2023

BUILDING OUR FUTURE

Corporate Social Responsibility Report

TRANSCONTINENTAL

CORPORATE PROFILE

PACKAGING

- A leader in flexible packaging in North America
- Approximately 3,700 employees
- Network of 26 packaging plants
- Variety of flexible plastic products, including rollstocks, bags and pouches, shrink films and bags, and advanced coatings

RETAIL SERVICES & PRINTING

- Largest printer in Canada
- Approximately 3,200 employees
- Network of 12 printing plants
- Integrated service offering for retailers, publishers and advertisers, including printing, premedia and distribution services

MEDIA

- The leading Canadian French-language educational publishing group and the leader in strategic information for key stakeholders in Québec's construction industry
- Over 300 employees

$2.9B
2023 REVENUES

~ 7,600
EMPLOYEES

38
PRODUCTION FACILITIES

ISABELLE MARCOUX
Executive Chair of the Board

THOMAS MORIN
President and Chief Executive Officer

As we reflect on the past year, we are filled with a sense of pride and optimism for the future of TC Transcontinental. Our journey has been marked by strategic decisions, promising innovations, and a commitment to sustainability.

This year, we embarked on a critical reassessment of our priorities and, as a result, made pivotal changes to our executive team. These adjustments were made with a clear objective: to strengthen our capacity of generating sustained organic growth, optimizing our return on assets, reducing our debt, and pursuing our sustainability agenda. By aligning our leadership with our strategic goals, we are better positioned to navigate the challenges and opportunities that lie ahead.

Central to our strategy has been our strong commitment to innovation, highlighted by our $80 million investment aimed at accelerating the commercialization of recyclable flexible packaging. This investment in the production of biaxially oriented polyethylene (BOPE) marks a first in North America. Set to become operational at our Spartanburg plant in South Carolina in 2024, this initiative is poised to accelerate our customers' journey towards recyclable packaging. Moreover, the launch of raddar™, our reinvented flyer, represents a leap forward in our offering. In the Retail Services & Printing Sector, raddar™ has made impressive strides, launching successfully in Québec and British Columbia. The product is easily recycled and has been optimized compared to its predecessor by reducing the number of pages and eliminating the plastic bag.

Furthering our sustainability agenda in 2023, we took a considerable step forward by disclosing our complete Scope 3 greenhouse gas (GHG) emissions, addressing the impacts within our supply chain. Our progress on the Science-Based Targets Initiative (SBTi) roadmap has been notable. We finalized our target, submitted it for validation, identified priority areas for action, and are establishing governance structures to ensure these goals are met.

Amid these advancements, we remain committed to improving the health and safety of our employees. Following a more than 20% reduction in our injury rate in 2022, we achieved another 17% reduction in 2023. This achievement speaks volumes about our commitment to creating a safe work environment. Moreover, our dedication to diversity and inclusion continues to be recognized, as evidenced by our feature in The Globe and Mail's annual Report on Business: Women Lead Here. This acknowledgment highlights the importance of diversity within our company and our ongoing efforts to foster an inclusive culture.

As we move forward, we strive to be a partner in achieving our customers' Environmental, Social and Governance (ESG) targets. Our progress and plan are detailed in this report. Although our journey continues to evolve, with the steps we've taken, we are confident in our direction and our ability to build a sustainable future.

Sincerely,

OUR 2025 VISION

At TC Transcontinental, our vision is clear: corporate social responsibility is a collective opportunity to create value for all stakeholders. Supported by our strong values and our corporate culture, we want to design a future that is greener, more inclusive, safe, innovative, sustainable, united, and responsible. Looking ahead to 2025, we have set ambitious goals articulated around five main themes.

Greener Growth		2025 Target	2023 Result (end of Fiscal Year)	Progress
Greenhouse gas emissions[1]	Reduce our greenhouse gas emissions in absolute terms	10%	1.6%	
	Publish a longer-term GHG reduction roadmap aligned with the Science-Based Targets initiative (SBTi) by the end of 2023	SBTi commitment	Target submitted for validation (pending)	
Waste management	Recover all non-hazardous operational waste	100%	89%	

Innovative and Sustainable Products		2025 Target	2023 Result (end of Fiscal Year)	Progress
Circular economy – plastic	Achieve an average usage rate of post-consumer recycled content by weight for all plastic packaging in our product portfolio	10%	1.64%	
Circular economy – plastic	Aim for all our plastic packaging to be reusable, recyclable or compostable	100%	42%	
Paper procurement	Sourcing paper from third-party certified or recycled sources[5]	99%	99%	

Inclusive and Safe Environment

		2025 Target	2023 Result (end of Fiscal Year)	Progress
Health and Safety	Reduce our Incident Frequency Rate (IFR) each year as we pursue our "no injuries"[2] target	3%	17%	▶
Diversity and inclusion	Maintain female representation on the Board of Directors	35%	45%	▶
	Increase the proportion of women at the Executive Committee level[3]	35%	31%	▶
	Increase the proportion of women in management positions	35%	42%	▶
	Increase the ethnic diversity of front-line supervisors[4]	↑	↑	▶
	Foster a culture of inclusion through True Colors, our initiative dedicated to the LGBTQ+ community and its allies	↑	↑	▶
	Ensure that all critical positions have an identified successor (1-3 years)	100%	Ongoing	▶

United with Our Communities

		2025 Target	2023 Result (end of Fiscal Year)	Progress
Local commitment	Invest in communities near our sites through our "Dollars for Doers" employee engagement program	↑	↑	▶
Donations	Provide a cumulative sum to our communities in the form of donations and sponsorships	$5M	$2.8M	▶

