

Carbon Disclosure Project – Climate Change

TC Transcontinental 2017 response



Module: Introduction**Page: Introduction****CC0.1****Introduction**

Please give a general description and introduction to your organization.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has close to 8,000 employees in Canada and the United States, and revenues of C\$2.0 billion in 2016. Canada's largest printer with operations in print and digital media, flexible packaging and publishing, TC Transcontinental's mission is to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are strong values held by the Corporation and its commitment to all stakeholders is to pursue its business and philanthropic activities in a responsible manner.

TC Transcontinental has set up an innovative operating structure so that we can meet the individual needs of our major customer categories. This structure gives TC Transcontinental the best opportunity to help retailers, manufacturers, marketers, publishers and commercial clients to reach and keep their customers more effectively. The company's operations are grouped into two sectors: TC Media and TC Transcontinental Printing and Packaging.

1) TC Media is a leading provider of proximity media solutions in Canada. TC Media reaches Canadian consumers through a wide range of print and digital publishing products in French and English: newspapers, educational books, trade publications, retail promotional content, mass and personalized marketing, mobile and interactive applications.

2) Founded in 1976, TC Transcontinental has grown steadily over the years to become the largest printer in Canada and the third largest in North America. In the last few years, we have invested heavily in our printing network to ensure we provide the latest in available technology. Our services include a wide array of options for our customers, including premedia, printing and distribution solutions:

- Book printing
- Magazine printing
- Newspaper printing
- Retail flyer printing
- Catalogue printing
- Folding-carton packaging product printing
- Marketing product and direct mail printing
- In-store marketing printing
- Fulfillment services
- Distribution services

- Premedia services

Our state-of-the-art network of printing facilities enables us to serve local, national and international customers. We serve key audiences, including book, magazine and newspaper publishers, as well as retailers, cataloguers, marketers and advertising agencies. In total, more than 2,000 clients across North America trust TC Transcontinental Printing with their printing needs – and we serve customers from a myriad of industries, including financial, public service, government, pharmaceutical, telecommunication and non-profit organizations, and many more.

Print, combined with other platforms, is the primary driver of marketing communications today. Under the TC Transcontinental Printing banner, we help customers maximize results by smartly incorporating print with media, digital, interactive and mobile, ensuring that publishers and marketers deliver their content through the right media at the right time. We constantly strengthen our print and digital assets in Canada with the singular goal of helping our customers better attract, acquire and retain their target clients through our unique, client-focused offering which combines mass and tailored solutions.

Drawing on its solid manufacturing experience, TC Transcontinental created a new division in 2014, TC Transcontinental Packaging, which specializes in the production of flexible packaging. As the spearhead for this new area of growth, TC Transcontinental acquired four flexible packaging plants in the US and in Canada, and integrated them with the premedia personnel and expertise of Transcontinental Optium.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Sun 01 Nov 2015 - Mon 31 Oct 2016

CC0.3**Country list configuration**

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country
Canada
United States of America

CC0.4**Currency selection**

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD (\$)

CC0.6**Modules**

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Module: Management**Page: CC1. Governance****CC1.1**

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

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

The Sustainable Development Steering Committee is made up of employees from across the organization. The Committee develops strategic sustainability objectives and targets, including those related to climate change. It also engages with stakeholders and prepares the annual Corporate Social Responsibility report. The Executive Committee oversees the work of the committee and approves the strategic plans and reports.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Energy managers	Monetary reward	Energy reduction project Energy reduction target	Monetary savings from improved energy efficiency and lower energy costs are used, among others, to determine annual bonuses.

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Canada, United States	3 to 6 years	TC Transcontinental has developed a robust framework for managing its principal risks. The objectives of this process are to identify the main risks affecting the business, assess their impact, put in place a response strategy and monitor the progress of mitigation initiatives. Twice a year, the Corporate Controller meets individually with each member of Senior Management to review the list of risks previously identified and determine if risks need to be removed or added to the list. Once the list is reviewed, it is presented to the Audit Committee of the Board of Directors, where it is the object of a discussion with management. Risks and opportunities related to the environment are

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
				considered for analysis in this global Enterprise Risk Management process of the Corporation.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

The main risks identified through the Enterprise Risk Management process fall into 3 categories: strategic, operational or financial. The list usually comprises of 15 to 20 risks, many of which are of a recurring nature. For each risk, the following information is presented:

