



ACTING TOGETHER

2019-2021 ■ CORPORATE SOCIAL RESPONSIBILITY PLAN



tc • TRANSCONTINENTAL

AT A GLANCE

A **family-controlled** corporation
founded in 1976

Listed on the Toronto Stock Exchange
(TSX: TCL.A TCL.B)

44 operating facilities

2018 revenues: \$2.6B

Over 9,000 employees, the majority
of which are based in Canada,
the United States and Latin America

2018 net earnings: \$213.4M



Our commitment

Our commitment to our employees, our customers, our shareholders and the communities in which we operate is to pursue our business activities in a responsible manner.



Our values

Respect, teamwork, performance and innovation are strong values held by our founder Rémi Marcoux and upheld by our management and employees.



Our vision

To become a top leader in flexible packaging in North America while maintaining our position as Canada's largest printer and as a leader in our specialty media segments.



Our mission

For over 40 years, our mission has been to create products and services that allow businesses to attract, reach and retain their target customers. With a long-term perspective in mind, we aim to achieve profitable growth while creating value for all of our stakeholders.



- A leader in flexible packaging in North America
- Over 4,000 employees
- Network of 28 production plants
- Integrated service offering: variety of flexible plastic and paper products, including rollstock, bags and pouches, shrink films and bags, and advanced coatings
- Markets served: dairy, coffee, meat and poultry, pet food, agriculture, beverage, confectionery, industrial, consumer products, supermarkets and more



- Largest printer in Canada and one of the largest in North America
- Over 4,300 employees
- Network of 16 printing plants
- Integrated service offering for retailers: premedia services, flyer and in-store marketing product printing, door-to-door flyer distribution
- Innovative print solutions for publishers and advertisers: newspapers, magazines, 4-colour books and marketing products



- Leader in its specialty media segments in Canada
- Canada's largest publisher of French-language educational resources with over 12,500 book titles published
- Over 350 employees
- Flagship brands catering to the business and financial industries



Isabelle Marcoux
Chair of the Board



François Olivier
President and Chief Executive Officer

At a time when global environmental and social concerns have reached new heights, it is essential to ask ourselves about the legacy we aim to build as a corporation. For over 40 years, TC Transcontinental has remained committed to the long-term profitable growth of our organization, while creating value for all of our stakeholders. We are proud to have done so while also demonstrating our leadership in corporate social responsibility (CSR).

Our Corporation has a robust CSR framework, developed by a multi-disciplinary Steering Committee and supported by our Executive Management Committee. Incorporating best governance practices, our Board of Directors' Governance and Social Responsibility Committee is mandated to oversee our CSR strategy. As such, we recognize the importance of corporate social responsibility and consider risks related to environmental and social matters at every step of the decision-making process.

As a good corporate citizen, TC Transcontinental is eager to pioneer change by engaging with all our stakeholders to innovate towards greater sustainable business practices, including a more circular economy for plastics. As such, we are committed to continue investing in research and development to create even more innovative products for our customers.

We also take great pride in fostering a culture of diversity and inclusion around the boardroom table and across our organization, with policies and programs designed to develop and promote women into leadership roles. Finally, we feel compelled to have a meaningful impact in the communities in which we operate through our donations and engagement.

Our values of respect, teamwork, performance and innovation will remain our guiding compass as we continue to build a legacy for future generations.

2018 was a pivotal year for our Corporation: it was marked by the largest acquisition in our history, that of Coveris Americas, which resulted in our growth in flexible packaging, now representing more than 50% of our revenues. As we crossed this historic milestone in our transformation, our 2016-2018 Corporate Social Responsibility Plan has come to an end. Through diligent execution on the objectives we had set, we are proud to have invested in the development and wellness of our employees, ensured the profitable growth of our organization, adopted good practices to limit our environmental impact, and contributed to the communities in which we operate. I invite you to read our full 2016-2018 CSR Report.

Looking back at our sustainability journey, it has been paved with numerous accomplishments we set out to achieve in our successive three-year plans. This time horizon enables our operations to focus on the most relevant challenges and goals while ensuring accountability through progress reports.

