

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

TC Transcontinental is a leader in flexible packaging in North America, and Canada’s largest printer. The Corporation is also a Canadian leader in its specialty media segments. For over 40 years, TC Transcontinental's story has been one of innovation and transformation to meet our customers' evolving needs.

Our strong family values, entrepreneurial spirit and long-term vision have always been at the heart of our success. Our mission is simple: create products and services that allow businesses to attract, reach and retain their target customers. In this pursuit, we are firmly guided by 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. The quest for long-term value creation and profitable growth is part of our DNA, as a controlled company and good corporate citizen. This is and will continue to be our commitment to our customers, employees, shareholders and the communities in which we operate.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 8,500 employees, the majority of which are based in Canada, the United States, and Latin America. TC Transcontinental had revenues of more than C\$3.0 billion for the fiscal year ended October 27, 2019. For more information, visit TC Transcontinental's website at www.tc.tc

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	November 1 2018	October 31 2019

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

CAD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization’s area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Manufacturing	<Not Applicable>
Palm oil	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Cattle products	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Soy	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Using as input into product manufacturing

Form of commodity

Paper

Source

Trader/broker/commodity market
Contracted suppliers (manufacturers)

Country/Area of origin

Canada
United States of America

% of procurement spend

41-50%

Comment

The vast majority (around 95%) of our paper purchased for Transcontinental Printing comes from Canada and the United States. Small volumes of sheeted paper may be bought from Asia (notably Indonesia) and Europe (France, Italy, Finland, etc.). Procurement spends refers solely to Transcontinental Printing.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	81-90%	Ninety percent of TC Transcontinental Printing revenue depends on disclosed forest risk commodities in the reporting year. This percentage represents all of Transcontinental Printing activities printed on paper. The remaining percentage is printed on plastic. Forty-four percent of TC Transcontinental's revenue depends on disclosed forest risk commodities in the reporting year. This percentage represents the revenues from the business sector TC Transcontinental Printing.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

396545

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

95

Please explain

The vast majority (around 95%) of our paper purchased for Transcontinental Printing comes from Canada and the United States. Small volumes of sheeted paper may be bought from Asia (notably Indonesia) and Europe (France, Italy, Finland, etc.). Procurement spends refers solely to Transcontinental Printing.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

3 to 6 years

Tools and methods used

Internal company methods
Jurisdictional/landscape assessment

Please explain

TC Transcontinental has developed a solid Enterprise Risk Management framework for managing its principal risks. The objectives of this process are to identify the main risks inherent to the business, assess their impact, put in place a response strategy and monitor the progress of mitigation initiatives. The main risks identified through that process, many of which are of a recurring nature, fall into 3 categories: strategic, operational or financial. The list usually comprises of 15 to 20 risks, including the operational and reputational risks directly or indirectly related to climate change and environmental aspects, such as forest-related risks. More specifically in 2019, TC Transcontinental assessed the risks related to sourcing from High Conservation Value Forests (HCVFs) in Canada through ForestMapper, created by NGO Canopy. Questionnaires were asked to our suppliers to overlap our sourcing map to the ForestMapper and risky zones were identified.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

The Paper Procurement Team tracks the market for pulp and paper products diligently and assesses the risks associated with economic, social and environmental concerns of paper production.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Our paper purchasing policy states that TC Transcontinental promotes the use of papers made with maximized pre-consumer and post-consumer recovered fibres. Where virgin wood fibre is required, preference is given to fibres from responsibly managed forests with a chain of custody certification from a recognized forest certification system. TC Transcontinental recognizes FSC®, CSA and SFI® certification systems with respect to sustainable forest management, as well as PEFC Chain of Custody certification. These certifications attest that paper is sourced from forests in accordance with sustainable development principles. In addition, we have our own FSC®, SFI® and PEFC Chain of Custody certifications, enabling us to trace fibres directly from the forest to our printed product. The end consumer is thereby assured that the paper used is sourced from responsibly managed forests. TC Transcontinental is working with Canopy, a non-governmental organization, to encourage governments and the forestry sector to support and advance protection of the world's ancient and endangered forests. We are proudly committed to contributing to the creation of conservation legacies in these landscapes of hope.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

The CSR department, CSR committee and the procurement department follow all new scientific advances on the impact of paper production on ecosystems, notably through updates of third-party certification standards. TC Transcontinental also frequently discusses with environmental not-for-profit organization Canopy, which promotes forest conservation in Canada.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental closely follows all environmental laws in jurisdictions where it operates. Discussions with suppliers also ensure that they are compliant with all forestry laws, and third-party certification confirms adequate responsible practices.

