 2013 with the certification of over 90 local weeklies, achieving a rate of 63.2% (108 of our 171 Canadian publications). In 2014, this project should be expanded to cover newspapers in the Atlantic provinces and Saskatchewan.

OUR TARGET FOR 2015 is to increase the certification rate of our TC Media publications to 80%.



corporate information

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Other information

DONATIONS

For more information about the *Transcontinental Inc. Donation Policy*, visit the Corporation's website at www.tc.tc and go to "*About/Governance*". To request a donation, please fill out the form available under "*About/Community*".

PRODUCTION OF THE CORPORATE SOCIAL RESPONSIBILITY REPORT

Project management

Sustainable Development Steering Committee
and the Corporate Communications Department

Graphic design

L'atelier lineski, design graphique

Photography

Marc Montplaisir (p. 3)

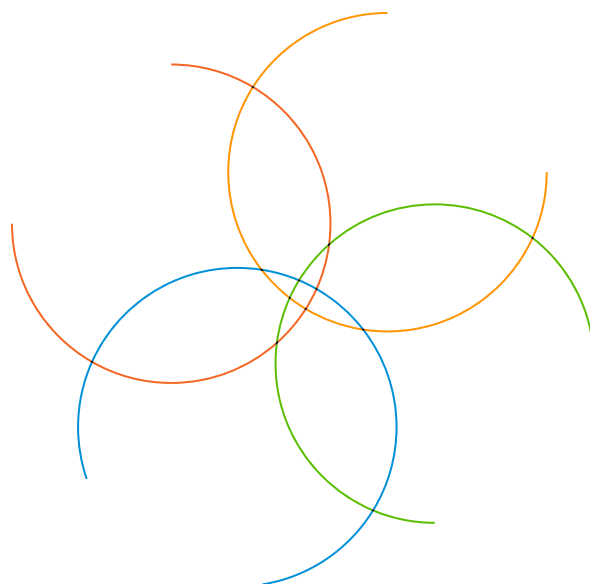
Translation

Lou Nelson

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Internet www.tc.tc/responsabilitesociale*

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