▶ On Track ▶ Requires Further Action ▶ Needs Attention

[1] From baseline year 2021. Refers to absolute Scope 1 (direct emissions from clean or controlled sources) and Scope 2 (indirect emissions from purchased energy generation) emissions.
[2] Annual target
[3] Is defined as reporting directly to the President and Chief Executive Officer or who is a member of the executive team
[4] This target only applies to specifically identified sites
[5] Annual target
[6] 2025 target

Pillar 1

GREENER GROWTH

OBJECTIVE	2025 TARGET	2023 RESULT	2023 PROGRESS
Reduce our greenhouse gas emissions in absolute terms[5]	10%	1.6%	▶
Publish a longer-term GHG reduction roadmap aligned with the Science Based Targets initiative (SBTi) by the end of 2023	SBTi commitment	Target submitted for validation (pending)	▶
Recover all non-hazardous operational waste	100%	89%	▶

[5] From baseline year 2021. Refers to absolute Scope 1 (direct emissions from clean or controlled sources) and Scope 2 (indirect emissions from purchased energy generation) emissions.

We are committed to reducing GHG emissions across our operations through operational excellence and by increasing our use of renewable energy. In 2023, our absolute emissions decreased by 1.6% compared to 2021. In terms of relative emissions, we emitted 316.47 kg of CO_2e per tonne of products manufactured in 2023, compared to 332.65 in 2021. This represents a year-over-year decrease of 5%[6].

Our teams continued to implement initiatives to reduce energy consumption and improve air quality monitoring. In recent years, we have undertaken many projects that improved our energy consumption. Projects implemented are structured around several action areas and vary for each site, including:

- Carrying out energy optimization assessments
- Installing heat recovery equipment
- Performing preventive maintenance and corrections to reduce air leaks
- Replacing older equipment with state-of-the-art, energy-efficient models
- Updating emission control units with new regenerative thermal oxidizers (RTOs), to better limit volatile organic compounds (VOCs)
- Replacing legacy lighting systems with LED lighting
- Replacing traditional litho and silk screen presses with digital presses and moving to cleaner types of inks
- Enhancing air filtering systems to reduce sulfur and active ingredients emissions in the workplace and outside of our plants

[6] We use the GHG Protocol Standard to structure our GHG calculations for all 3 scopes. More specifically, we calculate our emissions according to the financial control approach. To calculate our Scope 2 emissions, we use a location-based approach. Additionally, in line with our forthcoming science-based targets, we have extended our calculations to include Scope 3 emissions, which constitute the majority of our emissions. To estimate our Scope 3 emissions, we use a mix of spend-based, primary and secondary data, emission factors, as well as use assumptions when data is not available or is incomplete.

SCIENCE BASED TARGETS INITIATIVE

In our 2023 fiscal year, we finalized and submitted our targets to the Science Based Targets initiative (SBTi) for review and validation. We are designing our SBTi roadmap in alignment with the necessary reduction to limit global warming to 1.5°C. We are actively transitioning into the implementation phase.

Looking ahead, we will strategically develop long-term plans requiring cross-functional collaboration. We have identified key action levers to drive our progress. These include reducing and decarbonizing our energy consumption, engaging with our suppliers on GHG reduction and providing lower carbon products to our customers. As we will be detailing the initiatives to support our SBTi commitment, we will incorporate our circular economy of plastic targets in our GHG reduction roadmap. Increasing product recyclability and compostability, and integrating more post-consumer recycled (PCR) content have indirect positive impacts on GHG emissions.

WASTE MANAGEMENT

In pursuit of our zero-waste goal and circular economy principles, we've achieved an 89% recovery rate for non-hazardous operational waste in 2023. Waste recovery occurs through on-site segregation, off-site disposal, recycling, or energy recovery. Challenges persist in regions lacking recycling services hindering our 100% target. Hazardous waste is managed in accordance with local regulations, with each facility maintaining inventories and ensuring safe disposal through licensed waste handlers. Precaution measures are also taken in resin pellet handling facilities, with participation in initiatives like Operation Clean Sweep in Canada, requiring quarterly inspections and spills prevention. In the United States, audits are regularly conducted in compliance with stormwater permits.

NEXT STEPS

As we advance toward our 2025 targets, we intend to take further actions to improve our environmental performance. Notably, we are rolling out energy efficiency projects identified across some of our Packaging sites assessed in 2022 and obtaining the validation of our GHG target by the SBTi. Moreover, we are updating environmental improvement plans based on self-assessment analysis and validating self-assessment results with external auditors.