Climate change

Relevance & inclusion

Relevant, sometimes included

Please explain

Through its Paper Purchasing Policy, TC Transcontinental promotes the use of post-consumer recycled content or alternative fibres, when the life-cycle analysis shows environmental benefits.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental discloses all water consumption company-wide. All facilities track their water consumption.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

The Paper Procurement Team tracks the market for pulp and paper products diligently and assesses the risks associated with economic, social and environmental concerns of paper production.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

Consumer behaviour is changing from printed products to digital platforms, associated with the rise of the internet and electronic platforms and consumers' paperless preferences. TC Transcontinental aims at educating consumers on sustainable forestry and promoting the values of third-party certification.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Public campaigns on inadequate forestry practices have had impacts on the credibility of specific brands, but also of the overall paper industry. The Paper Purchasing Policy put forth by TC Transcontinental in 2012 is a risk mitigation tool that shows transparency and leadership in our purchase of paper.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental has an "Irregularity, Fraud and Criminal Offense Whistleblowing Policy and Procedure" policy. This policy includes allegations of fraud, corruption, irregularity, embezzlement, non-compliant activity, theft or any act that is criminal or unethical. This policy applies to all cases where allegations of theft, fraud, corruption or non-compliant activities arise involving both employees and third parties.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental's Paper Purchasing Policy states that our suppliers must have mechanisms in place to ensure that virgin wood fibres come from areas where traditional and civil rights are respected. Responsible procurement was identified as material by our stakeholders during the materiality analysis carried out prior to setting objectives for our 2019-2021 plan. At the end of 2019, we started an evaluation process for our main suppliers, both in our Printing and Packaging sectors, through the EcoVadis platform. The EcoVadis sustainable procurement survey is set up to ask, among others, our suppliers about their CSR compliance, GHG emissions, energy efficiency programs and management. TC Transcontinental joined Ecovadis in the Fall of 2019 to assess the quality of its suppliers' CSR management system, including governance on climate-related issues and emission management. This tool will allow us to gather important information about our supply chain and identify areas of higher risks and opportunities for improvement. The results from the assessment of our first tier of suppliers will be available in September 2020 and will be key in informing our supply chain strategy going forward. The goal of this process is to integrate environmental, social and ethical criteria into our purchasing practices, in addition to traditional performance measures. The suppliers' responses will allow us to highlight best practices, identify areas for improvement and identify collaboration opportunities to progress towards our sustainable development goals. Phase 1 of the supplier assessments will be completed by August 2020. Phases 2 and 3 will be launched in the next months to include a wider array of suppliers.

Other, please specify

Relevance & inclusion

Please select

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental's customers often show preferences for third-party certified fibre, or paper made with post-consumer recycled content. Nevertheless, our commitment to follow our Paper Purchasing Policy usually is our own corporate commitment, and the benefits are trickled down at our customer level.

Employees

Relevance & inclusion

Relevant, always included

Please explain

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, including risks related to our supply chain and paper procurement processes. 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. This process helped us set up a sustainable paper procurement for 2021.

Investors

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental is aware of the reputational risk linked to its fiber procurement. This risk is important to our investors, as showed by our 2018 sustainability materiality assessment. Our Paper Purchasing Policy and its commitments are allowing us to mitigate that risk, and therefore protect the reputation and financial performance of the Corporation.

Local communities

Relevance & inclusion

Relevant, not included

Please explain

NGOs

Relevance & inclusion

Relevant, always included

Please explain

TC Transcontinental has developed its Paper Purchasing Policy with environmental NGO Canopy. TC Transcontinental joined the United Nations Global Compact, a voluntary initiative through which signatory companies commit to aligning their approach to social responsibility with universal principles relating to human rights, labour standards and environmental protection. Of the international sustainable development goals defined by the Global Compact, seven are fully aligned with the targets of our three-year Acting Together plan and our policies. We will refer to them in this report. For TC Transcontinental, this endorsement of the United Nations goals confirms our commitment to corporate social responsibility and its integration into our operations and culture. Our practices are in line with the United Nations Sustainable Development Goal 15, which aims to "promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally".