As our former plan drew to a close, we launched a large-scale consultation with internal and external stakeholders to identify the corporate social responsibility issues that resonate most with our employees, customers, suppliers and investors. As a result, our 2019-2021 plan unveils 11 objectives along four axes: our people, our operations, our products and our communities. We have set ambitious goals with quantifiable targets that are reflective of our ever-evolving environment as we continue to transform and grow geographically. We are proud to present the outcome of this comprehensive process in the following pages.

I want to personally thank all our participating stakeholders for their insightful collaboration and true engagement towards CSR. I strongly believe that rising to the sustainability challenges we are facing as an industry will be achieved by #ActingTogether in a concerted manner. We want to be part of the solution and I invite you to join us along the way.

REACHING NEW HEIGHTS IN CORPORATE SOCIAL RESPONSIBILITY

Founded by entrepreneur Rémi Marcoux more than 40 years ago, TC Transcontinental is a company built to last. Over time and through our quest for long-term profitable growth, we have nurtured an integrated approach to CSR. From our first Environmental Policy in 1993, to the 2012 update of our Paper Purchasing Policy and the release of our successive three-year CSR plans, we have shown, and continue to show, proven leadership in this regard. Our strong performance is recognized again and again, including by being selected one of *Canada's 50 best corporate citizens* in the renowned Corporate Knights ranking for 16 years.

Today, our commitment towards sustainability is stronger than ever. TC Transcontinental shares the growing concern around climate change and environmental issues. We identify and strive to mitigate the financial, operational and reputational risks facing our Corporation through our Enterprise Risk Management process as reviewed by the Board's Audit Committee. But beyond mitigating those risks, we are also seizing underlying opportunities to collaborate with our supply chain and to continue supporting our customers along their own sustainability journey.

Our commitment is framed within a well-defined CSR governance structure. Our Steering Committee, comprised of members representing all our business sectors, defines priorities, establishes performance metrics and ensures the Corporation strives towards achieving its objectives by executing on its plans. Moreover, objectives and plans are approved by TC Transcontinental's Executive Management Committee, which also closely monitors the execution of all initiatives. In 2017, we went a step further by integrating the oversight of our CSR strategy into the mandate of the Corporate Governance Committee, which was renamed Governance and Social Responsibility Committee in 2019 to emphasize the importance of CSR for the Corporation.

Additionally, in 2018, we appointed a Chief Strategy Officer of the Corporation, reporting to the President and Chief Executive Officer. In her role, Magali Depras leads the development of annual and long-term strategic plans and articulates the Corporation's CSR strategy.

“As TC Transcontinental makes headway in its transformation, we continue to align our social responsibility priorities with our business strategy. Determined to make strides towards a circular economy for plastics, we live up to our corporate social responsibility leadership by being the first Canadian-based manufacturer to join the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.”

— Magali Depras, TC Transcontinental's Chief Strategy Officer



CSR LEADERSHIP THROUGH OUR TRANSFORMATION

A few years ago, we initiated our transformation and decided to diversify our activities. After having diligently built our platform through acquisitions, we are now a North American leader in flexible packaging. Our steadfast growth in this industry brought a new set of challenges from a CSR standpoint, including the introduction of various types of plastics as raw materials in our operations.

Over the years, as Canada's largest printer, we have made a significant and positive impact on forest management

practices. We have become an industry leader in sustainable procurement of certified papers through our Paper Purchasing Policy. We believe that we are well positioned to build on this experience and engineer a successful approach within our Packaging Sector. We have consequently appointed Alex Hayden, Senior Vice President, at the helm of R&D, Innovation and Sustainability. In this role, he will oversee the development and commercialization of differentiated products and eco-responsible packaging solutions for customers.

“Our R&D strategy is focused on a deep understanding of our customers’ needs and market trends. Working closely with our supply chain partners, we will accelerate the path towards a circular economy for plastic packaging, yielding greater benefits for our communities and the environment, while driving value for our shareholders.”

— Alex Hayden, Senior Vice President, R&D, Innovation and Sustainability, TC Transcontinental Packaging

OUR CIRCULAR APPROACH TO PLASTIC

The flexible plastic packaging we produce plays an essential role across the different stages of the supply chain. It has many advantages: it contains, protects and facilitates transport and storage of the product it holds.