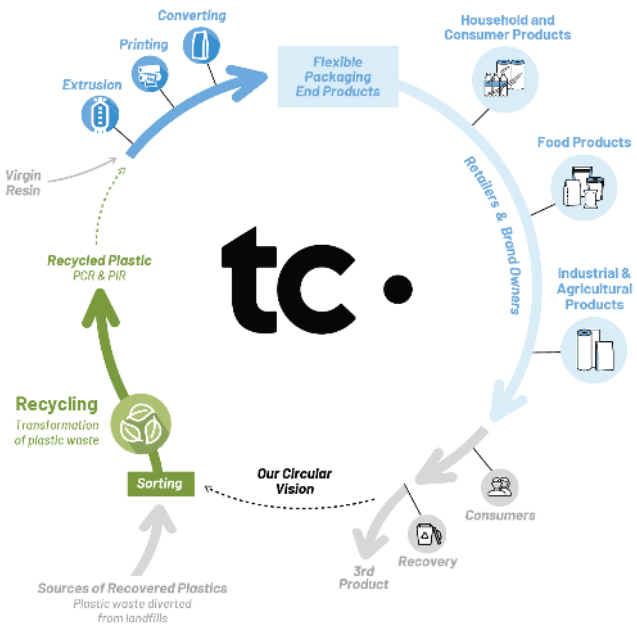
Pillar 2

INNOVATIVE AND SUSTAINABLE PRODUCTS

OBJECTIVE	2025 TARGET	2023 RESULT	2023 PROGRESS
Aim for all our plastic packaging to be reusable, recyclable or compostable	100%	42%[7]	▶
Achieve an average usage rate of post- consumer recycled content by weight for all plastic packaging in our product portfolio	10%	1.64%[7]	▶
Sourcing paper from third-party certified or recycled sources[8]	99%	99%	▶

[7] We have refined our calculation methodology for the percentage of our plastic packaging that is recyclable, compostable and made with PCR from previous reporting periods. As a result, there may be variances in the reported figures when compared to previous years.
[8] Annual target

We're dedicated to sustainability and innovation, evident through our R&D at the state-of-the-art ASTRA center. Our plastic packaging not only delivers environmental benefits but also aligns with increasing demands for sustainability and lower-emitting GHG products. We are committed to innovating to develop recyclable, compostable, and recycled-content products. Moreover, we actively engage in industry advocacy, promoting investment and partnership to improve recycling infrastructures and ensure optimal end-of-life scenarios. We take pride in our portfolio's value and its responsible impact across the value chain.



CIRCULAR ECONOMY OF PLASTIC

Sustainability requires a thoughtful approach from design to end-of-life. Our customers look to us to provide flexible packaging that will protect their product, extend food shelf life, provide functionality and is sustainable.

RECYCLE-READY AND COMPOSTABLE SOLUTIONS

In collaboration with our customers, our innovation capabilities have led to the development of exciting recyclable and compostable products that meet both functional and sustainability requirements. 42% of our products are now recyclable or compostable with a target of reaching 100% by 2025. Consequently, two-thirds of our product development portfolio is focused on projects with recyclable end-of-life packaging solutions. Recent launches include:

- Project "Slingshot": Announcement of groundbreaking $80M investment in Brueckner BOPE manufacturing asset to accelerate development of high performing polyethylene (PE) recyclable film solutions. Building construction has been completed and installation of the equipment is under way with commercialization targeted in 2024.
- Six new products received pre-approval from How2Recycle for the PE Film store drop-off collection stream
- Commercialization of recyclable PE packaging in the snack cheese segment with a large national cheese brand through close collaboration with our customer and innovative material design
- Investments in equipment and novel material innovations utilized in the manufacturing of flat bottom and quad seal bags for recyclable pet food packaging

POST-CONSUMER RECYCLED MATERIAL

The inclusion of post-consumer recycled (PCR) content in packaging is a critical element to achieve plastic circularity, as it drives demand for more robust collection and recycling systems. We are committed to achieving a 10% usage rate of PCR content for all plastic packaging in our product portfolio by 2025, and we are making good progress. In 2023, our PCR use represented 1.64% of our total packaging volume. Although we are witnessing slower than anticipated demand for PCR by our customers, we remain committed to achieving a 10% usage rate of PCR content for all plastic packaging portfolios.

We launched the following products or initiatives:

- We developed an industry-leading shrink film containing 50% PCR, which runs on our customer machines as well as film made with virgin resin
- All of our non-printed shrink collation films now contain a minimum of 10% PCR
- We launched a poultry PCR forming/non-forming package that includes 13% PCR while maintaining critical packaging attributes for meat and poultry
- We commercialized a non-dairy cheese slice package that incorporates 35% PCR
- We initiated a project to test the use of agricultural film products to generate PCR, creating circularity in agriculture films, including our banana tree bags
- We worked on obtaining the International Sustainability and Carbon Certification (ISCC PLUS) for PCR for multiple sites, enabling greater traceability and compliance