- Progress (new, increasing, stable or decreasing);
- Potential financial impact;
- Main person responsible for managing the risk (amongst Senior Management);
- Mitigation factors put in place over the last 6 months

The list is then reviewed and discussed with Senior Management as a group, including the CEO. The focus of this discussion relates to the effectiveness of the mitigation factors put in place to manage each risk, with each VP being the owner of a risk having to report on its actions of the last 6 months. Environmental risks are part of the operational risks and management processes are put forth both at the Corporate and at plant levels through the Senior Vice-President Procurement

CC2.1c

How do you prioritize the risks and opportunities identified?

Once a preliminary list of all potential risks is completed, the likelihood of occurrence and potential impacts of each risk are weighed and discussed with the appropriate stakeholders. The combination of likelihood and impact will determine which risks are considered as material for the Corporation.

With respect to climate change and environmental issues, stakeholder questionnaires are developed every three years in order to help to identify the relevant subjects and objectives communicated through our annual Corporate Social Responsibility reports.

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

As a Canadian leader in the print and media industry and new player in the packaging market, TC Transcontinental strives daily to implement best practices in sustainability by incorporating social, environmental and community perspective into its business practice - an approach that is directly connected to our vision of growth. By delivering on our sustainability commitment on a day-to-day basis, we continue to create value for our shareholders, employees, and customers and make a positive difference in the communities where we operate.

With respect to climate change, specific objectives are presented in our 2016-2018 Corporate Responsibility Plan. First, we aim to reduce our energy use by 5% over the 3-year period. We also want to achieve a 3% reduction in our combined Scope 1 and Scope 2 greenhouse gas emissions. The Corporation will therefore promote and develop projects and initiatives that aim at achieving these targets. Progress towards these objectives is annually presented in our Corporate Social Responsibility report.

CC2.2c

Does your company use an internal price on carbon?

No, and we currently don't anticipate doing so in the next 2 years

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Other

CC2.3e**Please provide details of the other engagement activities that you undertake**

- TC Transcontinental has been an active member of the Association Québécoise pour la maîtrise de l'énergie (AQME) (Quebec's association for energy efficiency), a forum for sharing best practice, stimulating innovation and mobilisation change towards a sustainable future.
- TC Transcontinental participates in Extended Producer Responsibility (EPR) programs throughout Canada for the printed material and packaging that it produces for its own brands. EPR programs promote recycling and re-use of paper products, therefore reducing the required resources needed to access and transform raw materials.
- TC Transcontinental supports various large-scale conservation projects in Canada and participates regularly in round table discussions and informational meetings with Canopy, a non-for-profit environmental organization working on forest issues. Large-scale forests are considered highly valuable for biodiversity and carbon sequestration.
- 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, find durable solutions to operational issues such as recovery of multi-laminate flexible packaging, and develop ample sustainable packaging options for its customers.

CC2.3f**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

All the discussions regarding climate change and the environment are managed through the Senior Vice-President Procurement, the Director MRO, Energy and Environment, the Corporate Environmental & Sustainability Coordinator and the Corporation's communications team. Their role across the company is well known and understood when discussing these matters.

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Intensity target

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1+2 (location-based)	79%	3%	Metric tonnes CO2e per unit of production	2015		2018	No, as there is currently no established science-based targets methodology in this sector	Our unit is metric tonnes of CO2e per tonnes of paper consumed. This target does not include our packaging facilities.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	7.5			This change does not include our packaging facilities.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	33%	100%	In its 2016-2018 Corporate Social Responsibility Plan, TC Transcontinental set up an objective of reducing by 3% the intensity of our greenhouse gas emissions, which was already achieved after one year.

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	Printed products on paper	Avoided	Other:			TC Transcontinental’s paper purchasing policy, established in

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	and cardboard certified as coming from sustainably managed forests or from recycled fibre.	emissions				2007 and updated in 2012 promotes the use of paper fibre from recycled sources or from sustainably managed forests under certification. TC Transcontinental holds Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI) and Programme for the Endorsement of Forest Certification (PEFC) certificates. By doing so, the company offers its clients choices that support best available forestry practices, preserve endangered ecosystems, limit water use and thus have lower embedded carbon emissions.
Group of products	Multi-Laminate Flexible Plastic Packaging	Avoided emissions	Other:			The use of flexible multi-laminate plastic results in lighter weight food packaging than traditional rigid packaging; therefore reducing the amount of feedstock used and embedded carbon emissions. Furthermore, the reduced weight and volume inherent with flexible packaging reduces the transport emission of the packaged goods.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	7	
To be implemented*		
Implementation commenced*	14	3867
Implemented*	18	1845
Not to be implemented		

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Building services	Eighteen energy efficiency projects were implemented in 2016 across our different operational units. These projects were on various building services, such as lighting,	1845	Scope 1 Scope 2 (location-based)	Voluntary	529855	975957	1-3 years	Ongoing	The required investment is calculated after the return of governmental grants.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	HVAC, production equipment and compressors. They saved both on natural gas consumption (Scope 1) and electricity use (Scope 2).								

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Lower return on investment (ROI) specification	The Simple Payback Period is calculated; project with a payback under three years are preferred. Governmental grants are sometimes require in order to make the projects financially acceptable.

Page: CC4. Communication

CC4.1

Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Complete	All document		See our Corporate Responsibility Report 2016 at : http://tctranscontinental.com/about/social-responsibility/reports .

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	While the greenhouse gas emissions of TC Transcontinental are under the thresholds for the current cap and trade programs, some of the Corporation's suppliers are required to participate. Therefore, increased costs in the supply of raw materials and energy are anticipated and have already been seen under the Quebec cap and trade program relative to TC Transcontinental's purchase of natural gas since 2015. It is expected that more provinces and states will join this program or similar programs	Increased operational cost	Up to 1 year	Indirect (Supply chain)	Virtually certain	Medium	Since 2015 in Quebec, the cap and trade program added approximately 20% to the price of natural gas. The financial implication to TC Transcontinental amounts to hundreds of thousand dollars.	Energy Efficiency projects.	Higher energy prices encourage more energy efficiency projects by shortening the payback period.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	in the future, thus increasing the impact of these schemes. This falls under the raw materials and energy prices risk described in the MD&A for the fiscal year ended October 31, 2016.								
Air pollution limits	Necessity to modify the current equipment to meet new more stringent limits. TC Transcontinental already has some of the best available technologies with respect to air pollution control in most of its facilities. Volatile organic compounds from the printing process are destroyed by powerful incinerators fuelled by natural gas. Increasing the pollution control may require new equipment and changes to	Increased capital cost	3 to 6 years	Direct	Likely	Medium	The cost to modify or replace equipment is relatively high.	In the past five years, TC Transcontinental has consolidated its production, if practicable, in its most efficient and modern operational units. This decreases the risk of outdated pollution control equipment.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	operational use. This falls under the regulations risk described in the MD&A for the fiscal year ended October 31, 2016.								
Fuel/energy taxes and regulations	Regulated carbon price on carbon intensive fuels, which would impact both our supply and the distribution costs of our products. Transport fuel supply and price volatility will impact TC Transcontinental on both the supply side (manufacturers of paper, plastics, inks, solvents, etc.) and on the distribution side. This falls under the raw materials and energy prices risk described in the MD&A for the fiscal year ended October 31, 2016.	Increased operational cost	3 to 6 years	Direct	Likely	Medium	Financial implication not estimated.	Better distribution, use of non-carbon intensive fuels in transport, increased efficiency in use of raw materials.	
General environmental regulations, including	Extended producer responsibility for sold products. This falls under the	Reduced demand for goods/services	Up to 1 year	Indirect (Client)	Virtually certain	Medium	Extended producer responsibility (EPR) for paper products has already been		

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
planning	regulations risk described in the MD&A for the fiscal year ended October 31, 2016.						put in place in multiple provinces in Canada. This increases the overall cost of printed material, as clients need to pay both for the production of the piece and its end of life recovery cost. This can lead to a decrease in demand for printed products, which is the core of TC Transcontinental's business. Carbon regulation could highlight the environmental impact of printing and lead to additional EPR regulation.		
Product efficiency regulations and standards	Required recycled content in material used. This falls under the regulations risk described in the MD&A for the fiscal year ended October 31, 2016.	Increased operational cost	3 to 6 years	Indirect (Supply chain)	About as likely as not	Medium	Since there are limited options for increasing the recycled content of paper and plastic raw materials, such regulations could increase costs and requirement for R&D investments. Carbon regulation could		

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							highlight the environmental impact of printing and lead to additional recycled content requirements. Financial implication not estimated		

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Induced changes in natural resources	Climate impacts on forests, such as fire patterns, pine beetle devastation, species health, etc., could disrupt the supply chain. This falls under the raw materials and energy prices risk described in the	Reduction/disruption in production capacity	>6 years	Indirect (Supply chain)	About as likely as not	Low-medium			

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	MD&A for the fiscal year ended October 31, 2016.								
Change in precipitation extremes and droughts	The climate change impacts on urban environment (heat waves, storm water sewer overflows, floods, electricity supply disruption) could lead to disruption in facility operations, the employees' ability to get to work and increased heating/cooling costs. This falls under the disruptions risk described in the MD&A for the fiscal year ended October 31, 2016.	Reduction/disruption in production capacity	>6 years	Direct	More likely than not	Low-medium	Production of printed products often have short timelines, thus the disruption could have important financial impacts on a short time-frame.	TC Transcontinental has operational business units in multiple provinces, thus the different printed projects could be moved to another location in case of disruption. Contingency plans are already in place for temporary shutdowns.	

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	Consumers are interested in environmentally friendly products and customers prefer to do business with corporations that take care of the environment and have good sustainability practices. In particular, paper is often seen as the cause for deforestation, and plastics are made with non-renewable resources. This falls under the transformation of the industry in which the corporation operates risk described in the MD&A for the fiscal year ended October 31, 2016.	Reduced demand for goods/services	1 to 3 years	Indirect (Client)	Likely	Medium-high	A portion of TC Transcontinental's revenue comes from flyers, which could be targeted due to their distribution process and perceived lack of value by some residents. A decrease in consumer demand could have a major financial impact on the Corporation.	Educate on the value of responsibly-printed flyers, use sustainably sourced products, increase recycled content and review distribution processes.	The costs are minor compared to the potential losses.

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Air pollution limits	More stringent air pollution limits will lead to the necessity of more efficient production equipment and pollution control. Companies who already have this equipment will be at an advantage.	New products/business services	3 to 6 years	Direct	More likely than not	Low-medium	TC Transcontinental has modern and efficient equipment in most of its operational units and therefore may not require as much investment in new or improved equipment as other players of the industry.		

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Regional climate extremes will have an impact on production abilities.	Increased demand for existing products/services	>6 years	Direct	Unlikely	Low	TC Transcontinental could benefit from its geographical spread, as it can readily relocate print orders to alternative printing facilities within its network.	Maintain operational units in multiple regions of North America, in order to have good contingency plans for temporary shutdowns.	

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	Consumers are interested in environmentally friendly products and customers want to do business with corporations concerned about their environmental impact. Flexible multi-laminate plastic	Increased demand for existing products/services	Up to 1 year	Direct	Very likely	Medium-high	TC Transcontinental is investing in its packaging division in order to gain market shares in this growing business.	Acquisition of flexible packaging companies in the United States.	Large-scale investments.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	packaging can be seen as a more eco-friendly alternative to rigid packaging due to lower resource use and lower weight and volume for transport.								

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Sat 01 Nov 2014 - Sat 31 Oct 2015	63660
Scope 2 (location-based)	Sat 01 Nov 2014 - Sat 31 Oct 2015	39520
Scope 2 (market-based)		

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fifth Assessment Report (AR5 - 100 year)
CH4	IPCC Fifth Assessment Report (AR5 - 100 year)
N2O	IPCC Fifth Assessment Report (AR5 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	0.00188	metric tonnes CO2 per m3	Canada National Greenhouse Gas Inventory
Diesel/Gas oil	2.663	metric tonnes CO2 per m3	Canada National Greenhouse Gas Inventory
Propane	1.51	metric tonnes CO2 per m3	Canada National Greenhouse Gas Inventory

Page: CC8. Emissions Data - (1 Nov 2015 - 31 Oct 2016)

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

58100

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We have no operations where we are able to access electricity supplier emissions factors or residual emissions factors and are unable to report a Scope 2, market-based figure	

