

ENVIRONMENTAL POLICY

NOVEMBER 2021

TC Transcontinental has always diligently integrated best practices in sustainable development as part of its business activities and processes. We recognize the critical nature of sustainability and have always taken steps to promote and incorporate sustainable development in our operations by mobilizing stakeholders and supporting innovation.

We have implemented monitoring and audit programs to ensure we comply with all applicable environmental laws and regulations, including all federal, provincial, state and local laws of the jurisdictions in which we operate. As a manufacturing company, we also continually strive to go the extra mile to find ways to reduce the impact of our operations on the environment and pursue our business activities in a responsible manner. We commit to reporting regularly on our sustainability performance and encourage suppliers to adopt practices consistent with our policies and objectives.

AIR POLLUTION CONTROL AND PREVENTION

Our printing and packaging lamination processes generate air pollutants, such as volatile organic compounds (VOCs), particularly during ink drying and equipment cleaning. TC Transcontinental is committed to employing effective ways to minimize air pollution from our manufacturing activities. We do so by:

- Identifying and choosing, where feasible and economically viable, raw materials and manufacturing processes that minimize the generation of VOCs.
- Training our employees to manage the use of raw materials and the operation of our manufacturing equipment to minimize the production of air pollutants.
- Ensuring that wherever the prevention of air pollutants is not currently feasible, state-of-the-art abatement technologies will be employed to reduce their emissions.

ENERGY CONSUMPTION, GREENHOUSE GAS EMISSIONS & USE OF RENEWABLE ENERGY

Climate change is one of the most important environmental issues of our time. As a good corporate citizen, TC Transcontinental is committed to reducing greenhouse gas (GHG) emissions associated with its operations by reducing energy consumption and increasing the use of renewable energy. More specifically, we commit to:

- Reducing our use of electricity sourced from non-renewable sources and prioritizing the use of renewable energy where technically and economically feasible.
- Investing in technology and services that promote energy efficiency and provide for economic and environmental benefits.
- Promoting a culture of energy consciousness by empowering our employees to continuously evaluate energy usage in our operations and guiding them in making effective decisions regarding energy use.
- Continuing to analyze, develop and use key performance indicators to evaluate the efficacy of our energy conservation efforts and ensure they support continuous improvement toward reaching our GHG emissions reduction targets.

LOGISTICS AND DISTRIBUTION

TC Transcontinental is looking at different options to reduce GHG emissions associated with receiving materials used in the production process and delivering products to our customers. In collaboration with our partners, our focus is on continually increasing fleet efficiency, notably through maximizing truck capacity and more efficient transportation routes. Our coast to coast facilities are also enabling us to optimize networks and, when possible, reduce the distance travelled.

OPERATIONAL WASTE MANAGEMENT

TC Transcontinental's sustainable development approach involves sound management of waste. We favour reduction at source, reuse, recycling and recovery, and we consider waste disposal as a last resort.

We aim for zero non-hazardous waste to landfill in our operating business units. To do so, we evaluate our manufacturing processes in order to identify opportunities to minimize waste generation. We also ensure to adequately segregate all material to facilitate its repurposing or recycling. Our Recycling Group's investments in recycling technology will also help us increase the recycling rate of some hard-to-recycle plastic waste generated across our packaging network.

TC Transcontinental also aims to reduce the generation of hazardous waste by implementing best manufacturing practices. Following all applicable regulations, any hazardous waste it generates within our facilities is collected by authorized carriers and transferred to an appropriate treatment facility for proper disposal or recycling.

PAPER PROCUREMENT¹

As the largest printer in Canada, TC Transcontinental purchases significant quantities of paper every year. We are conscious of the impacts of our sourcing decisions on endangered species, high conservation value forests and climate, and we will collaborate towards creating long-term socio-economic benefits for communities. We have implemented various actions to do so:

- Ensure that suppliers have mechanisms in place to guarantee that virgin wood fibre papers come from forests that are not illegally harvested, where biodiversity is maintained and species at risk are protected and where traditional and civil rights are respected.
- As per the circular economy framework, where available, make customers aware of paper options containing pre-consumer and/or post-consumer recovered fibers.
- When virgin wood fibre is required, give preference 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. 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 products.
- Educate our customers on the value of using paper certified by a recognized forest certification system, so that by working together we can ensure our natural resources are used in a responsible manner.
- Use FSC®, SFI® and PEFC Chain of Custody certified papers for all in-house produced TC Media publications.
- Work with non-governmental organizations to encourage governments and the forestry sector to support and advance protection of the world's ancient and endangered forests.

PLASTICS PROCUREMENT²

¹ Refers to all fiber-based products purchased by TC Transcontinental Printing, our printing sector.

² Refers to films and resins purchased by TC Transcontinental Packaging, our flexible packaging sector.

As a North American leader in flexible packaging, TC Transcontinental wants to play an active role in creating a circular economy for plastics. We share the Ellen MacArthur Foundation's common vision that plastic should never become waste and therefore were the first Canadian-based manufacturer to become a signatory of the New Plastics Economy Global Commitment in March 2019.

Where technically feasible and through collaboration with our supply chain, we will aim to decouple our use of plastics from virgin non-renewable resources, notably by increasing our use of post-industrial and post-consumer recycled content. We commit to achieving a minimum of 10% use of post-consumer recycled content on average, by weight, across all plastics in our product basket by 2025. We are also committed to developing new viable solutions made from plastic alternatives derived from renewable feedstocks, where proven to be environmentally beneficial and coming from responsibly managed sources.

We believe that creating end-markets for post-consumer recycled plastics stimulates demand for better collection and recycling infrastructures. By purchasing recovered plastics and converting them into recycled plastic granules, TC Transcontinental's Recycling Group creates local outlets for sorting facilities and companies in the commercial, industrial and agricultural sectors, therefore diverting material from landfills and giving them a second life.

PRODUCT STEWARDSHIP

TC Transcontinental recognizes that it shares in the responsibility for the environmental impacts of the products it manufactures. In all our businesses, we strive to create products that reflect our commitment to sustainable development. This translates into packaging and printed products that combine safety, performance, quality, innovation and environmental awareness. We aim to take a circular approach at every stage of our product design, from sourcing raw materials to managing their end-of-life.

We pledge for 100% of our plastic packaging to be reusable, recyclable or compostable by 2025. Innovation is key to achieving this ambitious target and we will therefore continuously invest in our research and development capabilities and proactively collaborate with our customers and suppliers to solve the challenges it entails. We also understand our role in promoting good recycling practices and commit to collaborating towards increasing reuse, recycling and composting rates for paper and plastic in the communities where we operate.

As an important component of the food packaging supply chain, we also take food safety practices very seriously and adopt the highest food safety standards to meet our customers' requirements. In our direct-food contact packaging facilities, stringent hygiene policies, procedures and protocols are put in place to reduce the risk of product contamination. We also ensure, through a robust supplier program, the compositional compliance of materials so that our packaging and printed products are safe for consumers and the environment.

SUPPLY CHAIN ASSESSMENT

TC Transcontinental values honesty, integrity and responsibility and is committed to conducting business with the highest ethical standards. To maintain these standards, we expect TC Transcontinental suppliers to abide by and promote the values outlined in our Supplier Code of Conduct.

To ensure environmental, social and ethical criteria are integrated into our purchasing processes in addition to traditional performance measures, TC Transcontinental also implemented a third-party supply chain assessment program. This process allows us to highlight best practices, identify areas for improvement and progress together with our strategic suppliers towards reaching our common sustainable development goals.

WATER MANAGEMENT

The printing and packaging activities of TC Transcontinental generally are not water intensive. We nevertheless continue to proactively look for ways to reduce our water consumption throughout our facilities, such as installing closed loop systems for the wash lines in our recycling operations. We also monitor the quality of the industrial wastewater we discharge back into the sewer system in order to ensure compliance to local regulations and limit the contaminant load sent to water treatment facilities.

François Olivier

President and Chief Executive Officer
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