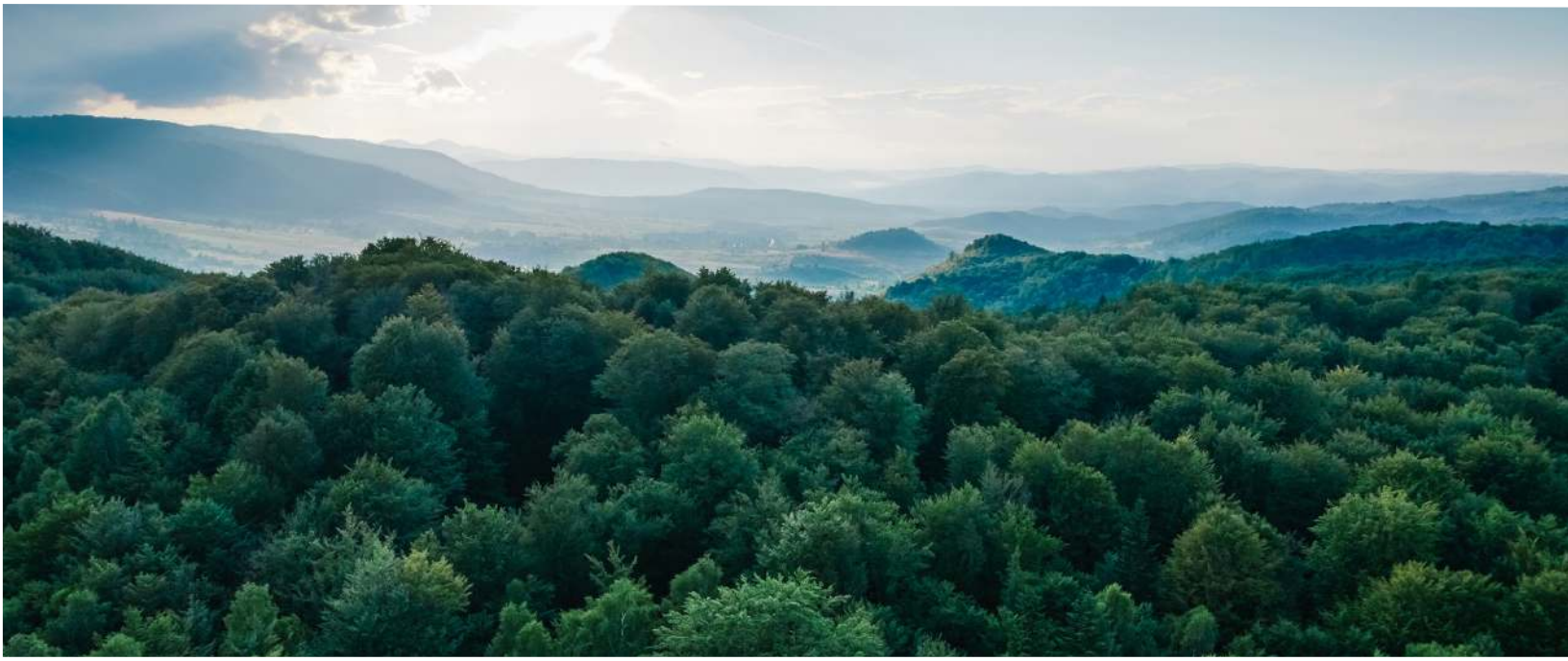
Integrating PCR content into our flexible packaging products also contributes to our greenhouse gas emissions reduction objectives and those of our customers. Indeed, the use of PCR resins lowers the carbon footprint of the package by reducing the need for virgin resin production. Based on a life cycle analysis (LCA), our 30% PCR Integritite collation shrink pack results in lower fossil fuel use, GHG emissions and water use than virgin plastic.

PAPER PROCUREMENT

As Canada's leading printer, we prioritize responsible forest management by aiming for 99% of our paper purchases to come from third-party certified or recycled sources. In 2023, 99% of our paper was third-party certified. We hold our own FSC® C011825, SFI®, and PEFC 01-31-106 Chain of Custody certifications, ensuring traceability from forest to product. In May 2023, we introduced raddar™, a sustainable flyer distributed in Montréal and available on raddar.ca. This eco-friendly format combines retailers' flyers, using 60% less paper than its predecessor, the Publisac, and does not require a plastic bag. It is made from sawmill residue with third-party sustainable forestry certifications. Designed for recyclability, raddar™ contributes to a circular paper economy, exemplifying our commitment to sustainability.

NEXT STEPS

2023 is a pivotal year for sustainable product development. By working together with our researchers, product developers and our sales and marketing teams, we have continued to qualify and commercialize more sustainable products for our customers. Looking forward, we have a very bright future with our material science learnings being leveraged into even higher performing solutions, and new assets, such as our 6.6m wide, first of its kind BOPE manufacturing line coming online. TC Transcontinental is uniquely positioned with the broadest of tools at our disposal, and we have all the confidence that we will continue to grow our brand as North America's preferred sustainable product provider.



Pillar 3

AN INCLUSIVE & SAFE ENVIRONMENT

OBJECTIVE	2025 TARGET	2023 RESULT	2023 PROGRESS
Reduce our Total Incident Rate (TIR) each year as we pursue our goal of "no injuries"[9]	3%	17%	▶
Maintain female representation on the Board of Directors	35%	45%	▶
Increase the proportion of women at the Executive Management Committee level[10]	35%	25%	▶
Increase the proportion of women in management positions	35%	42%	▶
Increase the ethnic diversity of front-line supervisors[11]	↑	Ongoing	▶
Foster a culture of inclusion through True Colors, our initiative dedicated to the LGBTQ+ community and its allies	↑	Ongoing	▶
Ensure that all critical positions have an identified successor (1-3 years)	100%	Ongoing	▶

[9] Annual target
[10] Is defined as reporting directly to the President and Chief Executive Officer or who is a member of the executive team
[11] This target only applies to specifically identified sites

We strive to create a best-in-class, safe, diverse and inclusive work environment where talent excels and teams are engaged. We have a "no injuries" target, as nothing is more important to us than the health and safety of our coworkers. We are proud to be recognized as a diversity and inclusion champion in the manufacturing industry[12]. We believe that diversity leads to better performance, greater talent attraction and retention and, as such, is a competitive advantage. We want to empower our coworkers by developing skills that support their growth and contribute to our business objectives.

[12] Refers to the company's recognition by the Globe and Mail annual Report on Business, Women Lead Here benchmark, which identifies best-in-class gender diversity in corporations across Canada.

OCCUPATIONAL HEALTH AND SAFETY

Our Occupational Health & Safety (OHS) strategy is designed to create the safest environment for our coworkers. As such, we achieved a 17% reduction in recordable incidents in 2023, compared to 2022. Our 2023 initiatives below reflect that keeping our coworkers safe and healthy is a top priority from the plant floor to the executive management level.