We design our packaging for a wide range of end-product applications and seek to find the right balance between material volume and weight while ensuring an optimal product protection. Flexible plastic offers an excellent product-packaging ratio leading to an efficient resource utilization. Its light weight and flat shape allow to fully optimize transportation compared to other materials. Its design and multi-faceted printed surface offer excellent branding opportunities at the point of sale. Finally, for applicable end markets, our multi-layer products with various barrier properties help extend product shelf life, making it one of the key solutions to reducing food waste.

Although flexible plastic offer many advantages,

Innovate
to design packaging that is reusable, recyclable or compostable



Collaborate
with industry partners to increase reuse, recycling and composting rates

Promote
the use of post-consumer recycled content

more work is needed to ensure that it is effectively managed at its end of life. TC Transcontinental shares the Ellen MacArthur Foundation’s vision that plastic never becomes waste. We collaborate closely with our supply chain to increase the amount of recycled plastics in our portfolio and to ensure that our products will effectively be recycled. We are determined to make strides towards a circular economy for plastics through our integrated strategy to that effect.

MATERIALITY ANALYSIS AND STAKEHOLDER INVOLVEMENT



We believe that establishing lasting relationships with our stakeholders is essential. By doing so, we gain a greater understanding of their interests and concerns, and we are better equipped to meet and even surpass their expectations and foster their engagement. Therefore, in 2018, we put in place a large-scale stakeholder consultation program on sustainability issues, as we had done in 2015.

We surveyed our employees, suppliers, customers, investors and external interest groups on several social responsibility issues. In total, close to 1,400 participants provided us with valuable insight into the priorities and objectives that should be reflected in our 2019-2021 CSR Plan.

The main purpose of the survey was to conduct a materiality analysis (see definition below). The results helped us to subsequently narrow down our plan around 10 top priorities, on which we defined the 11 specific targets of our three-year plan. While financial performance, governance and risk management, as well as customer engagement and satisfaction are three highly important priorities, they are not

included in this plan because they are at the very core of our business and daily objectives in their own right. Indeed, we are focused on delivering long-term returns while maintaining strong financial results and a healthy balance sheet. We are also leading our business based on good governance practices thanks to our solid and experienced Board of Directors. Finally, we are committed to our customers' success and we strive to anticipate our customers' needs and exceed their expectations.

In addition to the top priorities addressed in this three-year plan, several other good corporate governance principles are firmly rooted within our culture and within our Board of Directors' oversight mandate. As such, they are already framed by our Corporation's various policies such as the Workplace Harassment and Violence Policy, the Information Security Policy, as well as the Supplier Code of Conduct. These policies reflect our commitment to ethical, responsible and honest practices in all of the Corporation's activities.

What is materiality analysis?

A materiality analysis identifies corporate social responsibility issues affecting a company's strategy. From a list of established recognized standards, internal and external stakeholders share the social, environmental or governance priorities that they believe need to be addressed by a business. The results of this prioritization are combined with the vision of the internal leaders to build a materiality matrix, like the one seen on the following page.

2018

MATERIALITY MATRIX



- High priority level: priorities with specific targets in this plan
- High priority level: core business priorities not included in this plan
- Lower priority level: priorities not addressed in this plan

Top priorities

- 1 Energy Consumption and Greenhouse Gas Emissions
- 2 Innovation and Product Development
- 3 Product End-of-Life Management
- 4 Occupational Health and Safety
- 5 Product Quality and Safety
- 6 Responsible Procurement
- 7 Operational Waste Management
- 8 Diversity and Equal Opportunity
- 9 Talent Management
- 10 Donations and Impact on Local Communities
- 11 Financial Performance
- 12 Governance and Risk Management
- 13 Customer Engagement and Satisfaction

Other priorities

- 14 Air Quality and Pollution
- 15 Water Consumption
- 16 Employee Compensation and Benefits
- 17 Renewable Energy
- 18 Supply Chain Assessment of Human Rights and Labor Practices
- 19 Data Security and Customer Privacy
- 20 Workplace Harassment and Violence
- 21 Logistics and Distribution
- 22 Freedom of Association and Labor Relations
- 23 Financial Disclosure and Tax Practices