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Not considered

Please explain

Regulators

Relevance & inclusion

Not considered

Please explain

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

As Canada's largest printer, TC Transcontinental has a responsibility to promote responsible forestry practices in locations where it sources paper. This is done with our paper suppliers through meetings, third-party certification requests and engagement processes. Responsible procurement was identified as material by our stakeholders during the materiality analysis carried out prior to setting objectives for our 2019-2021 plan. At the end of 2019, we started an evaluation process for our main suppliers, both in our Printing and Packaging sectors, through the EcoVadis platform. The EcoVadis sustainable procurement survey is set up to ask, among others, our suppliers about their CSR compliance, GHG emissions, energy efficiency programs and management. TC Transcontinental joined Ecovadis in the Fall of 2019 to assess the quality of its suppliers' CSR management system, including governance on climate-related issues and emission management. This tool will allow us to gather important information about our supply chain and identify areas of higher risks and opportunities for improvement. The results from the assessment of our first tier of suppliers will be available in September 2020 and will be key in informing our supply chain strategy going forward. The goal of this process is to integrate environmental, social and ethical criteria into our purchasing practices, in addition to traditional performance measures. The suppliers' responses will allow us to highlight best practices, identify areas for improvement and identify collaboration opportunities to progress towards our sustainable development goals. Phase 1 of the supplier assessments will be completed by August 2020. Phases 2 and 3 will be launched in the next months to include a wider array of suppliers.

Other stakeholders, please specify

Relevance & inclusion

Please select

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

As part of our enterprise risk management process, risk impacts have been defined in four categories:

1. Minor, could represent a reduction of EBITDA of \$1M,
2. Moderate, could represent a reduction of EBITDA between \$1M and \$5M,
3. Serious, could represent reduction of EBITDA between \$5M and \$20M,
4. Severe, could represent a reduction of EBITDA above \$20M.

Substantive financial impact is considered for the 'serious' and 'severe' categories, or more specifically, for risks that could have a financial impact of more than \$5M on EBITDA.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

State or equivalent

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Forest fires

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Climate impacts on forests, such as fire patterns, pine beetle devastation, species health, etc., could disrupt the supply chain of timber products.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Primary response to risk

Supplier diversification

Description of response

This risk is included in TC Transcontinental's risk assessment: contingency plans or alternative procurement strategies (more diversified procurement practices to prevent dependency on one geographical region and suppliers) are developed as mitigation strategies.

Cost of response

1320000000

Explanation of cost of response

Our purchasing, operations and distribution costs could be impacted by climate impacts , disruption in our supply chain, etc., therefore the cost of response could be as high as all of TC Transcontinental Printing sector revenues.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Other physical driver, please specify (Availability of certified material)

Primary potential impact

Increased operating costs

Company-specific description

TC Transcontinental is one of the largest buyers of third-party certified paper and aims at buying only certified fiber. Lower availability of certified sustainable material may increase operational costs and reduce supply.

Timeframe

Unknown

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Engagement in multi-stakeholder initiatives

Description of response

TC Transcontinental works closely with suppliers, governments, environmental not-for-profit organizations and sustainable forestry standards to ensure that adequate actions are taken to confirm a supply of certified fiber over multiple years.

Cost of response

1320000000

Explanation of cost of response

Our purchasing, operations and distribution costs could be impacted by product availability , disruption in our supply chain, etc., therefore the cost of response could be as high as all of TC Transcontinental Printing sector revenues.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

Environmental NGOs have in the past targeted pulp and paper, printers or retailers with respect to their use of non-certified fiber or their unsustainable forestry practices.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Medium-high

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial**Primary response to risk**

Implementation of environmental best practices in direct operations

Description of response

TC Transcontinental has been showing leadership and transparency with respect to paper purchasing. It has a strong focus on sustainable paper procurement practices and has quantitative targets with respect to responsible purchasing. The Corporation also releases an annual Corporate Social Responsibility report with multiple key performance indicators for social, community, economic and environmental performance. TC Transcontinental joined Ecovadis in the Fall of 2019 to assess the quality of its suppliers' CSR management system, including governance on climate-related issues and emission management. This tool will allow us to gather important information about our supply chain and identify areas of higher risks and opportunities for improvement. The results from the assessment of our first tier of suppliers will be available in September 2020 and will be key in informing our supply chain strategy going forward. The goal of this process is to integrate environmental, social and ethical criteria into our purchasing practices, in addition to traditional performance measures. The suppliers' responses will allow us to highlight best practices, identify areas for improvement and identify collaboration opportunities to progress towards our sustainable development goals. Phase 1 of the supplier assessments will be completed by August 2020. Phases 2 and 3 will be launched in the next months to include a wider array of suppliers.