HEALTH AND SAFETY AWARENESS

In 2023, sites implemented various initiatives promoting our Health and Safety culture. Some of the local projects included:

- Implementing a "Stop-Think-Act" rule to prevent workplace injuries and incidents in our Latin American facilities
- Creating new contractor management tools in our Spartanburg facility to ensure that all contractors work safely at all times
- Training all of our Halifax plant employees to undertake on-site risk assessments
- Implementing a warm-up program for employees of the book-binding department in our Boucherville location to prevent repetitive movement injuries
- Deploying digital and interactive training focusing on preventing hand injuries for our team in Anjou
- Developing fundamental health and safety principles for our Costa Rica team to identify and assess risks in a changing work environment, such as on the road or on farmlands

As part of our Health, Safety and Community Partners recognition program, 20 sites were also awarded a total of $32,000 to donate to the charities of their choice. To be eligible, sites had to meet the following criteria: zero recordable incidents; or zero lost-time incidents and a reduction of the Total Incident Rate of 30% compared to the previous fiscal year.

DIVERSITY AND INCLUSION

We believe that diversity and inclusion is about respect, fairness and equal opportunity. To reach their full potential, employees need to feel safe and accepted for who they are.

EMPOWERING WOMEN LEADERS

In 2023, we improved our results on two of our gender diversity objectives. With 45% of women on our Board of Directors, we have already exceeded our 2025 target of 35%. There is also a higher proportion of women in management positions (42%) compared to last year. As a result of restructuring the Executive Management Committee, the percentage of women dropped from the previous year (from 36% in fiscal year 2022 to 25% in fiscal year 2023).

Our diversity strategy includes leadership development programs, recruitment, and talent management, and, since 2019, our diversity targets are part of the executive compensation incentives criteria. Several initiatives took place in 2023:

- We held a Women@TC MasterClass event. The event featured a keynote speaker from Harvard University and a virtual simulation where leaders collaborated to drive a critical change initiative.
- We also hosted a Women in IT virtual event for women from our Information Technology group. The objective was to create a supportive community and provide guidance for career development in a male-dominated career field.

In 2023, our commitment to increasing workplace diversity was recognized by The Globe and Mail's annual Report On Business: Women Lead Here benchmark, which identifies best-in-class gender diversity in corporations across Canada. We were also featured in the American Flex Pack Magazine as an example of "companies making strides and the business case for diversity, equity and inclusion."

MOVING BEYOND GENDER DIVERSITY

We believe that ethnicity, sexual orientation, and gender identity are an opportunity for our corporation to reaffirm that all of our employees have a welcoming home at TC Transcontinental. In terms of ethnic diversity, we have completed a survey of our workforce in Canada and the U.S., with a 93% response rate. Analysis of data and major gaps will allow our teams to adjust their talent approach and include actions toward promoting ethnic diversity as part of the strategic planning process.

TRUE COLORS, ANOTHER STEP TOWARD INCLUSION

True Colors is our employee-led committee focused on creating an inclusive and safe space for members of the LGBTQ+ community and their allies.

The committee launched two years ago on May 17th, the International Day Against Homophobia, Transphobia and Biphobia to raise awareness of the discrimination experienced by members of the LGBTQ+ community. Its work centers around education and awareness at all levels of the organization, inclusive policies and benefits, and community involvement in local LGBTQ+ organizations.

TALENT

Our talent is vital to the growth of our organization. As such, we seek to strengthen succession, progression, and retention to minimize risks, particularly in the current tight labor market.

TALENT DEVELOPMENT

In 2023, we partnered with BetterUp to provide transformative coaching to employees, covering topics like strategic management, communication, and career development. Identified through talent reviews, employees gain access to coaching on topics, including time management and productivity. Additionally, we offered mentorship with senior leaders to 50 mentees identified by talent reviews and development plans. Through Evolo, our learning management system, rolled out in 2023, we offer employees training in leadership, professional development, technology, safety, compliance, and diversity and inclusion.

NEXT STEPS

In line with our 2025 targets, we intend to take actions to create a safer and more inclusive environment, such as continuing to increase OHS focus, monitoring and alignment on leading indicators (i.e., near-miss reporting); developing individual training trajectories on Evolo; using our new employer branding, We've Got it Made, through internal and external campaigns to drive engagement and enhance recruitment capabilities; have successors identified for all non-executive critical positions, and increasing diversity support initiatives such as mandatory diversity and inclusion training in all sectors.

Pillar 4

UNITED WITH OUR COMMUNITIES

OBJECTIVE	2025 TARGET	2023 RESULT	2023 PROGRESS
Invest in our communities near our sites through our "Dollars for Doers" employee engagement program	↑	Ongoing	▶
Provide a cumulative sum to our communities in the form of donations and sponsorships	$5M	$2.8M	▶

We have a long-standing practice of community involvement, and it is one of the ways we make a difference as a corporation. We proactively encourage employee participation through our programs to develop strong ties with our communities and make a positive impact. We invest primarily in the areas of health, education, local communities and the environment in the form of volunteer hours, donations and sponsorships.

LOCAL COMMITMENT POLICY

TC Transcontinental's community involvement framework is outlined in our Local Community Involvement Policy. Senior leaders are responsible for coordinating the selection of non-profit organizations which benefit from their respective work site's community donation. These activities anchor our local presence in the many communities where we operate and promote team engagement through meaningful service.