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
39600		

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	Less than or equal to 2%	Data Management	Utility invoices are available for all facilities within our reporting boundary.
Scope 2 (location-based)	Less than or equal to 2%	Data Management	Utility invoices are available for all facilities within our reporting boundary.
Scope 2 (market-based)			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

No third party verification or assurance

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

No third party verification or assurance

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
No additional data verified	

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

Page: CC9. Scope 1 Emissions Breakdown - (1 Nov 2015 - 31 Oct 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Canada	49800
United States of America	8300

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

- By business division
- By facility
- By GHG type

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
TC Transcontinental Printing	53460
TC Transcontinental Packaging	4660

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Transcontinental Halifax	2000	44.62	-63.66
Transcontinental St-Hyacinthe	7900	45.63	-72.97
Transcontinental de la Capitale	170	46.82	-71.31
Transcontinental Interglobe	2800	46.22	-70.78
Transcontinental Interweb Montreal	3500	45.56	-73.40
Transcontinental Québec	90	46.82	-71.31
Transcontinental Métropolitain	200	45.65	-73.52
Transcontinental Qualimax	20	45.45	-75.73
Transcontinental Ross-Ellis	110	45.42	-73.63
Transcontinental Transmag	355	45.61	-73.58
Transcontinental PLM	1800	43.84	-79.31
Transcontinental Brampton	5800	43.17	-79.68
Transcontinental Vaughan	4800	43.76	-79.62
Transcontinental RBW Graphics	7600	44.58	-80.90
Transcontinental LGM-Coronet	1500	49.89	-97.26
Transcontinental Saskatoon	67	52.18	-106.65
Transcontinental Calgary	6400	51.00	-114.05
Transcontinental Vancouver	4000	49.19	-122.96
Transcontinental Northern California	3700	37.47	-121.92
Transcontinental Dartmouth	14	44.71	-63.60
Transcontinental Capri	1200	33.39	-93.76
Transcontinental Ultraflex	3300	40.66	-73.86
Transcontinental Concord	78	43.81	-113.63
Transcontinental Robbie	200	38.96	-94.80
Transcontinental Transmedia	0	45.53	-73.68
Transcontinental RDP	240	45.63	-73.58

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Transcontinental Boucherville	200	45.56	-73.43
Transcontinental Québec	89	46.82	-71.31
Transcontinental TDS	58	43.65	-79.61

CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	57789
CH4	65
N2O	267

Page: CC10. Scope 2 Emissions Breakdown - (1 Nov 2015 - 31 Oct 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	27590		425500	127700
United States of America	11980		71930	5250

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

- By business division
- By facility

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
TC Transcontinental Printing	8700	
TC Transcontinental Packaging	30900	

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Transcontinental Dartmouth	850	
Transcontinental Halifax	4550	
Transcontinental St-Hyacinthe	38	
Transcontinental de la Capitale	3	
Transcontinental Interglobe	31	
Transcontinental Interweb Montréal	32	
Transcontinental Québec	3	
Transcontinental Métropolitain	13	
Transcontinental Qualimax	1	
Transcontinental Ross-Ellis	10	
Transcontinental Transmag	13	
Transcontinental PLM	670	
Transcontinental Brampton	810	
Transcontinental Vaughan	710	
Transcontinental RBW Graphics	1260	
Transcontinental LGM-Coronet	24	
Transcontinental Saskatoon	390	

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Transcontinental Calgary	17600	
Transcontinental Vancouver	300	
Transcontinental Northern California	3300	
Transcontinental Capri	5200	
Transcontinental Ultraflex	1800	
Transcontinental Robbie	1700	
Transcontinental Concord	35	
Transcontinental Transmedia	2	
Transcontinental RDP	3	
Transcontinental Boucherville	2	
Transcontinental Québec	3	
Transcontinental TDS	62	

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	
Steam	
Cooling	

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

256300

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	252800
Propane	1200

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Contract with suppliers or utilities, with a supplier-specific emission rate, not backed by electricity attribute certificates	133000		This is calculated using the percentage of renewable energy per province (National Inventory Report).

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
241100	241100	2011.2	115.8	115.8	The energy is produced by cogeneration and solar panels.