Cost of response

1000000

Explanation of cost of response

Investments had to be made in order to ensure the implementation of environmental best practices in our direct operations. The cost of response covers the EcoVadis fees and sustainable procurement best practices and initiatives.

F3.2**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

Consumers are interested in environmentally friendly products and customers prefer to do business with good corporate citizens. TC Transcontinental is transparent with its purchases and offers sustainable printing options.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

High

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board-level committee	The mandate of the Corporate Governance and Social Responsibility Committee, composed entirely of independent directors, consists of ensuring compliance with corporate governance requirements and regulations, as well as overseeing the corporate social responsibility strategy of the company, which includes oversight of climate-related and forest-related issues.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy	The Governance and Social Responsibility Committee has the mandate to oversee TC Transcontinental's Corporate Social Responsibility Strategy. The Chief Strategy Officer is also in charge of the Corporate Social Responsibility Department, articulates the CSR strategy and oversees its implementation. A Corporate Social Responsibility Steering Committee has been formed and supports the Chief Strategy Officer with the articulation of the CSR plan and monitors its implementation across the organization. The Chief Strategy Officer and Chair of the CSR Steering Committee present to the Governance and Social Responsibility Committee once or twice a year, to look over the deliverables, such as the annual CSR Report or three-year CSR plans, as well as discuss on emerging sustainability risks and opportunities. The meetings also include discussions on the CSR goals and targets, long-term sustainability strategy, key projects and initiatives, as well as climate-related and forest-related issues.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Other C-Suite Officer, please specify (Chief Strategy Officer)	Both assessing and managing forests-related risks and opportunities	Quarterly	TC Transcontinental's corporate social responsibility commitment is framed within a well-defined CSR governance structure. In 2018, a Chief Strategy Officer of the Corporation was appointed, reporting to the president and CEO. The Chief Strategy Officer leads the development of annual and long-term strategic plans. In support of the Corporation's commitment to operating its activities sustainably, the Chief Strategy Officer also oversees corporate social responsibility (CSR), including the Corporation's ambitions in developing sustainable products and solutions, and is tasked with articulating the CSR plan and aligning it with TC Transcontinental's business strategy. The Chief Strategy Officer also provides strategic guidance to the Corporation's Board of Directors and Leadership team on sustainability aspects of the business.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	TC Transcontinental has put in place annual performance assessments for all salaried employees. Performance discussions are a powerful driver of corporate and individual performance and represent a precious opportunity for managers and employees to stop and have a conversation on performance, individual development goals and career interests. Attainment of personal objectives included in the performance evaluation process can affect monetary incentives received by the employee. Many individuals in the organization have personal objectives related to climate-related issues included in their performance evaluation. For example, monetary savings from sustainable procurement projects and initiatives are used, among others, to determine annual bonuses. Indeed, TC Transcontinental established a target in its 2019-2021 Corporate Social Responsibility Plan to promote the use of sustainable materials: 100% of our paper purchases to come from a third party certified or recycled sources. Corporate and other positions related to sustainability and environmental compliance, also have specific personal performance objectives directly or indirectly related to climate .

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitments beyond regulatory compliance Commitment to transparency Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Recognition of potential business impact on forests and other natural habitats	As the leading Canadian printer, TC Transcontinental buys important quantities of paper each year. We believe that by playing an active role in the paper procurement process we can not only have a positive impact on forest management practices, but also protect biodiversity and ecosystem integrity, thereby bringing long-term social and economic benefits to communities. This is why we have updated in 2012 our Paper Purchasing Policy, which sets out guidelines for our supply of paper (see attached). Our 2019-2021 Corporate Responsibility Plan also sets the target to promote the use of sustainable materials, the target is to reach 100% of our paper purchases to come from a third party certified or recycled sources. In 2007, TC Transcontinental published its first paper purchasing policy, whose scope was expanded in 2012. Its implementation has shown excellent results. In fact, the proportion of paper purchased that is FSC®, SFI® or PEFC certified or contains 100% recycled content reached 99% in 2019, up from 67% in 2012. Our in-house produced educational books are printed on 100% certified papers. We also hold FSC®, SFI® and PEFC chain-of-custody certifications, which allow us to track fibres directly from their origin all the way to our printed product. Our practices are in line with the United Nations Sustainable Development Goal 15, which aims to "promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally".