LOCAL COMMUNITY INVOLVEMENT PROGRAM

The Local Community Involvement Program is available for all key locations outside of Québec (Québec sites are out of scope, as we continue our major donations program in this province). Each fiscal year, an amount of $5,000 is made available to eligible locations to be divided among two non-profit organizations. In 2023, a total of 35 sites were granted $5,000 each to donate during the fiscal year. We achieved a 71% success rate, with 25 sites participating in the donation program. A total of $124,000 was granted to local non-profit organizations.

Some of the organizations that have benefited from this program include:

- American Cancer Society, by TC Transcontinental Menasha
- York & South Simcoe Canadian Mental Health Association, by TC Transcontinental Vaughan
- New Zealand Gifts of Love and Strengths, by TC Transcontinental New Zealand
- The Richmond Food Bank, by TC Transcontinental Richmond
- Fundación acción solidaria (Solidarity Action Foundation), by TC Transcontinental Ecuador

DOLLARS FOR DOERS PROGRAM

This program aims to promote community work through team engagement across all our sites. When a team of five or more employees has completed a determined number of minimum hours of community service for a non-profit organization, TC Transcontinental contributes $1,000 to the organization. In 2023, a total of 1,650 volunteer hours were performed through this program, for which we donated $33,000 to non-profit organizations.

Some of the organizations that have benefited from our involvement are:

- Feed my Starving Children, by our Chicago office employees
- Laval Food Bank (Moisson Laval), by our TC Transcontinental Anjou employees
- Clinton Animal Rescue Endeavor, by our TC Transcontinental Clinton employees

DONATIONS

As a corporation, we are firmly committed to reaching or exceeding our $5 million cumulative 2025 target in terms of donations and sponsorships to our communities.

In 2023, TC Transcontinental granted approximately $1.5 million to over 100 organizations that support the communities where we operate. Among our many contributions, $410,292 was donated to Centraide (United Way) of Greater Montreal's 2023 campaign thanks to the generous participation of our employees combined with our annual donation.

TC Transcontinental recognizes the importance of building multi-year partnerships with community organizations to promote long-term positive impacts.

Some of the organizations benefiting from our support are:

- The Montreal Children's Hospital Foundation: A partnership involving a contribution of $500,000 over 10 years
- Fondation des sports et loisirs de Beauceville (Beauceville Sports and Recreation Foundation): A collaboration that includes a donation of $50,000 over 5 years.
- Sun Youth: A total contribution of $100,000 over 5 years.

These partnerships underscore TC Transcontinental's dedication to enriching and supporting the communities in which they operate.

Pillar 5

GOVERNANCE & RESPONSIBLE BUSINESS PRACTICES

Our sound governance and responsible business practices are the foundations upon which we operate. We have programs and policies in place or under development in the areas of responsible procurement, data security, food safety, ethical conduct, legal compliance, and enterprise risk management.

TOPICS	OBJECTIVES	ACTIVITIES
RESPONSIBLE PROCUREMENT	• Integrate ESG criteria into our sourcing process as we roll out our responsible sourcing program.	• Updated Supplier Code of Conduct to reinforce human rights provisions, with a special focus on forced and child labor. • Developed our first report on fighting forced labor and child labor, including details of due diligence program and perspectives on future improvements. • Mapped our key suppliers' climate change strategies and started engaging with them to gain a greater understanding of their climate transition plans.
DATA SECURITY	• Conduct a comprehensive assessment of data protection and security program. • Develop a roadmap, including policies, training and controls, to ensure better protection and prevention of data leaks.	• Conducted a comprehensive assessment to identify sensitive data and evaluate data protection measures and governance practices. • Developed a roadmap to increase cyber resilience, including governance & policies, training, and technical controls. • Implemented a cybersecurity incident response preparedness strategy, including annual cyber crisis simulation exercises and employee security training.
BUSINESS ETHICS AND COMPLIANCE	• Ensure that our employees read and sign the Code of Conduct upon hiring. • Develop and provide anti-corruption training to our employees, according to their role.	• Ensured all employees, including executives and directors, sign the Code of Conduct and complete training as required. • Developed and provided anti-corruption training to employees based on their roles. Further information on Transcontinental's Code of Conduct can be found on our website.
ENTERPRISE RISK MANAGEMENT	• Annually review the Enterprise Risk Management program, including ESG risks and risks related to climate change, and have it approved by the Board of Directors or one of its committees.	• Conducted annual risk assessment survey to identify top risks and mitigation strategies. • Integrated management of ESG risks, including climate change and regulatory risks, within risk assessment and mitigation processes. Further information on Transcontinental's Enterprise Risk Management Program and the integration of ESG risks can be found in the Annual Report and the Annual Information Form.
FOOD SAFETY AND QUALITY	• Maintain relevant food safety certifications, ensuring to our customers the integrity and quality of their products.	• Achieved or maintained relevant food safety certifications recognized by the Global Food Safety Initiative (GFSI), such as Safe Quality Food (SQF), British Retail Consortium (BRC), International Featured Standard (IFS Pac Secure), and FSSC 22000. • Conducted monthly monitoring of environment for pathogens.

NEXT STEPS

By 2025, we intend to maintain sound governance and responsible business practices by taking actions such as strengthening our sustainable procurement process and determining mitigating actions for emerging risks as part of the risk assessment process.