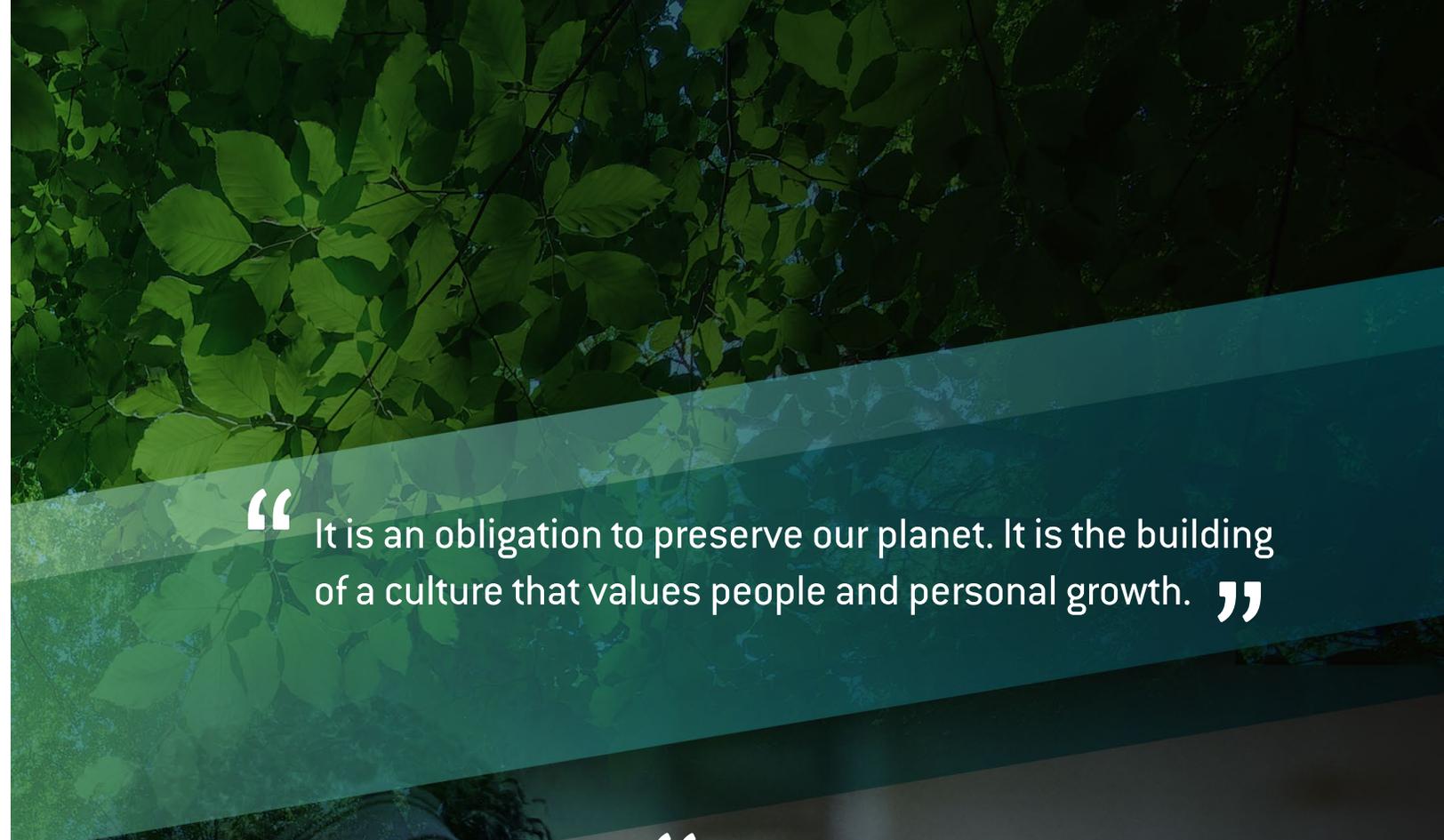
#ACTINGTOGETHER

We asked our employees what sustainability means to them. Here's what they had to say.

“ Acting ethically for the benefit of the environment we both conduct business and live in. ”

“ Sustainability means meeting our own needs without compromising the ability of future generations to meet their own. ”

“ Work with our customers to find better ways of doing things so that they are successful and, in turn, we are too. ”



“ It is an obligation to preserve our planet. It is the building of a culture that values people and personal growth. ”



“ A corporation that understands what resources it takes from the earth while trying to limit that intake. ”



OUR 2019-2021 TARGETS

We are proud of the milestones we have achieved as part of our corporate social responsibility journey and we aim to continue improving. We have thus developed a new set of quantifiable targets, in line with our corporate strategy and the results of our materiality assessment. In effect until 2021 (unless stated otherwise), these 11 targets address topics relating to our people, our operations, our products and our communities.