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	7	Decrease	Energy efficiency projects have been implemented across our printing facilities, lowering both Scope 1 and Scope 2 emissions.
Divestment	1	Decrease	In 2016, TC transcontinental announced the closing of Transcontinental Québec, Darmouth and Saskatoon.
Acquisitions	10.5	Increase	In 2016, TC Transcontinental acquired Transcontinental Robbie Flexibles in Ohio and Ultraflex was accounted for its first full year.
Mergers			
Change in output			
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
52.4	metric tonnes CO2e	1000	Location-based	2	Increase	While the Corporation's revenues have stayed somewhat stable at 2 billion \$CAD, the global emissions have increased due to the acquisitions of Ultraflex and Robbie Flexibles in the United States.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
13.22	metric tonnes CO2e	full time equivalent (FTE) employee	1	Location-based	3	Increase	While the Corporation's number of employees remained stable at 8000, the global emissions have increased due to the acquisitions of Ultraflex and Robbie Flexibles in the United States.

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next 2 years

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, not yet calculated				TC Transcontinental is aware that its purchases, notably for paper and chemicals, involves embedded GHG emissions, and has some procedures in place to mitigate them. On the other hand, the Corporation has yet to delve further into quantifying this aspect of Scope 3 calculations.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Capital goods	Not relevant, explanation provided				N/A
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, not yet calculated				Due to a lot of changes in the administrative workplace locations in the past year and the fact that the energy consumption is directly included in our leases, this source of scope 3 emissions is no longer calculated.
Upstream transportation and distribution	Relevant, not yet calculated				TC Transcontinental knows that the transport and distribution of its purchased goods creates GHG emissions. On the other hand, the Corporation has yet to delve further into quantifying this aspect of Scope 3 calculations.
Waste generated in operations	Relevant, not yet calculated				The Corporation's recovery rate is calculated as part of our annual Corporate Responsibility Report. All of our waste streams are known and quantified, but not looked at through the GHG emission lens.
Business travel	Relevant, calculated	965	This calculation includes air travel and rental cars but does not include personal cars used for professional purposes.		
Employee commuting	Relevant, not yet calculated				TC Transcontinental has estimated the impact of employee commuting on its Scope 3 emissions in the past through surveys, but the data is not representative of the new structure of the company.
Upstream leased assets	Not relevant, explanation provided				N/A
Downstream transportation and distribution	Relevant, not yet calculated				TC Transcontinental's distribution of finished goods is an important aspect of the business and creates GHG emissions. The scope of this calculation is very large and needs to be determined, and the use of third-party suppliers for distribution adds to the challenge of obtaining data.
Processing of sold	Not relevant,				The products produced by TC Transcontinental do not require

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
products	explanation provided				any further processing, as they are finished goods.
Use of sold products	Not relevant, explanation provided				The use of printed materials and packaging doesn't require any energy or create any emissions.
End of life treatment of sold products	Relevant, not yet calculated				Recycling of paper and plastic products creates some emissions, but also prevents emissions from being created by using new raw material.
Downstream leased assets	Not relevant, explanation provided				N/A
Franchises	Not relevant, explanation provided				N/A
Investments	Not relevant, explanation provided				N/A
Other (upstream)	Not relevant, explanation provided				N/A
Other (downstream)	Not relevant, explanation provided				N/A

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No third party verification or assurance

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Acquisitions	1.1	Increase	Our recent acquisitions of packaging plants in the United States require more business air travels.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

On our supplier side, we work with our paper suppliers to ensure that they fit the requirements of our Paper Purchasing Policy, as well as check their overall environmental performance and reporting. Our Paper Procurement Policy requests the use of third-party certification and best practices in responsible forestry, which in turn reduces GHG emissions and lowers negative impacts on the environment.

On the customer side, we encourage our clients to choose paper with post-consumer recycled content and paper made with third-party certified fiber with chain-of-custody certification. We also help them achieve their own sustainability targets, notably for procurement of printed products.

Finally, we engage every three years in large-scale stakeholder questionnaires to determine our sustainability priorities, which include GHG emissions and climate change. The stakeholders include internal employees, suppliers, customers, as well as environmental not-for-profit organizations.

To measure the success of these measures, we have put forward sets of sustainability indicators, which are tracked quarterly and presented in our annual CSR report.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
	16	50%	TC Transcontinental's biggest purchases come from paper, which accounts for approximately 50% of our procurement expenses.

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Sylvain Levert	Senior Vice-President Procurement	Other: Senior Executive