OUR CSR GOVERNANCE STRUCTURE

Corporate social responsibility at TC Transcontinental is framed by a solid and well-defined governance structure. Our CSR strategy is integrated directly into the decision-making and management structure at all hierarchical levels, from the Board of Directors to front line teams.

GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS

Under the direction of the Board, the Governance and Social Responsibility Committee is responsible for reviewing and approving the corporation's CSR plans, overseeing its performance, and monitoring CSR developments and trends.

THE EXECUTIVE CHAIR OF THE BOARD AND THE CEO

The Executive Chair of the Board and the CEO provide overall leadership and strategic direction for the corporation's CSR efforts, ensuring alignment with the company's mission and strategic goals.

EXECUTIVE TEAM

The Executive team enables and closely monitors the proper execution of all initiatives.

SENIOR VICE PRESIDENT, R&D, INNOVATION, SUSTAINABILITY AND ESG

The Senior Vice President R&D, Innovation, Sustainability and ESG is a member of the Executive Management Committee and leads the development of the ESG strategy and ensures that the team closely works with the operations. He reports progress to the Executive Management Committee and the Governance and Social Responsibility Committee.

OUR COMMITMENT TO OUR STAKEHOLDERS

Our stakeholders play a vital role in shaping our approach and ensuring our sustained success. We believe in building long-term relationships with them to better understand their concerns and expectations.

Thus, to anchor our CSR strategy around relevant ESG issues for TC Transcontinental, we turned to our stakeholders to perform a rigorous and detailed materiality assessment in 2021.

A large-scale consultation program was undertaken and sent to our 8,000 employees as well as nearly 150 external stakeholders. The information collected and an internal relevance analysis then enabled us to identify 12 priority ESG themes for our organization. These were then grouped under five strategic pillars around which initiatives and ambitious objectives were articulated.

EMPLOYEES
- Materiality survey
- Engagement survey
- Internal communications process

CUSTOMERS
- Response to questionnaires and audits
- Materiality survey
- Specific meetings
- Events and conferences

INVESTORS
- Materiality survey
- Response to questionnaires
- Meetings with analysts

NON-PROFIT ORGANIZATIONS
- Materiality survey
- Response to questionnaires
- Events and conferences

LOCAL COMMUNITIES
- Dialogue at their request through our sites
- Engagement in the field

SUPPLIERS
- Materiality survey
- Evaluation by EcoVadis

CSR EXPERTS
- Materiality survey
- Ad hoc dialogue or specific mandates
- Events and conferences

GOVERNMENTS
- Ongoing mobilization of the public affairs team
- Participation in public consultations

1 Employee health, safety, and well-being
2 Innovation and sustainable product development
3 Circular economy
4 Climate Change
5 Data security and privacy
6 Business ethics and compliance
7 Talent attraction and retention
8 Food safety and product quality
9 Environmental compliance
10 Diversity and inclusion
11 Enterprise risk management
12 Energy use
13 Employee training and development
14 Human rights
15 Supply chain transparency
16 Community impact and philanthropy
17 Operational waste management
18 Transportation and distribution
19 Food waste
20 Sustainable forestry
21 Water consumption

PARTNERSHIPS AND RECOGNITIONS

Meeting sustainability challenges requires collaboration across the entire value chain. We have established solid relationships over the years with our esteemed partners and are very proud of our performance with many recognized rankings.

We are proud to have placed 26th on Corporate Knights' 2023 Best 50 ranking, highlighting top Canadian companies that continue to evolve and invest in a cleaner future.

As we move forward on our social responsibility journey, we will continue our collaboration with our stakeholders and strategic partners to build a more sustainable future together.

Member of Ameripen

Member of the Association of Plastics Recyclers

Member of the Biodegradable Products Institute

Member of the Plastics Division of the Chemistry Industry Association of Canada

Obtained a C grade in 2023 for our performance in climate change and C for forest management

In the top 30 of the biggest Centraide campaigns

Signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment

Member of the Flexible Packaging Association

Member of PAC Global

Accredited Member of the Pet Sustainability Coalition

Member of Sustainable Packaging Coalition

Rated with low ESG risk according to Sustainalytics

Signatory of United Nations Global Compact

2023 CSR KEY INDICATORS

	2023	2022	2021
FINANCIALS (IN MILLIONS)			
Revenues	$2,940.6	$2 956.1	$2,643.4
Operating earnings	$164.7	$217.3	$233.8
Adjusted operating earnings (operating earnings before the accelerated recognition of deferred revenues[1], accelerated depreciation[1], restructuring and other costs (gains), impairment of assets, as well as amortization of intangible assets and reversal of the fair value adjustment of inventory sold arising from business combinations)	$285.5	$285.1	$313.5
Total assets	$3,700.3	$3,801.0	$3,612.9
Market capitalization at fiscal year-end	$905	$1,387.0	$1,703.7
Operating expenses (excluding employee-related costs)	$1,720.5	$1,763.1	$1,513.1
Dividends on participating and preferred shares	$78.0	$78.1	$78.3
Interest paid on debt	$49.5	$34.7	$32.3
Income taxes paid	$48.4	$84.9	$59.4
Research and development expenditures[2]	$9.8	$8.3	$9.6
OUR EMPLOYEES			
Number of employees	7,957	8,303	7,904
Female employees (%)	30.1%	30%	28%
Employee-related costs (in millions)	$773.6	$746.3	$675.4
Employee turnover rate – voluntary (%)	10.6%	12.1%	9.2%
Employee turnover rate – involuntary (%)	8.4%	4.7%	n.a.
PENSION FUND			
Type of pension fund	Mix DB and DC	Mix DB and DC	Mix DB and DC
Pension plan assets (in millions)	$491.5	$531.4	$683.5
Deficit of defined benefits plans (in millions)	$80.20	$62.7	$45.3
Defined contribution pension plans and State plans expenses (in millions)	$37.00	$32.2	$34.1[2]
Number of unionized employees[3]	1,607	1,652	2,038
HEALTH, SAFETY & WELLNESS			
Number of fatalities	0	0	0
Total incident rate (incidents per 200,000 worked hours)[2]	1.05	1.27	1.49
Total severity rate (lost days and restricted duty days per 200,000 worked hours)	52	52	59
GOVERNANCE			
Independent directors (in %)	64%	58%	62%
Female representation on the Board of Directors (in %)	45%	42%	39%
Number of women on the Executive Management Committee	3	4	3
Women in executive and management positions (in %)	42.3%	33%	33%