OUR PEOPLE

For over 40 years, TC Transcontinental has placed its employees first; our values of respect, teamwork, performance and innovation are at the core of its success. Throughout our network, we foster a safe, diverse and inclusive work environment. Additionally, we encourage our employees' professional growth through engaging corporate training and development programs.

TARGET 1 Maintain a safe and healthy work environment

- Reduce the total incident rate (incidents per 200,000 worked hours) by 15% for our Printing and Packaging sectors

TARGET 2 Move towards a more balanced gender representation in leadership

- Ensure at least 30% of female representation on the Board of Directors
- Have at least 3 women on the Executive Management Committee
- Reach 30% of women in executive and management positions

TARGET 3 Develop our talent

- Annual performance reviews to be completed for 100% of salaried employees





OUR OPERATIONS

As a large-scale printer and packaging converter, TC Transcontinental has developed strong manufacturing capabilities. By combining our employees' expertise, our state-of-the-art equipment and our continuous improvement culture, we can make quality products in an efficient manner and always aim to improve our footprint. We continuously strive to identify opportunities to reduce the environmental impact of our operations.

TARGET 4 Reduce our greenhouse gas emissions

- Reduce our greenhouse gas emissions by 5%¹

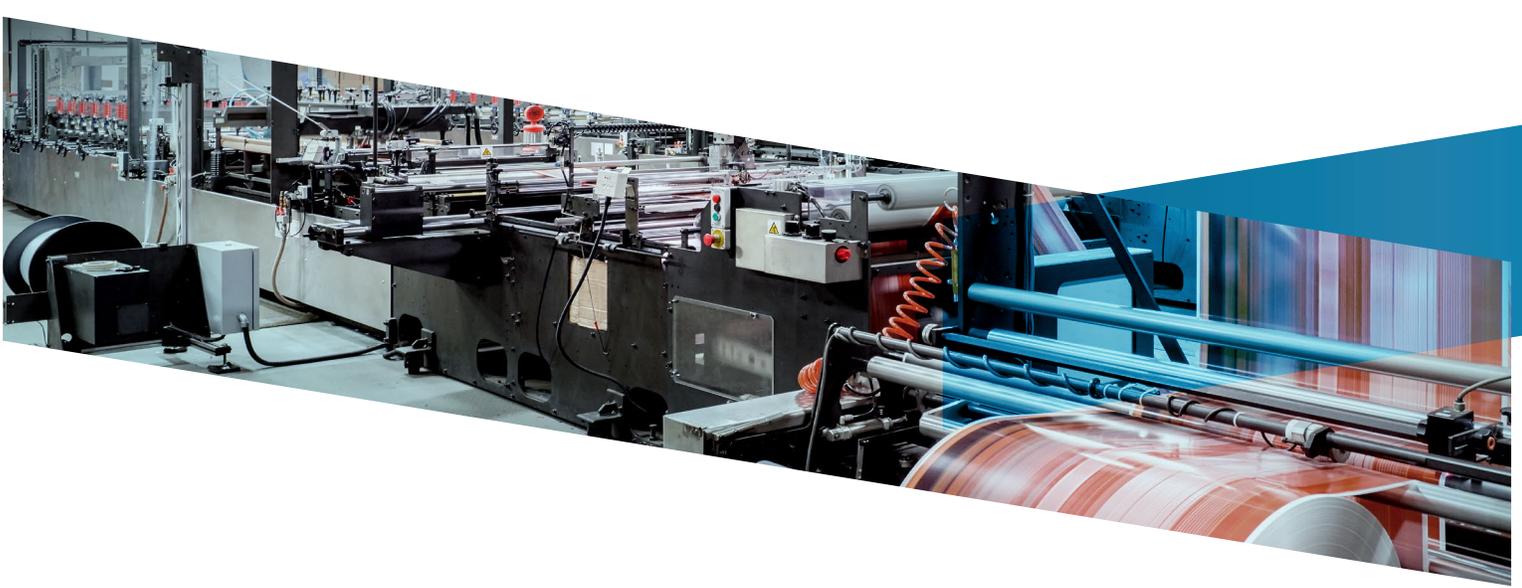
TARGET 5 Optimize waste management

- Aim for zero non-hazardous waste to landfill in our operating business units

TARGET 6 Ensure food safety and quality

- Obtain a GFSI-recognized food safety certification for all our direct-food contact packaging facilities

¹ Refers to absolute emissions from Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy)



OUR PRODUCTS

We create products and services that allow businesses to attract, reach and retain their target customers. Our packaging products serve a purpose: they contain, protect and facilitate the transport of the product they hold, and for applicable end markets, they also extend product shelf life. Our printing and media products inform, educate, entertain, help build brands and drive to action. Every day, our focus is on safety, performance, quality and sustainability: from sourcing to end-of-life, we make sure to use a circular approach in every step of our product design.

TARGET 7 Promote the use of sustainable materials

- 100% of our paper purchases to come from third-party certified or recycled sources
- By 2025, achieve a 10% use of post-consumer recycled content on average by weight across all plastic packaging in our product offering

TARGET 8 Design for end-of-life

- By 2025, 100% of our plastic packaging to be reusable, recyclable or compostable

TARGET 9 Focus on product research and development

- Invest at least 1% of our Packaging Sector's annual revenues in research and development



OUR COMMUNITIES

Our commitment to communities is an integral part of our vision: we want to make an everyday difference where our people live and work, close to our customers and partners. TC Transcontinental has a long and rich history of highly engaged philanthropic activity. Each year, the Corporation and its employees support a multitude of causes in the communities where we operate, with a focus on education, health and the environment.

TARGET 10 Invest in our communities

- Over 3 years, donate \$5M in financial contributions, goods and services to organizations, projects and programs that support the communities in which we operate

TARGET 11 Foster employee engagement

- All business units to participate annually in at least one initiative making a positive impact in their community



PARTNERSHIPS

Solving the challenges of sustainability requires action from across the value chain and collaboration between all stakeholders. We are very proud of the relationships we have built over the years with our esteemed partners, some of which are found below. As we move along our corporate social responsibility journey, we will continue developing strategic partnerships, striving to keep #ActingTogether towards a more sustainable future.



Founding member of the Institut des communications graphiques et de l'imprimabilité



Institut de technologie des emballages et du génie alimentaire
Collège de Maisonneuve

Partners of the Institut de technologie des emballages et du génie alimentaire



Long-term collaboration to protect Canada's forests



Committed to disclosure to the climate change and forests programs



Included in the Jantzi Social Index®



Partner organization of the Montréal Community Sustainable Development Plan



Proud supporter for close to 35 years



16 years among the Best 50 Corporate Citizens in Canada



Member of the Packaging Consortium of Canada



Certified to PEFC® Chain-of-custody certification



2019 Bronze Supplier Rating



Signatory of the New Plastics Economy Global Commitment



Certified to SFI® Chain-of-custody certification

MEMBER OF



This plan was developed with support from the Sustainable Packaging Coalition®



Member of the Flexible Packaging Association



Certified to FSC® Chain-of-custody certification

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Shareholders, Investors and Analysts

For financial information or to order
supplementary documentation
about the Corporation, please
contact the Investor Relations
Department or visit the "Investors"
section of TC Transcontinental's
website at www.tc.tc

Other Information

This plan is also available in the
"About Us > Social Responsibility"
section of the Corporation's website.

Ce Plan de responsabilité
sociale de l'entreprise
2019-2021 est disponible en
français sur notre site web
sous la rubrique « À propos >
Responsabilité sociale ».

Este Plan de Responsabilidad
Social Empresarial 2019-2021 está
disponible en español en nuestra
página web bajo el título "About us >
Social Responsibility".

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FORWARD-LOOKING INFORMATION

This 2019-2021 Corporate Social Responsibility Plan may contain forward-looking statements or objectives which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. The Corporation cautions against undue reliance on such statements or objectives since actual results or events may differ materially from the expectations expressed or implied in them.

The main risks, uncertainties and other factors that could influence actual results are described in the most recent annual Management's Discussion and Analysis ("MD&A") and in the latest *Annual Information Form* filed by the Corporation and which are available on its website at www.tc.tc.

Note to readers: In this document, unless otherwise indicated, the term "dollar", as well as the symbol "\$" designate Canadian dollars.

www.tc.tc