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	See attached Paper Purchasing Policy.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (Paper purchasing policy & certification)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- Zero gross deforestation/ no deforestation
- Zero net deforestation
- No conversion of High Conservation Value areas
- Adoption of the UN International Labour Organization principles
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

91-99%

Cutoff date

Not applicable

Commitment target date

2021-25

Please explain

As the largest printer in Canada, TC Transcontinental purchases significant quantities of paper every year. Through our procurement, we therefore play an active role in making a significant and positive impact on forest management practices. In doing so, we can help protect natural resources, creating long-term socio-economic benefits for communities. In light of this, TC Transcontinental issued its first paper purchasing policy in 2007, and expanded its scope in 2012. Developed in collaboration with Canopy, a non-governmental organization, this policy encourages among others the responsible use of natural resources and promotes the protection of ancient and endangered forests. In particular, our paper purchasing policy states that TC Transcontinental promotes the use of papers made with maximized pre-consumer and post-consumer recovered fibres. Where virgin wood fibre is required, preference is given to fibres from responsibly managed forests with a chain of custody certification from a recognized forest certification system. TC Transcontinental recognizes FSC®, CSA and SFI® certification systems with respect to sustainable forest management, as well as PEFC Chain of Custody certification. These certifications attest that paper is sourced from forests in accordance with sustainable development principles. In addition, we have our own FSC®, SFI® and PEFC Chain of Custody certifications, enabling us to trace fibres directly from the forest to our printed product. The end consumer is thereby assured that the paper used is sourced from responsibly managed forests. The implementation of this policy has produced compelling results. In fact, the proportion of our purchases of papers that are FSC®, SFI® or PEFC certified or are made with 100% recycled fibres reached 99% in 2019, while it stood at 67% in 2012. TC Transcontinental will continue to report annually on its performance relative to its ecoresponsible procurement objectives in its social responsibility report.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	5-10	Paper consists of around 50% of the procurement expenses of Transcontinental Printing. It is therefore a central part of the operational strategy and its risks (availability, cost, sustainability) are considered when developing long-term business objectives.
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	Paper procurement is a central part of the operational strategy and its risks (availability, cost, sustainability) are considered when developing the corporate strategic planning.
Financial planning	Yes, forests-related issues are integrated	5-10	The Paper Procurement team does both short and long-term analyses on paper availability, pricing and the general market to prepare for changes in the supply and/or demand of forests products.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Promote the use of sustainable materials : 100% of our paper purchases to come from a third party certified or recycled sources.

Linked commitment

Other environmental commitments

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

FSC Controlled Wood

FSC Recycled

PEFC Sustainable Forest Management certification

PEFC Chain of Custody

SFI Forest Management standard

SFI Chain of Custody

SFI Fiber Sourcing certification

Start year

2019

Target year

2021

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

99

Please explain

In its 2019-2021 Corporate Social Responsibility Plan "Acting Together", TC Transcontinental had set up a goal to promote the use of sustainable materials and aim for 100% of our paper purchases to come from a third party certified or recycled sources. As Canada's largest printer, publisher of educational books and a leader in flexible packaging in North America, TC Transcontinental buys a significant amount of paper and plastic each year. This reality allows us to approach our procurement as an opportunity to play an active role in creating a circular economy for plastics and to positively influence forest management practices. Responsible procurement is perfectly aligned with our vision and our social and environmental strategy. It was identified as an important element by our stakeholders during the materiality analysis carried out prior to our three-year plan Acting Together. At the end of 2019, we started an evaluation process of our main suppliers in our Printing and Packaging sectors through the EcoVadis platform. Our goal is to integrate environmental, social and ethical criteria into our purchasing processes, in addition to traditional performance measures. We are pleased to see that the majority of our suppliers have participated in this assessment. Their responses will allow us to highlight best practices, identify areas for improvement and progress together towards our sustainable development goals. In 2007, TC Transcontinental published its first paper purchasing policy, whose scope was expanded in 2012. Its implementation has shown excellent results. In fact, the proportion of paper purchased that is FSC®, SFI® or PEFC certified or contains 100% recycled content reached 99% in 2019, up from 67% in 2012. Our in-house produced educational books are printed on 100% certified papers. We also hold FSC®, SFI® and PEFC chain-of-custody certifications, which allow us to track fibres directly from their origin all the way to our printed product.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Chain of custody FSC, SFI, PEFC (CSA) certification schemes, FSC controlled wood and SFI Certified Sourcing.	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Forest management unit	99

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify (FSC Forest Management certification FSC Chain of Custody FSC Controlled Wood FSC Recycled PEFC Sustainable Forest Management certification PEFC Chain of Custody SFI Forest Management certification SFI Chain of Custody SFI Fiber Sourcing certification)

Certification coverage

Consumption volume

% of total production/consumption volume certified

99

Form of commodity

Paper

Volume of production/ consumption certified

391593

Metric

Metric tons

Please explain

TC Transcontinental has set up strict procurement targets for sustainable procurement. All suppliers must be able to provide 100% third-party certified paper from one of the three recognized certification schemes (FSC, SFI, PEFC).