2023 CSR KEY INDICATORS

	2023	2022	2021
OUR COMMUNITIES			
Donations of cash, goods and services (in millions)	$1.5M	$1.3M	$1.6M
OUR PRODUCTS			
PROCUREMENT			
Paper purchased (excluding paper provided by customers) (in tonnes)[4]	241,469	276,089	285,180
Total paper consumed (in tonnes)[4]	262,189	295,088	307,227
Purchases of FSC® certified paper (in tonnes)[4]	106,611	69,443	68,626
Purchases of PEFC certified paper (in tonnes)[4]	132,767	203,337	210,324
Purchases of SFI® certified paper (in tonnes)[4]	589	871	867
Total plastic consumed (in tonnes)[5]	222,552	218,338	215,905
ENERGY			
Energy used (in GJ)	2,568,465	2,641,364	2,681,319
Natural gas purchased (in GJ)	1,221,546	1,312,508	1,301,004
Propane purchased (in GJ)	3,040	3,740	3,633
Electricity purchased (in GJ)	1,343,879	1,325,116	1,376,681
GHG EMISSIONS			
Scope 1 greenhouse gas (GHG) emissions (in tonnes of CO_2e)	82,834	89,530	92,977[2]
Scope 2 GHG emissions (in tonnes of CO_2e)	98,237	92,620	89,864[2]
Scope 3 GHG emissions (in tonnes of CO_2e)	915,213	1,089,326	1,161,294[2]
WASTE			
Waste generated (in tonnes)	99,120	107,537	71,156
Recycled waste (in tonnes)	60,354	68,230	62,922
Waste used for energy recovery (in tonnes)	27,864	29,184	1,338
Waste sent to landfill (in tonnes)	10,901	10,123	6,896
ENVIRONMENTAL MANAGEMENT			
Spills	0	0	0
Fines for environmental damage or non-compliance	$54,433	$0	$2,507

Unless otherwise indicated, all TC Transcontinental business units are included in the data and amounts are in Canadian dollars. Certain historical data has been modified as a result of updated methodology and changes in our operations.

1. Related to the agreements signed with The Hearst Corporation. Please refer to Note 31 to the annual consolidated financial statements for the year ended October 27, 2019. For a reconciliation of non-IFRS financial measures, please refer to the Management Discussion and Analysis for the year ended October 27, 2019.
2. Modification of the data following a calculation or a scope adjustment
3. For TC Transcontinental Packaging and TC Transcontinental Printing only
4. For TC Transcontinental Printing only
5. For TC Transcontinental Packaging only

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MEDIA

For general information about the Company, contact the Communications Department at contactmedia@tc.tc

SHAREHOLDERS, INVESTORS, AND ANALYSTS

For all financial information or to receive additional documentation about the Company, contact the Investor Relations Department or consult the "Investors" section of the Company's website, at www.tc.tc

OTHER INFORMATION

This report is also available in the "Social Responsibility" section of the Corporation's website.
Ce rapport est aussi disponible en français dans la section « Responsabilité sociale » du site Web de la Société.

FORWARD-LOOKING STATEMENTS

This 2023 Corporate Social Responsibility Report may contain forward-looking statements or objectives that are based on management's expectations and are subject to a number of inherent risks and uncertainties, known or unknown. The Corporation cautions against undue reliance on such statements or objectives since actual results or events may differ materially from the expectations expressed or implied in them.

ABOUT THE REPORT

This report covers TC Transcontinental (or "the business") and includes information on all of its segments. Certain statements in this report, including information about our programs and initiatives, may not apply uniformly to our industries. We have made statements of a general nature to facilitate understanding of the report. It is important to note that for a portion of the indicators, only primary data was available. However, to finalize some indicators, estimations were necessary due to limitations in data availability. This approach aligns with industry standards, where companies often encounter similar challenges in data collection and analysis. The 2023 report was prepared based on the various existing CSR disclosure frameworks. We are closely monitoring the development of the sustainability disclosure frameworks and aim to gradually align our indicators and our future reports with the recommendations of the IFRS and the upcoming Canadian standards. The main risks, uncertainties and other factors that could affect actual results are described in the most recent Annual and Quarterly Management Report as well as in the most recent Annual Information Form filed by the Company and which are available on its website at www.tc.tc. TC Transcontinental's 2023 Corporate Social Responsibility Report covers the period from November 1, 2022 to October 29th , 2023. This report is published and posted on the Company's external website on June 17th, 2024. In this document, unless otherwise specified, the term "dollar" and the symbol "$" refer to Canadian dollars.