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations
Supply chain

Description of control systems

As the largest printer in Canada, TC Transcontinental purchases significant quantities of paper every year. Through our procurement, we therefore play an active role in making a significant and positive impact on forest management practices. In doing so, we can help protect natural resources, creating long-term socio-economic benefits for communities. TC Transcontinental approach used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement our no conversion and deforestation commitment is achieved by the chain of custody standard of every certification.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

The implementation of our paper purchasing policy has produced compelling results. In fact, the proportion of our purchases of papers that are FSC®, SFI® or PEFC certified or are made with 100% recycled fibres reached 99% in 2019. TC Transcontinental will continue to work with suppliers on their performance relative to its ecoresponsible procurement objectives.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	As demand is rising for certified fiber and paper, more land owners need to obtain Forest Management certifications in order to provide adequate supply. The cost of such certification can be prohibitive, and most small landowners can't afford such a change. Therefore, the certified fiber may become rare, and prices could end up getting much higher. The certification process itself should be more accessible: this would lead to a growth of sustainable forestry and ensure that the supply will meet the demand.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Other, please specify	100%	Responsible procurement was identified as material by our stakeholders during the materiality analysis carried out prior to setting objectives for our 2019-2021 plan. At the end of 2019, we started an evaluation process for our main suppliers, both in our Printing and Packaging sectors, through the EcoVadis platform. The EcoVadis sustainable procurement survey is set up to ask, among others, our suppliers about their CSR compliance, GHG emissions, energy efficiency programs and management. The goal of this process is to integrate environmental, social and ethical criteria into our purchasing practices, in addition to traditional performance measures. The suppliers' responses will allow us to highlight best practices, identify areas for improvement and identify collaboration opportunities to progress towards our sustainable development goals. Phase 1 of the supplier assessments will be completed by August 2020. Phases 2 and 3 will be launched in the next months to include a wider array of suppliers. In percentage of procurement spend, around 80% of our suppliers from the Printing sector has been included in the first phase of the assessment. As this phase has yet to be completed, tangible impacts will be seen in the next reporting cycle. One hundred percent of our direct suppliers supports and improves their capacity to comply with your forests-related policies and commitments. This was demonstrated with our target of promoting the use of sustainable materials reaching 99% in 2019.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits	TC Transcontinental has been involved with Canopy, a Canadian environmental not-for-profit organization which promotes forest conservation. We have participated in roundtables, conferences and governmental meetings to promote large-scale forest conservation projects, such as the Great Bear Rainforest and the Broadback Valley Region.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Sustainable Forestry Initiative (SFI)

Other, please specify (FSC; PEFC; SPC)

Jurisdictional approaches

<Not Applicable>

Please explain

TC Transcontinental has been holding chain-of-custody certification from FSC, SFI and PEFC for over 10 years. We actively participate in discussions with these certification schemes, especially with respect to new or adjusted standards. In order to have a better understanding of sustainability in our new business sector, TC Transcontinental Packaging has joined the Sustainable Packaging Coalition® (SPC). The SPC brings together businesses, educational institutions and government agencies to collectively broaden the understanding of packaging sustainability. Being an active member of the SPC will allow TC Transcontinental to foster valuable partnerships through its new packaging supply chain, including as an active member of the Forest Products Working Group (FPWG). TC Transcontinental has joined the United Nations Global Compact, a voluntary initiative through which signatory companies commit to aligning their approach to social responsibility with universal principles relating to human rights, labour standards and environmental protection. Of the international sustainable development goals defined by the Global Compact, seven are fully aligned with the targets of our three-year Acting Together plan and our policies. Our practices are in line with the United Nations Sustainable Development Goal 15, which aims to "promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally".

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

No

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Cost of sustainably produced/certified products

Comment

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

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards

Comment

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

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Please see the attached.

paper_policy.pdf

classification_paper.pdf

Our sustainable paper procurement _ TC Transcontinental.pdf

TC_PlanCSR_2019-2021_EN.pdf

CSR 2019 Key performance indicators.pdf

CSR_2019ProgressReport.pdf

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Strategy Officer	Other C-Suite Officer

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms