



BUILDING OUR FUTURE

2022 CORPORATE SOCIAL
RESPONSIBILITY REPORT

CORPORATE PROFILE

TC TRANSCONTINENTAL PACKAGING

A leader in flexible packaging in North America
About 4,000 employees
Network of 28 packaging plants
Variety of flexible plastic products, including rollstocks, bags and pouches, shrink films and bags, and advanced coatings



\$3.0B
2022 REVENUES

TC TRANSCONTINENTAL PRINTING

Largest printer in Canada
About 3,500 employees
Network of 13 printing plants
Integrated service offering for retailers, publishers and advertisers, including printing, premedia and distribution services



~ 8,000
EMPLOYEES

TC MEDIA

The leading Canadian French-language educational publishing group and the leader in strategic information for the different players in Québec's construction sector
Over 300 employees



41
PRODUCTION
FACILITIES



ISABELLE MARCOUX
Executive Chair of the Board

This first progress report on *Building our Future*, our 2025 Corporate Social Responsibility Plan, marks another step forward in our CSR journey. *Building our Future* reflects on how sustainability and long-term vision guide the way we make our products, and how we take care of our employees and communities. The initiatives presented here illustrate that our people across our operations are committed to doing good. From our product engineers designing more circular packaging solutions and our Printing Sector teams using cleaner technologies, to our colleagues in Latin America innovating to recycle plastic waste from banana farms, an ESG mindset is deeply embedded in our company.

Since day one, we have understood that our role as a manufacturer comes with responsibility. We are also conscious that much has changed in the decade since we began publishing 3-year CSR plans. ESG expectations from stakeholders have raised the bar and we have embraced the opportunity to improve the way we operate. As Canada's largest printer, TC Transcontinental has been a key player in the creation of a circular economy for paper. Today, we are also proud to be one of the leading advocates for sustainability in flexible packaging, driving the development of a circular economy for plastics.

Outlined in this report, our governance and responsible business practices serve as the foundation for each one of our CSR pillars. Our decisions and actions are guided by a prudent approach to risk management and strong governance oversight. Moreover, responsible business practices are part of our day-to-day operations and are closely linked to ESG priorities identified in our materiality assessment. Since 2020, we have also aligned our CSR objectives with those of the United Nations Sustainable Development Goals (SDGs).

Creating a safe, inclusive and engaging work environment brings out the best in people. We are proud to have been recognized as a gender diversity champion in Canada and continue making strides to advance in other aspects of diversity and inclusion. As a family-controlled business, we also have a long-standing commitment to community involvement. Whether in time volunteered or donations, our contributions in 2022 aimed to have a significant positive impact on the communities where we operate, especially in the areas of health, education and environment.

As we advance toward our 2025 targets, our vision is to continue creating value for all our stakeholders by investing in our people, developing sustainable products, engaging responsibly with our suppliers and contributing to our communities.



THOMAS MORIN
President and Chief Executive Officer

We are proud of our progress towards achieving the objectives of our 2025 Corporate Social Responsibility Plan: greener growth, an inclusive and safe environment, innovative and sustainable products, community involvement, and responsible governance and business practices. We are committed to playing a leadership role in building a more sustainable future, and this CSR Plan is our roadmap.

Safety is a top priority -- and we are seeing encouraging results. Our total incidence rate decreased by 23% in 2022. This is a significant achievement and reflects the diligence of our teams as they work toward our “no injuries” vision. Whether it be identifying deficiencies, providing and participating in training or sharing best practices, our coworkers are focused on preventing injuries and creating a culture where we take care of each other and take action when colleagues put themselves in harm’s way.

Demand for sustainable plastic packaging products is stronger than ever. We are a signatory of the Ellen MacArthur Foundation’s Global Commitment, and our R&D team is working on multiple fronts to ensure we live up to this commitment. The ASTRA Center, our leading-edge Packaging R&D and innovation hub, is at the core of solving our customers’ sustainability challenges. We are investing significantly in assets which support the production of recyclable products, collaborating on industry projects aiming to improve recycling infrastructures for flexible packaging, and engaging in legislative advocacy.

As a society, we collectively face the challenge of mitigating climate change risks and reducing our carbon footprint. In this, accountability is key. As you will see in our report, we disclose for the first time our complete Scope 3 greenhouse gas (GHG) emissions addressing our supply chain impacts. We are making progress on our Science Based Targets initiative (SBTi) roadmap and we are on track to disclose it by the end of the year.

We know that sustainability is a journey. Even as we make progress, there is always room to do better. We are guided by our focus on the broader implications of our CSR efforts and on meeting our stakeholders’ expectations.

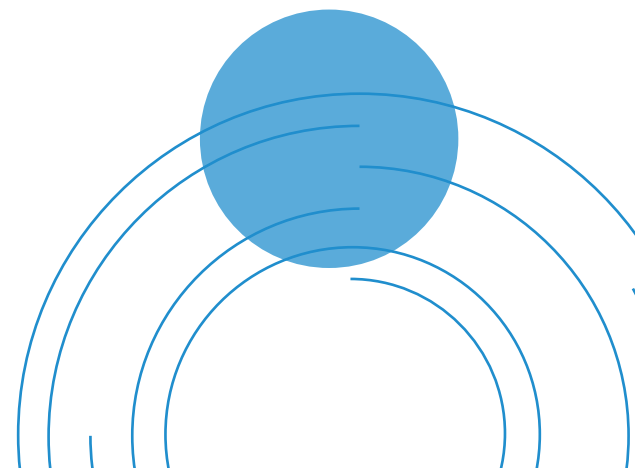
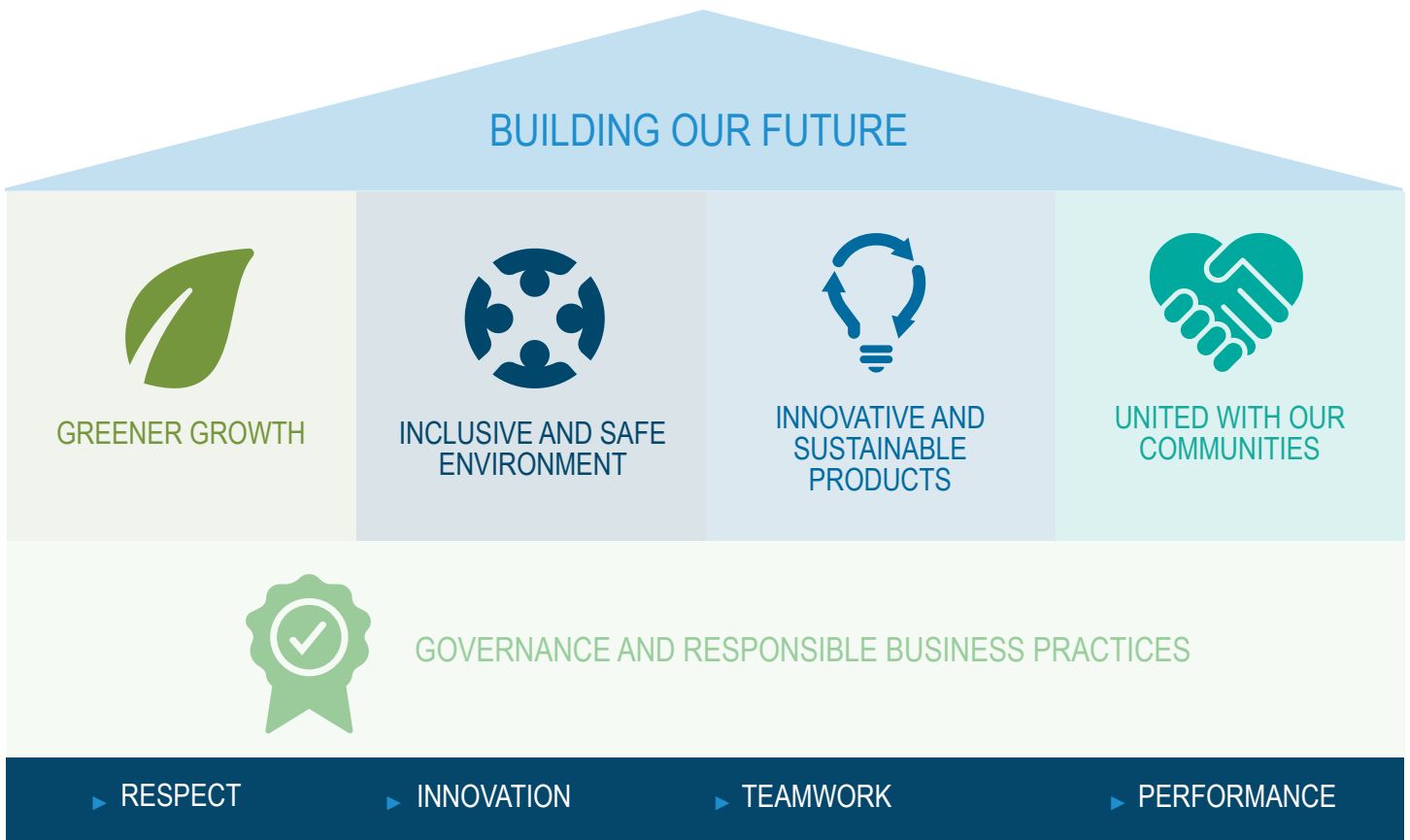
You will find in this report how we improved our results and strengthened our disclosure with more measurable data and performance metrics. We are proud of what we have accomplished and committed to doing significantly better.

A handwritten signature in black ink, appearing to read 'Morin', written over a horizontal line.

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 green, inclusive, safe, innovative, sustainable, united, and responsible. Looking ahead to 2025, we have set ambitious goals articulated around five main themes.

This 2022 report provides detailed insights about our progress and performance within each key pillar and describes our ongoing efforts toward achieving our 2025 vision.



CSR TARGET SUMMARY

Pillar 2025 Target 2022 Result Progress

GREENER GROWTH

Waste management	Recover all non-hazardous operational waste	100%	93%	
Greenhouse gas emissions	Reduce our greenhouse gas emissions in absolute terms ¹	10%	0.8%	
	Publish a longer-term GHG reduction roadmap aligned with the Science Based Targets initiative (SBTi) by the end of 2023	SBTi commitment	Ongoing	

INCLUSIVE AND SAFE ENVIRONMENT




Health and safety	Reduce our Total Incident Rate (TIR) each year as we pursue our goal of “no injuries” ²	3%	23%	
Diversity and inclusion	Maintain female representation on the Board of Directors	35%	42%	
	Increase the proportion of women at Executive Management Committee level ³	35%	36%	
	Increase the proportion of women in management positions	35%	33%	
	Increase the ethnic diversity of front-line supervisors ⁴	↑	Ongoing	
	Foster a culture of inclusion through True Colors, our initiative dedicated to the LGBTQ+ community and its allies	↑	Ongoing	
Talent	Ensure that all critical positions have an identified successor (1-3 years)	100%	Ongoing	

Achieved On track Requires further action




CSR TARGET SUMMARY

Pillar 2025 Target 2022 Result Progress

INNOVATIVE AND SUSTAINABLE PRODUCTS

Paper procurement	Sourcing paper from third-party certified or recycled sources ⁵	100%	99%	
Circular economy for plastic	Aim for all our plastic packaging to be reusable, recyclable or compostable ⁶	100%	48%	
	Achieve an average usage rate of post-consumer recycled content by weight for all plastic packaging in our product portfolio ⁶	10%	1%	

UNITED WITH OUR COMMUNITIES

Local commitment	Invest in our communities near our sites through our employee engagement program “\$ for Doers”		Ongoing	
Donations	Provide a cumulative sum to our communities in the form of donations and sponsorships	\$5M	\$1.3M	

 Achieved  On track  Requires further action

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

We recognize that we have a responsibility to reduce the environmental footprint of our operations. By setting targets toward minimizing GHG emissions, we are contributing to the transition to a low-carbon economy and doing our part in mitigating climate change. Achieving those ambitious science-based targets will require concerted efforts within our facilities and engagement with our suppliers and partners. Our waste management approach is in line with circularity: we are committed to rethinking our production processes in order to recover materials and divert waste away from landfills.

Our objectives are aligned with the following United Nations Sustainable Development Goals



Policy and governance

In 2022, we updated our Environmental Policy to define its key focus areas: air pollution control and prevention, energy consumption, GHG and renewable energy, logistics and distribution, waste management, paper procurement, plastics procurement, product stewardship, supply chain assessment and water management.

We have monitoring and audit programs in place to ensure we comply with applicable federal, provincial, state and local laws and regulations of the jurisdictions in which we operate. In terms of environmental performance, our sites generally conduct internal self-assessments and external third-party audits. These involve recommendations and follow-up as well as corrective action when necessary. For instance, our U.S. operations are on a 5-year rolling schedule, during which all sites undergo internal and external audits.

Waste management

Objective	2025 Target	2022 Result	2022 Progress
Recover all non-hazardous operational waste	100%	93%	

Our zero-waste objective is central to our circular economy approach. We comply with waste material disposal requirements and seek innovative solutions to recycle waste in ways that create value. In 2022, we improved our rate of recovery of non-hazardous operational waste to 93%.

Our Costa Rica operations have been working with banana and pineapple farms to collect waste produced using our products in the fields (mulch, rope, cardboard, and tree bags). A total of 69 tonnes were collected during 2022 and transformed into valuable new products.

In 2022, three of our U.S. plants (Thomasville, Matthews and Ontario) began using waste-to-energy solutions, namely fuels blending or materials recycling depending on the operational and regulatory environment. Similar initiatives were implemented at our Guatemala and Costa Rica operations, diverting 82 tonnes of waste from landfills last year.



Operation Clean Sweep

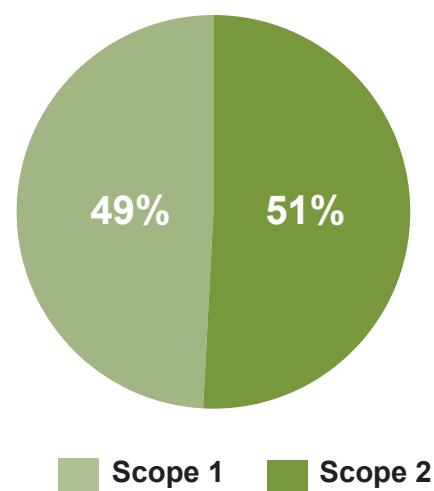
We are also committed to responsible handling of resin pellets in our film extrusion and recycling facilities. Due to their small size, resin pellets are at risk of entering surface water streams in the absence of proper mitigation measures. In Canada, we implemented Operation Clean Sweep, an initiative from the Chemical Industry Association of Canada, to conduct quarterly inspections of our plants, verify mitigation equipment, and ensure spill prevention. In the United States, internal plant audits validate stormwater permits and pollution prevention plans, and implement best practices onsite to ensure adequate pellet transfer.

Greenhouse gas emissions

Objective	2025 Target	2022 Result	2022 Progress
Reduce our greenhouse gas emissions in absolute terms ⁷	10%	0.8%	
Publish a longer-term GHG reduction roadmap aligned with the Science Based Targets initiative (SBTi) by the end of 2023	SBTi commitment	Ongoing	

⁷ 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 2022, our absolute emissions decreased by 0.8% compared to 2021. Our overall carbon inventory included the addition of one facility in our In-Store Marketing (ISM) Group compared to the previous year. In terms of relative emissions, we improved our energy efficiency through a number of initiatives in our operations and emitted 319.88 kg⁸ of CO₂e per tonne of products manufactured in 2022, compared to 332.65 in 2021. This represents a year-over-year decrease of 4%.



Last year, we revised our Scope 1 and Scope 2 calculations in order to get a more accurate view of our network-wide emissions and be more aligned with science-based targets and the Greenhouse Gas Protocol. More specifically, we calculate our emissions according to the financial control approach where an organization accounts for 100% of the GHG emissions from entities and assets over which it has financial control. To calculate our Scope 2 emissions, we use a location-based approach.

⁸ The methodology for calculating the volume of production used in the intensity calculation has been improved compared to previous years.

Driving environmental initiatives

Our teams continued to implement initiatives to reduce energy consumption and improve air quality monitoring.



Emission control units were updated in select U.S. plants with new regenerative thermal oxidizers (RTOs), to better limit volatile organic compounds (VOCs).



Energy efficiency assessments were conducted at seven of our U.S. Packaging plants. Compressed air, HVAC and lighting efficiency projects have already been initiated.



In our San Luis Potosi and Guatemala City plants, we implemented LED to reduce energy usage and increase the area of illumination. This project is being monitored to evaluate the reduction in electricity consumption.



Our ISM Group replaced all traditional litho and silk screen presses with digital presses and moved to cleaner types of ink, significantly reducing electricity usage, and reducing hazards related to chemical disposal.



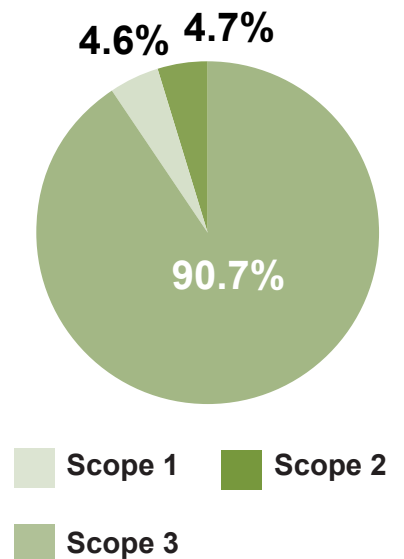
The ISM Group also optimizes product design for certain customers to double-stack displays on the trailer upon shipment, helping to reduce the transportation carbon footprint and lower freight charges.

In terms of water management, we note that most of our equipment is closed loop and water is not heavily utilized.

Disclosing Scope 3 emissions

We are pleased to disclose our Scope 3 emissions for the first time, after an initial evaluation was announced in our CSR report last year. Using the GHG Protocol Quantis Scope 3 Evaluator tool, we were able to estimate that Scope 3 accounts for approximately 91% of our total GHG emissions. Since Scope 3 includes a wide range of upstream and downstream activities, we have taken further steps to refine our initial estimates. We have completed a detailed analysis of the most important category of our Scope 3, the extraction of raw materials needed to manufacture our products. Collaboration with our suppliers of raw materials will therefore be critical to reducing GHG emissions related to this element.

We are also completing further analyses including emissions related to our products' end-of-life. We will continue to refine our Scope 3 evaluation in the months to come as it provides us a good understanding as to where to direct our efforts going forward.



Advancing on our climate change roadmap

On a global scale, governments are implementing action plans to achieve the Paris Agreement climate objectives. In this evolving landscape, the private sector must adapt its processes to attain emissions goals. Incentives that favour a low-carbon economy are increasingly available to manufacturers, such as subsidies under the U.S. Inflation Reduction Act and sustainability-linked financing from financial institutions.

In 2022, we built more formal frameworks around our assessment of climate change risks and we began providing climate change reporting according to the Task Force on Climate-related Financial Disclosure (TCFD) recommendations. For additional information, please consult our TCFD index on page 40.

Science Based Targets initiative

We are working toward advancing our Science Based Targets initiative (SBTi) roadmap, a multi-year project that requires cross-functional collaboration. Targets adopted by companies to reduce GHG emissions are considered “science-based” if they are aligned with the level of decarbonization required to limit global warming to 1.5°C, in line with the goals of the Paris Agreement and the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5). We see the alignment with science-based targets as a driver of innovation in terms of products and manufacturing efficiency, helping us build resiliency and strengthening our brand reputation with all our stakeholders.



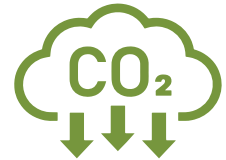
Reduce our energy consumption



Increase the use of renewable energy



Engage our suppliers on GHG reduction



Provide low-carbon products



We have identified key action levers to achieve our targets. These include reducing and decarbonizing our energy consumption, engaging with our suppliers on GHG reduction and providing lower carbon products to our customers. This last lever is closely tied to our Ellen MacArthur Foundation commitments, since increasing product recyclability and compostability, and integrating more post-consumer recycled (PCR) content have indirect positive impacts on GHG emissions.

We are on track to disclose our roadmap by the end of 2023, as planned in our 2025 CSR Plan.



Increasing focus on renewable energy

We are committed to reducing GHG emissions associated with our activities by prioritizing the use of renewable energy where technically and economically feasible. In 2022, our Guatemala facility received certification for its use of 100% renewable energy, representing 19,796 MWh of electricity. Our San Luis Potosi plant in Mexico is also entirely powered by a combination of solar and wind power. Both plants have seen a substantial reduction in GHG emissions of 13,277 tonnes of CO₂e in 2022.

Leading the way in sustainability efforts

In 2022, our five packaging plants in Latin America defined their environmental performance baseline and conducted self-assessments, using a framework based on ISO 14001 standards and developed by “Centro Guatemalteco de Producción más Limpia”, a technical institute providing environmental performance diagnosis and solutions. Every plant received an accurate profile of its current environmental program, and they are currently developing improvement plans covering priority areas. Furthermore, a dashboard with environmental KPIs is sent to the leadership team monthly, ensuring oversight and improvement of indicators covering waste recovery, electricity, energy consumption and water consumption.

Reducing waste and energy in In-Store Marketing

Within our ISM Group in Canada, 98% of all waste from our plants is sent for recycling. In addition to paper corrugated card and cardboard stock, this includes different types of plastics picked up by industrial recyclers. In 2022, a total of over 750,000 pounds of styrene and coroplast waste were diverted from the waste stream and recycled. Moreover, the group has now switched to 100% recyclable materials.

The efforts of the ISM Group to reduce energy consumption have also generated major wins. Since 2016, dozens of energy efficiency projects have been implemented resulting in a reduction of almost 5,800 MWh of electricity, or the equivalent of energy consumed by 430 passenger vehicles.

Next steps

As we advance toward our 2025 targets, we intend to take further actions to improve our environmental performance, notably ensuring adequate permitting and regulatory compliance of all our sites, implementing an environmental improvement plan in Latin America based on self-assessment analysis, rolling out energy efficiency actions identified across Packaging sites assessed in 2022 and conducting energy assessments for all other sites, continuing to engage with suppliers to raise awareness on GHG reduction, and disclosing our SBTi roadmap by the end of 2023.

Pillar 2

AN INCLUSIVE AND SAFE ENVIRONMENT

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 industry⁹. 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.

Our objectives are aligned with the following United Nations Sustainable Development Goals



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 15% reduction in recordable incidents in 2022 compared to 2021. Our 2022 initiatives below reflect that keeping our coworkers safe and healthy is a top priority from the plant floor to executive management level:

- Our OHS Policy was updated, affirming a no injuries objective guided by a systemic risk management approach. The update outlines expectations around identifying risks, implementing preventive measures, conducting audits, and providing training.
- Sectors have adopted leading OHS indicators in areas such as training, reporting of hazardous situations and workplace inspections.
- Over 150 members of senior management received in-person training on OHS risk assessment.

Objective	2025 Target	2022 Result	2022 Progress
Reduce our Total Incident Rate (TIR) each year as we pursue our goal of “no injuries” ¹⁰	3%	23%	

⁹ 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.

¹⁰ Annual target

Tracking safety objectives

In 2022, we proceeded with the second implementation phase of Cority, a new OHS management platform. The deployment has allowed all business units to have centralized and real-time access to OHS data through a robust, user-friendly, multilingual web-based platform. Our sites are reporting incidents, corrective actions, and other metrics such as the number of OHS committee meetings.

We measured the success of the rollout of Cority through KPIs that tracked usage and training, communicating the results to all sites involved at each step of the rollout as well as to senior management. Data can now be easily extracted for internal monthly reports, and external regulatory and data audits, which is a major advancement to better monitor our OHS performance. Through such improvements and with the support of qualified experts in our teams, we will continue to work toward our ambitious safety goals.






Health and Safety awareness

In line with our no injuries target, we also improved the quality, frequency, and harmonization of our OHS communications. We deployed a large-scale rollout of communication boards (four per site) to display OHS performance metrics, awareness, and commitment messages, as well as contractor safety management tools and general OHS communications.

As the manufacturing industry is a high-risk industry, a high level of caution is required to perform certain tasks. Therefore, in 2022, the Corporate and Sector teams also collaborated to establish golden rules, our Safety Absolutes, that were defined to control our main risks of severe injuries.






Our Safety Absolutes address the following areas of high risk:

-  Driving industrial motorized vehicles
-  Working at height
-  The control of hazardous energy sources when working on pieces of equipment
-  Bypassing, disabling, modifying, or removing machine safety devices
-  Working in confined spaces



Our Big Top recognition program recognizes innovation, initiatives, and best practices related to OHS.


In 2022, eight business units were rewarded in three categories:

-  Best initiative: projects aimed at prevention, with the goal of eliminating or significantly reducing risk and enhancing overall OHS culture.
-  Adopt and Adapt: Best practice integration from another site.
-  Most improved: The site that improved the most in terms of OHS risk reduction.

As part of our Health, Safety and Community Partners recognition program, 17 sites were also awarded a total of \$27,000 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.

Promoting well-being and mental health

As we recognize that mental health is a critical component of employee well-being, our Human Resources team published in 2022 a comprehensive Wellness Guide and a series of mental health newsletters accessible to all employees. Our integrated health platform by Dialogue also offers virtual health care services (telemedicine) and an employee and family assistance program (EFAP). For the time being, these programs and tools are available in our Canadian operations.

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.

Objective	2025 Target	2022 Result	2022 Progress
Maintain female representation on the Board of Directors	35%	42%	
Increase the proportion of women at Executive Management Committee level ¹¹	35%	36%	
Increase the proportion of women in management positions	35%	33%	
Increase the ethnic diversity of front-line supervisors ¹²		Ongoing	
Foster a culture of inclusion through True Colors, our initiative dedicated to the LGBTQ+ community and its allies		Ongoing	



¹¹ Is defined as reporting directly to the President and Chief Executive Officer or who is a member of the executive team

¹² This target only applies to specifically identified sites

Empowering women leaders

In 2022, we improved our results on all three of our gender diversity objectives. With 42% of women on our Board of Directors, we have already exceeded our 2025 target of 35%. There is also a higher proportion of women at the Executive Management Committee level (36%) and in management positions (33%) compared to last year. We are inspired by these results as we look to progress at the Corporate, Printing and Packaging sector levels.

Our diversity strategy includes leadership development programs, recruitment, and talent management, and since 2019, our diversity targets are part of the executive compensation incentives. Also, each sector receives a monthly view of its workforce from our HR department, outlining their gender representation in leadership roles and any gaps that need to be addressed. Several other initiatives took place in 2022:

-  We held our Women@TC event, a forum that provides connection, recognition, and education for our Women@TC community. Under the theme “Tapping the power of our female leaders”, over 200 women leaders from Canada and the U.S. connected virtually. Reflecting our growing presence in Latin America, we also launched the Women@TC LatAm network with an event for 50 women leaders from across the region.
-  Our Top Women Leader Program is now at its second cohort, bringing together high-potential female talent under the sponsorship of management committee members. We are now preparing to launch a third cohort.

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.



REPORT ON BUSINESS
WOMEN LEAD HERE



Moving beyond gender diversity

We recognize that many factors outside of our control can impact building diversity in our organization, such as the talent pool available in a specific geography where plants may be located. Our goal is to create awareness and integrate diversity and inclusion within our systems and processes to attract, develop and retain a diverse workforce.

We believe that ethnicity, sexual orientation, and gender identity are an opportunity for our corporation to reaffirm that all 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 the sectors to adjust their talent approach and include actions toward promoting ethnic diversity as part of the strategic planning process. Teams have started to put concrete actions in place including hiring, development actions and promotions in this context.




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. With the support of the Board of Directors and the executive leadership team, True Colors aims to foster a workplace where all LGBTQ+ employees feel accepted and have access to equal opportunities and benefits.

The committee launched last year 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

Objective	2025 Target	2022 Result	2022 Progress
Ensure that all critical positions have an identified successor (1-3 years)	100%	Ongoing	

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 labour market.

We favour a 70-20-10 approach to learning and development: 70% is learned on the job through upskilling, shadowing, and receiving feedback, 20% is through informal learning such as coaching, and 10% is through formal learning such as training programs or events.

Coaching and mentorship

In 2022, we once again partnered with BetterUp, an online platform that delivers transformative coaching to drive productivity, engagement, and retention. The experience was a great success, allowing employees identified through talent reviews to access a personal coach for a period of six months. Participants were coached on topics including strategic management, influence, leading others, communication, career development, time management and productivity. Four cohorts of 50 employees each have been coached to date.

Through development plans, we identify areas of opportunity and offer mentorship to identified candidates for one year. Internal mentors are matched to mentees based on development needs.

Talent development

Our talent development approach is driven by our business priorities. Talent identification is a bottom-up process beginning at the plant level, followed by regional roles, sector and functional roles and up to management and executive level. The goal is to identify our succession pool and their readiness as well as emerging talent early on, evaluate their potential and focus on their development needs by creating individual development plans and programs.

To ensure that all non-executive critical positions have an identified successor (1-3 years) by 2025, our leaders, in partnership with HR, identify critical roles throughout the organization and assess attraction and retention risks. In 2022, critical positions were defined as follows: a high level of value creation and strategic impact; critical impact on business outcomes (revenues and bottom-line results); role leads or is closely involved in developing growth opportunities, strategies, or new products; and high value and possible scarce position in the market (where specialized or unique skill set needed). Through long-term talent planning, our business leaders establish development plans to ensure our key talent is ready as per our succession plans, particularly in terms of these critical positions.

Evolò, our learning management system

Continuous learning is an integral part of our culture. In 2022, we completed the pilot rollout phase of Evolo, our new learning management system (LMS), to corporate employees. Following this successful testing phase, this system will be rolled out to salaried employees of the Printing, Packaging and Media sectors in 2023. When fully implemented, it will offer training courses in leadership and management (personal skills), functional roles (technical skills), professional development, technology, safety, compliance, and diversity and inclusion.

Available in English, French and Spanish, Evolo allows us to provide just-in-time content in an efficient, cost-effective, and timely manner. Employees can therefore better integrate training events into their schedules. Evolo will also be used to track instructor-led or virtually-led training courses, as the platform makes it possible to track courses completed, hours spent on the system and overall appreciation of the content. This will enable easier reporting of training data and compliance validation to management.

Key Behaviours

In 2022, we defined and communicated new Key Behaviours that help us embody our core values of innovation, teamwork, respect and performance, and drive success across the organization. We introduced the Key Behaviours to all salaried employees through the Performance Evaluation Process (PEP) and are embedding them into our culture through an internal communication plan, aligned course offerings and interview guides.



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, our learning management system; rolling out new employer branding through internal and external campaigns to drive engagement and enhance recruitment capabilities; ensuring progress on employee engagement survey priorities and preparing for the next survey; and increasing diversity support initiatives such as mandatory D&I training in all sectors.

Pillar 3

INNOVATIVE AND SUSTAINABLE PRODUCTS

We are proud of the value created by the products in our portfolio and we take responsibility for their impact along the value chain. There is increasing demand for packaging solutions that are sustainable and contribute to reducing GHG emissions and fossil fuel usage. We are committed to achieving our objectives under the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment and strive to innovate and collaborate to create products that are, recyclable, compostable, and made from recycled content. Because of our leadership position, we also use our voice to advocate for industry investment and partnership to improve recycling infrastructures and ensure optimal end-of-life scenarios.

Our objectives are aligned with the following United Nations Sustainable Development Goals



Paper procurement

As the largest printer in Canada, we play a key role in promoting responsible forest management practices. We are conscious of the impacts of our sourcing decisions on endangered species, high conservation value forests and climate. We aim to have 100% of our paper purchases sourced from third-party certified or recycled sources. In 2022, we reached 99% which represents a 1% increase since last year.

We issued our first Paper Purchasing Policy in 2007 and reiterated our paper purchasing best practices in our revised Environmental Policy in 2022. Where available, we aim to provide customers with paper options containing pre-consumer and/or post-consumer recovered fibres. When virgin wood fibre is required, we favour fibres from responsibly managed forests with a chain of custody certification from a recognized forest certification system. We recognize FSC® C011825, CSA and SFI® certification systems, as well as PEFC/01-31-106 Chain of Custody. In addition, we have our own FSC®, SFI® and PEFC Chain of Custody certifications, enabling us to trace fibres directly from the forest to our printed products.

Objective	2025 Target	2022 Result	2022 Progress
Sourcing paper from third-party certified or recycled sources ¹³	100%	99%	

¹³Annual target

Sustainability in print at TC Media Books

As Canada's largest French-language educational publishing group, our print and digital products play a key role in the education system. Indeed, a TC Media Books study ¹⁴ revealed that printed textbooks are considered by students and educators as essential complements to digital resources for learning and teamwork, citing the ability to annotate and more efficient reading as significant benefits. We use FSC®, SFI® and PEFC Chain of Custody certified papers, sometimes with PCR content, for all in-house produced TC Media Books publications.



¹⁴ Chenelière Éducation and Mire – Study on mobile devices used for learning purposes, October 2019

Supporting our retail partners on their sustainable journey

Our In-Store Marketing (ISM) Group in Canada closely partners with our retail customers along their sustainability journey. The team has been successful in helping many retailers transition from non-recyclable materials to recyclable and third-party certified products. Since 2018, our use of recyclable customer signage, for both small and large formats, has grown by over 60%. Most of our ISM products now use paper materials, primarily corrugated card and cardboard stock, for in-store signage and other applications. To support our retail customers, we also recently introduced a scorecard to rate substrates based on sustainability aspects, including recyclability and logistics footprint. We also began working with our retail partners to introduce recyclable large format sheets made with 100% recycled materials.

Circular economy for 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.

Objective	2025 Target	2022 Result	2022 Progress
Aim for all our plastic packaging to be reusable, recyclable or compostable ¹⁵	100%	48%	
Achieve an average usage rate of post-consumer recycled content by weight for all plastic packaging in our product portfolio ¹⁵	10%	1%	

¹⁵ 2025 target

The benefits of flexible packaging

The public perception is that plastic is not an environmentally friendly option compared to other materials, such as paper, metal, or glass. This misconception often stems from the fact that those materials are seen as bio-based and/or more easily recyclable. In reality, plastic flexible packaging has many environmental benefits compared to alternatives, notably with respect to reducing food waste and greenhouse gas emissions.

Indeed, plastic packaging provides exceptional product protection and considerably extends food shelf life, which contributes to minimizing food waste. Large amounts of fossil fuel and inputs are required to growing, harvest and distribute food leading to a significant impact on GHG emissions. Further, as food waste ends up in landfills, it produces potent greenhouse gases. The positive impact flexible packaging has on food shelf-life extension was studied by the Flexible Packaging Association (FPA) and, demonstrates that the shelf life of meat, cheese and grapes is respectively extended by up to 20, 280 and 14 days when packaged.

Regarding greenhouse gases, life cycle assessment (LCA) studies are often used to assess the environmental impact of a product or service by taking the entire life cycle into consideration. Our product development engineers are trained to perform LCAs for the flexible packaging products we develop, which help inform the conversations with our customers. In 2022, we conducted more than 30 LCAs to assess different environmental impacts including GHG emissions, fossil fuel, water usage, and eutrophication.

Results consistently showed that flexible packaging has a lower carbon footprint when compared to other types of packaging made from paper, aluminum, or rigid plastics. Our results are supported by LCA studies conducted by the FPA which show that, when looking at packaging for ground coffee as an example, a traditional steel can uses 16 times as much water, emits 7 times more GHG emissions and uses 453% more fossil fuel than a stand-up flexible plastic pouch.

Our circular approach to plastics

While we recognize the benefits of flexible plastic packaging, our aim is to ensure that it never becomes waste. Managing plastics at their end of life is a key challenge for our industry, and we believe the solution lies in establishing a circular economy. Our circular approach to plastic is three-fold:



Innovate so that 100% of our plastic packaging is reusable, recyclable, or compostable by 2025.



Promote post-consumer recycled content by including 10% on average by weight across our plastic packaging portfolio by 2025.



Collaborate with industry partners to increase reuse, recycling and composting rates for plastic in the communities where we operate.






State-of-the art R&D

To advance sustainable flexible packaging and to meet our 2025 goals, we have made significant investments in our ASTRA Center R&D labs based in Menasha, WI. Our ASTRA Center is comprised of an Advanced Compost Lab, an Applications and Packaging Development Lab, an Analytical and Physical Testing Services Lab, and the Recycling Technology Lab.

The latter, newly opened in 2022, features specialized equipment that measures whether a given film structure is recyclable per industry accepted criteria, specifically the Association of Plastics Recyclers' (APR) Critical Design Guidelines. Also this year, our Advanced Compost Lab received recognition from the Biodegradable Products Institute (BPI) as a BPI-Approved Lab, allowing us to serve as a third-party testing lab for manufacturers and brand owners (outside of our customer base) seeking BPI certification or screening for their products. Both these labs allow us to test the recyclability and compostability of new packaging formulations rapidly and in a cost-effective manner, enabling improved speed to market for new products.

Our sustainable product development: 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:

-  In 2022, we launched a new line of recyclable pet food packaging. Our pet products range from smaller packages for treats to large size pet food kibble bags.
-  We have commercialized recyclable stand-up pouches for the confectionary market.
-  We have successfully launched recyclable primary packaging for granola and dry foods.
-  On top of our commercialized industrial compostable solutions, we also have successfully developed and tested home compostable lidding solutions for single-serve coffee.
-  Our recyclable packaging is designed and pre-approved for How2Recycle in the U.S. This logo, which is printed directly on the package, informs consumers on how to handle the package at the end of its life.



Our sustainable product development: Post-consumer recycled material

The inclusion of post-consumer recycled (PCR) content in packaging is a critical element to achieving 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 2022, our PCR use represented 1% of our total packaging volume. Based on the current development and commercialization of our products, we expect to see significant short-term movement toward our goal.

We are one of the largest manufacturers of beverage multi-pack shrink collation films in North America. For this market, our team has developed an industry-leading shrink film containing 50% PCR, which runs on our customer machines as well as film made with virgin resin. Demonstrating our commitment to PCR, we have stated to our customers that all our non-printed shrink collation films will contain a minimum of 10% PCR going forward. We have also commercialized PCR content into confectionary pouches and developed the first flexible protein packaging utilizing FDA-compliant PCR content in the U.S., launched at one of the largest retailers in North America.

Integrating PCR content into our flexible packaging products also contributes to our greenhouse gas emissions 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 an LCA, our 30% PCR Integritite collation shrink pack results in lower fossil fuel use, GHG emissions and water use than virgin plastic.



Our recycling activities

Demand for PCR content is increasing at a rapid rate. Having our own recycling operations in Montréal gives us the unique opportunity to meet customer requirements for better quality and provides us with a great depth of knowledge on the development of recycled resins and their performance. The recycled resins we produce in this facility have been certified by SCS Global Services as 100% PCR content.

Collaborating with the industry

Our active engagement in various industry associations and taskforces puts us in a strong position to act as a catalyst for technology innovation and policy. Through our partnerships and memberships, we share best practices and work together with stakeholders across the value chain to achieve common sustainability goals. A complete list of our partnerships is available on page 37.

In 2022, TC Transcontinental Packaging officially became an APR Recycling Demand Champion, committing to purchase new volume of PCR to drive demand in the recycling marketplace. TC Transcontinental Packaging was accredited this year by the Pet Sustainability Coalition (PSC), following a third-party validation of our positive environmental and social impact. We have signed on to the PSC Packaging Pledge, a program to support pet companies to move to 100% recyclable, reusable or compostable packaging by 2025.

Extended Producer Responsibility (EPR)

The policy landscape around plastics and packaging is fast evolving, and customers naturally have questions and concerns. We see our proactive stance toward legislation as not only risk mitigation, but also as an opportunity to accelerate the transition to a more circular economy. Through a multi-disciplinary internal taskforce, we are tracking legislative drafts around recycled content mandates, labelling regulation, bans of specific materials and substances such as single-use plastics and PFAS, and extended producer responsibility (EPR).

EPR is a policy tool that places the financial and/or operational responsibility of the end-of-life of packaging on the producer (i.e. the name on the package). EPR is based on a fee collection system, which often includes eco-modulation for sustainable solutions such as lightweighting, recyclability or PCR incorporation. In 2022, TC Transcontinental endorsed the Ellen MacArthur Foundation's Extended Producer Responsibility Statement, along with other major industry players.

As a board member of Éco Entreprises Québec (ÉEQ), we have been closely involved in the modernization of the EPR program in Québec.

In 2022, ÉEQ was designated as the Producer Responsibility Organization, responsible for managing the newly designed curbside recycling system in Québec, which will be put in place in the upcoming years.



Circular Plastics Taskforce (CPT)

We are a founding member of the Circular Plastics Taskforce (CPT), a working group aimed at building a circular economy for post-consumer plastics in Canada. Phase II of the CPT is currently underway with pilot projects testing and monitoring industrial-scale solutions to better the sorting and recycling of used plastics. We are especially involved in projects related to films and flexibles, including the testing of new digital watermarking solutions.

Next steps

We are taking actions to drive circularity by 2025, such as commercializing recyclable solutions by leveraging mono-polymer solutions which meet the cost and performance demands of our customers, as well as home compostable solutions for single-serve coffee. We will continue to accelerate the commercialization of high PCR content packaging across the markets we serve, while continuing our research into emerging technologies to further improve cost and performance of PCR structures. Finally, we plan to maintain our engagement with industry partners to advance recycling infrastructures.

Pillar 4

UNITED WITH OUR COMMUNITIES

Community involvement is deeply embedded in our DNA and is one of the ways we make a difference as a corporation. As a family-controlled business, this is one of our key values, and is also made possible thanks to our employees who consistently step up to do more. 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 environment in the form of volunteer hours, donations and sponsorships.

Our objectives are aligned with the following United Nations Sustainable Development Goals



Local commitment

TC Transcontinental’s community involvement framework is outlined in our Local Community Involvement Policy. General managers at the plants and office senior leaders are responsible for coordinating the selection of non-profit organizations which benefit from their respective site’s community donation. Criteria such as facility priorities, community impact and number of employees involved are considered by the site committee in the selection process. These activities anchor our local presence in the many communities where we operate and promote team engagement through meaningful service.

Objective	2025 Target	2022 Result	2022 Progress
Invest in our communities near our sites through our employee engagement program “\$ for Doers”	↑	Ongoing	●

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 the province). Each fiscal year, an amount of \$5,000 is made available to eligible locations to be divided among two non-profit organizations.

In 2022, a total of 34 Packaging and Printing plants were granted \$5,000 each to donate during the fiscal year. We achieved a 91% success rate, with 32 sites participating in the donation program. A total of \$191,500 was granted to local non-profit organizations.

Dollars for Doers Program

Our most recent employee engagement survey revealed that employees wanted more opportunities to directly impact their own local communities. In response, in 2022, we broadened the scope of our program and introduced a new “Dollars for Doers” Program.

This program aims to promote community work through team engagement across all our sites. When a team of 5 or more employees from one of our sites has completed a determined number of minimum hours of community service for a non-profit organization, TC Transcontinental provides a contribution of \$1,000 to the organization. The program allows a maximum of 5 contributions per site per fiscal year. In 2022, a total of 800 volunteer hours were performed through this program, for which we donated \$21,200 to non-profit organizations.

Donations

Objective	2025 Target	2022 Result	2022 Progress
Provide a cumulative sum to our communities in the form of donations and sponsorships	\$5M	\$1.3M	

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 2022, TC Transcontinental granted approximately \$1.3 million to over 185 organizations that support the communities in which we operate. Among our many contributions, \$400,000 was donated to Centraide of Greater Montreal’s 2022 campaign thanks to the generous participation of our employees combined with our annual donation. We also participated in GivingTuesday, a worldwide movement dedicated to generosity, by joining forces with Centraide to match all donations made to the organization, up to \$50,000.

Community involvement in our DNA

TC Transcontinental has been a long-standing supporter of Centraide in its work toward fighting poverty and social exclusion in Greater Montréal, where we are headquartered. Our Executive Chair of the Board, Isabelle Marcoux, is actively involved with the organization and currently Honorary President of Centraide’s Major Donors Circle. In 2022, she received her insignia as Member of the Order of Canada for her involvement in numerous fundraising campaigns and for her role in promoting diversity within Québec’s economic community.



Making an impact locally

LatAm proud – Spotlight on community initiatives

Our Latin American operations have been extremely active in their communities, with a focus on pressing issues such as food security. Many of the team's projects enable low-income communities to self-sustain and grow their own food, using our products and recyclable materials to support their farming and increase their productivity. The team also partners with community organizations that support children, the elderly, and people with disabilities. In 2022, our Latin American plants supported 661 families, including 158 children, in four countries and donated US\$38,000. This work strengthens the social fabric of local communities and fosters our collaboration as a local employer and sustainable business.

Social integration and mental health

Our Boucherville facility chose to support the cause of mental health. The plant made a \$1,000 donation to *D'un couvert à l'autre*, an organization that fosters social and professional integration of people affected by schizophrenia. This organization helps close to 200 individuals every year, enabling them to develop their autonomy and skills notably through work in its digital printing shop.

Fighting hunger in Kansas

As a manufacturer of food packaging, we feel deeply connected to food security issues that affect local communities. In 2022, our Lenexa plant in Kansas donated \$1,000 to the Harvesters Community Food Network, a certified member of Feeding America, that provides food and related household products to more than 760 non-profit agencies.

Supporting environmental entrepreneurship

In 2022, we broadened the scope of our community involvement program to include environmental initiatives aligned with our own CSR objectives. Our partnership with Esplanade Québec, an accelerator for social and environmental entrepreneurs, is one of our investments in this area. Through financial support, we help promote entrepreneurship across six specific areas of their environment and climate change pillar: GHG reduction, waste management, circular economy, sustainable mobility, clean technologies, and biodiversity conservation.

Planting trees for our planet

A team of 25 people from our Montréal head office volunteered time to One Tree Planted, a non-profit organization focused on global reforestation and supporting biodiversity, climate action and local communities. The planting activity took place at the Mont Saint-Hilaire Nature Center in Québec and resulted in 350 trees planted. Over 10 years, the benefits of our team's planting project will translate into 19.5 tonnes of carbon sequestered, over 1.6 million litres of stormwater captured and close to \$5,000 in economic benefits.

Agroplastics donation in Mexico

We are proud to put our products to good use in the communities where we operate, which is why our San Luis Potosi plant in Mexico donated agroplastics to El Árbol Foundation. Used to protect crops and agricultural soils, the donated agroplastics have already enabled 100 Mexican families from vulnerable communities to progress toward achieving food sovereignty with the foundation's Backyard Farm program.

Contributing to food security in Guatemala

In Guatemala, the Villa Nueva team mobilized its efforts to support United Way Guatemala, which serves vulnerable local communities and helps people develop self-sustainability. In 2022, we donated \$5,000 and materials manufactured at our Guatemala plant for the construction of farming boxes in low-income communities, supporting 350 families.



Pillar 5

GOVERNANCE AND 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.

Our objectives are aligned with the following United Nations Sustainable Development Goals



Responsible Procurement

We understand that our procurement practices have a direct effect on our ESG profile. Because a significant proportion of our ESG impact stems from our supply chain, our procurement teams have a key role to play in driving more responsible sourcing. In 2019, we used a third-party assessment tool to conduct an evaluation of our main suppliers in our Printing and Packaging sectors, representing 80% of our spend. All our suppliers were rated above average for companies evaluated in their industry.

We are designing tools and initiatives which will be integrated along different parts of the procurement cycle. We will be working with our suppliers to engage them in our initiatives around climate change and reaching our SBTi roadmap objectives. Ensuring our procurement process integrates sustainability will represent a way of driving GHG reduction initiatives, increasing collaboration with more resilient suppliers and improving our own sustainability scores while meeting customer requirements.



Objective	Integrate ESG criteria into our sourcing process as we roll out our responsible sourcing program.
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Supplier Code of Conduct

Our Supplier Code of Conduct sets the minimum standard for governance, legal, ethical, and environmental issues and requires suppliers to operate in compliance with applicable federal, provincial, state, and local laws and regulations of the countries in which they operate. The Code, which is available on our website, stipulates that suppliers must conduct their business and manage their properties in a manner that minimizes the impact on the environment and applies sustainability principles. It also covers areas such as compensation, health and safety and product safety, and prohibits child or forced labor. We will build on the Code to broaden and improve our responsible procurement program.

Data Security

Objective	Conduct a comprehensive assessment of data protection and security programs.
Objective	Develop a roadmap, including policies, training, and controls, to ensure better protection and prevention of data leaks.

As a publicly traded company with global manufacturing operations, IT security is one of our corporate priorities. It plays a critical role in protecting the stability of operations by ensuring information confidentiality, integrity and availability, minimizing the risk of data, financial and reputation loss.

The Chief Information Security Officer's (CISO) team has oversight of data security across the organization, both in terms of cybersecurity and infrastructure. Within the Security and Infrastructure team, a cybersecurity crisis management committee is in place to manage technical aspects. The CISO also provides regular status reports to the cybersecurity crisis management committee at the executive management level and presents to the Board on a yearly basis. As part of our clearly defined cybersecurity crisis management process, crisis simulation exercises are conducted annually through mandatory employee training to test the robustness of our cybersecurity incident response process.



Risk-based approach to data security

Our rigorous governance framework is built around information security principles and outlined in a comprehensive set of policies, standards, and procedures. These are aimed at ensuring compliance and promoting responsible behaviours among all stakeholders. In accordance with our needs and requirements, the policies are aligned with industry best practices, such as ISO 27001, a global reference standard for information security management.

In 2022, we completed a comprehensive assessment to identify all sensitive data within our organization, as well as an analysis of vulnerability, data protection and data governance.

Based on those findings, a roadmap to increase our cyber resilience has been established, focused on three main components:

- 1) Governance to ensure policies, procedures and standards are in place for the secure use of sensitive data
- 2) Optimization, planning and implementation of technical controls
- 3) User education and training

Employee awareness and training are critical elements of our data security approach. New employees are required to complete three training modules upon hiring and all employees must complete mandatory training several times per year. All employees also receive regular updates and short videos to ensure data security remains top of mind. Furthermore, in October, Cybersecurity month is marked through an intensive campaign, including both informational and interactive components such as games and competitions.

Food Safety and Quality

Objective	Maintain relevant food safety certifications, ensuring to our customers the integrity and quality of their products.
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Food Safety Certification

We aim to maintain relevant food safety certifications to ensure the integrity and quality of our customers' products. In 2022, all facilities that produce packaging that may come into contact with food have achieved or maintained certification 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. All other packaging facilities are certified to AIB for food safety and ISO standards for quality. Where required, our plants are also certified by Interstate Milk Shippers (IMS) for single service Grade A dairy products.

The controls in place in our packaging plants to limit the risk of food contamination enable us to maintain an adequate environment for safe production that meets the highest quality standards. All personnel in each facility (including visitors) follow stringent hygiene policies, procedures, and protocols to reduce the risk of product contamination. Our team focuses on the Big 5 of food safety practices: Good Manufacturing Practices (GMP), Traffic Patterns, Infrastructure, Equipment Design, and Sanitation. We monitor our environment monthly for pathogens, including production and storage areas and all equipment. We also conduct 120 Internal Food Safety Observations (FSO's) monthly and can perform roll-to-roll traceability.



Business Ethics and Compliance

Objective	Ensure that our employees ¹⁶ read and sign the Code of Conduct upon hiring, in all our offices.
Objective	Develop and provide anti-corruption training to our employees, according to their role.

¹⁶ Non-unionized employees only

Our Code of Conduct describes the expected ethical standards guiding our employees' actions and protecting the Corporation's reputation. It reflects TC Transcontinental's culture and brand, as well as our values of respect, teamwork, performance, and innovation. Overseen by our Legal Department, the Code is updated and reviewed at least every 5 years to reflect significant changes to legislation or regulations, or as TC Transcontinental's business and practices evolve. It includes a section on conflicts of interest, as well as a statement regarding actual or potential conflicts of interest that must be completed and signed by all employees, including senior executives and directors.

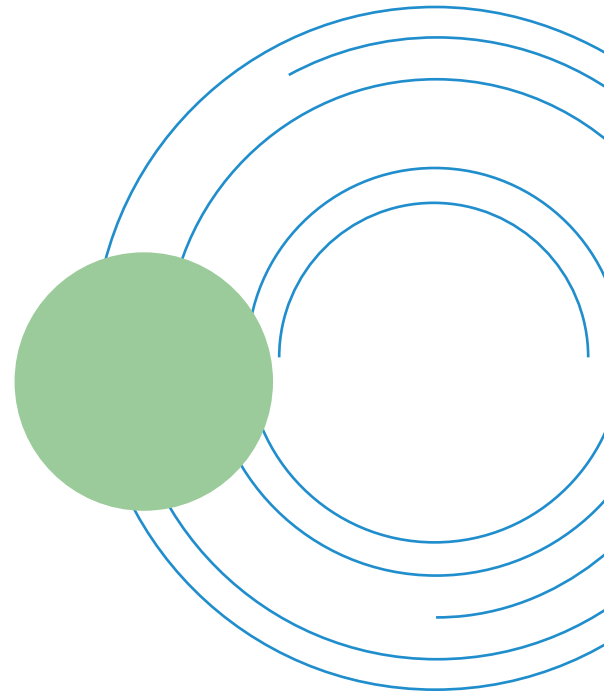
All new hires are required to sign the Code and employees must subsequently complete training with frequency varying according to position and grade (for example, yearly for executives and executive officers and every two years for directors). All TC Transcontinental business partners, such as consultants, advisors, agents and suppliers, are required to comply with applicable laws and adhere to the highest ethical standards and conduct.

The Board of Directors, through a mandate of the Governance and Social Responsibility Committee, is responsible for ensuring that the Code is applied throughout the Corporation. In 2022, the Governance and Social Responsibility Committee reviewed the Code and the related questionnaire and certificates.

Providing secure channels of communication

An effective reporting system helps to foster a culture of integrity and ethical decision-making. Our Whistleblowing Policy dictates the procedures to be followed when an employee, a third party or any other person related to TC Transcontinental witnesses or has knowledge of allegations of fraud, irregularity, corruption, embezzlement, non-compliant activity, theft or any criminal or unethical act. The policy also protects the complainant against any form of retaliation.

To facilitate reporting, we have partnered with EthicsPoint, a comprehensive, confidential and secure tool that sends each complaint to our Vice President and Senior Director of Internal Audit. Once received, the report is evaluated based on the type of violation and location of the incident.



Enterprise Risk Management

Objective	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.
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We are exposed to various risks that may have a material impact on our operations, our financial results, or our reputation. We have therefore put a formal risk assessment process in place to support our decision-making.

Led by the Vice President of Internal Audit, members of the Executive Management Committee complete an annual risk assessment survey, where risks are rated according to their potential financial impact and their likelihood of occurrence. Based on the survey results, the top 10 risks are identified and mitigation strategies are implemented, under the ownership of at least one member of the Executive Management Committee.

A report on the risk management program is reviewed regularly at the Executive Management Committee and presented to the Audit Committee and Board of Directors. The management of risks associated with ESG issues, such as climate change and new regulations related to plastics, is integrated within this process.

In addition to assessing current risks and the effectiveness of control and preventive measures already in place, management also examines emerging factors to reflect the current risk landscape. For instance, in 2022, climate change risks, such as changing weather patterns, extreme weather events, supply chain impacts and water security, were added to our priority list. Mitigating actions for such risks include redundancy plans throughout our network and validating alternative suppliers in the event of supply chain issues.

Next steps

By 2025, we intend to maintain sound governance and responsible business practices by taking actions such as strengthening our sustainable procurement process, deploying a data privacy action plan and issuing new data governance framework, developing anti-corruption training for employees, and determining mitigating actions for emerging risks as part of the risk assessment process.

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 within many recognized rankings.

We are proud to have reached the 16th position on Corporate Knights' 2022 global ranking of the 100 most sustainable corporations in the world. This result was based on the high percentage of clean revenue from the sale of eco-responsible products, our clean investments, and the gender diversity of our Board of Directors and senior management.

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 Plastic Recyclers



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



▶ Collaboration with the non-governmental organization Canopy to promote forest protection



▶ Obtained a C- grade in 2022 for our performance in climate change and B 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



▶ Co-founding member of the Circular Plastics Taskforce



▶ Included in the Top 50 of the Jantzi® Social Index in Canada



▶ 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

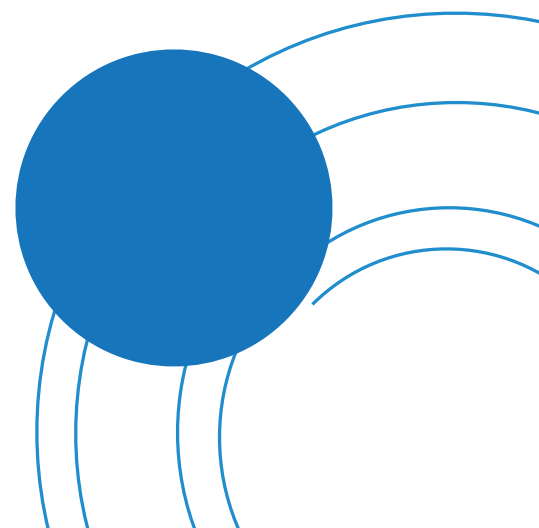
2022 CSR KEY INDICATORS

	2022	2021	2020
FINANCIALS (in millions)			
Revenues	\$2 956.1	\$2,643.4	\$2,574.0
Operating earnings	\$217.3	\$233.8	\$241.4
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)	\$285.1	\$313.5	\$352.8
Total assets	\$3,801.0	\$3,612.9	\$3,598.4
Market capitalization at fiscal year-end	\$1,387.0	\$1,703.7	\$1,444.8
Operating expenses (excluding employee-related costs)	\$1,763.1	\$1,513.1	\$1,436.2
Dividends on participating and preferred shares	\$78.1	\$78.3	\$77.9
Interest paid on debt	\$34.7	\$32.3	\$42.6
Income taxes paid	\$84.9	\$59.4	\$49.8
Research and development expenditures ²	\$8.3	\$9.6	\$10.5
OUR EMPLOYEES			
Number of employees	8,303	7,904	8,103
Female employees (%)	30%	28%	28%
Employee-related costs (in millions)	\$746.3	\$675.4	\$638.4
Employee turnover rate – voluntary (%)	12.1%	9.2%	7.4%
Employee turnover rate – involuntary (%)	4.7%	n.a.	n.a.
PENSION FUND			
Type of pension fund ³	Mix DB and DC	Mix DB and DC	Mix DB and DC
Pension plan assets (in millions)	\$531.4	\$683.5	\$758.1
Deficit of defined benefits plans (in millions)	\$62.7	\$45.3	\$62.5
Defined contribution pension plans and State plans expenses (in millions)	\$32.2	\$34.1 ⁹	\$27.7
Number of unionized employees ⁴	1,652	2,038	1,873
HEALTH, SAFETY AND WELLNESS			
Number of fatalities	0	0	0
Total incident rate (incidents per 200,000 worked hours) ⁴	1.21	1.57	1.88
Total severity rate (lost days and restricted duty days per 200,000 worked hours)	52	59	93
GOVERNANCE			
Independent directors (in %)	58%	62%	62%
Female representation on Board of Directors (in %)	42%	39%	39%
Number of women on the Executive Management Committee	4	3	3
Women in executive and management positions (in %)	33%	33%	31%
OUR COMMUNITIES			
Donations of cash, goods and services (in millions)	\$1.3M	\$1.6M	1.7M

	2022	2021	2020
OUR PRODUCTS			
PROCUREMENT			
Paper purchased (excluding paper provided by customers) (in tonnes) ⁶	276,089	285,180	311,468
Total paper consumed (in tonnes) ⁶	295,088	307,227	328,126
Purchases of FSC [®] certified paper (in tonnes) ⁶	69,443	68,626	65,243
Purchases of PEFC certified paper (in tonnes) ⁶	203,337	210,324	240,791
Purchases of SFI [®] certified paper (in tonnes) ⁶	871	867	637
Total plastic consumed (in tonnes) ²	218,338	215,905	138,235
ENERGY			
Energy used (in GJ)	2,641,364	2,681,319	2,674,544
Natural gas purchased (in GJ)	1,312,508	1,301,004	1,327,010
Propane purchased (in GJ)	3,740	3,633	7,049
Electricity purchased (in GJ)	1,325,116	1,376,681	1,340,486
Renewable electricity used (in %)	67 ⁵	46	47
AIR EMISSIONS			
Scope 1 greenhouse gas (GHG) emissions (in tonnes of CO ₂ e)	89,530	92,977 ⁹	103,041
Scope 2 GHG emissions (in tonnes of CO ₂ e)	92,620	90,712 ⁹	89,394
Volatile organic compounds (VOC) emissions (in tonnes) ⁷	2,671	825	856
Scope 3 GHG emissions (in tonnes of CO ₂ e) - 2021 baseline ¹⁰		1,780,309	n.a.
WASTE			
Waste generated (in tonnes)	107,537	71,156	78,067
Recycled waste (in tonnes)	68,230	62,922	66,496
Waste used for energy recovery (in tonnes)	29,184	1,338	3,348
Waste sent to landfill (in tonnes)	10,123	6,896	8,223
WATER			
Water used (in cubic meters) ⁸	n.a.	1,019,664	1,259,824
ENVIRONMENTAL MANAGEMENT			
Spills	0	0	0
Fines for environmental damage or non-compliance (in US \$)	0	2,000	0

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. For TC Transcontinental Packaging only
3. For Canadian entities only
4. For TC Transcontinental Packaging and TC Transcontinental Printing only
5. Data calculated with a different methodology. This data cannot be compared with data from previous years
6. For TC Transcontinental Printing only
7. Does not include our facilities in Latin America, China, and New Zealand
8. The water consumption for fiscal year 2022 has not been calculated as we are reviewing the calculation methodology to be more accurate. In previous years, water use was calculated based on information from water meters and estimates of average consumption by facility type
9. Modification of the data following a calculation adjustment
10. At the time we started our Scope 3 evaluations, only 2021 data were available. We plan to update it on a yearly basis. 2022 will be released together with 2023.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE INDEX

The Task Force on Climate-related Financial Disclosure (TCFD) Index is a valuable tool for investors and stakeholders looking to assess how TC Transcontinental manages climate-related risks and opportunities. The index covers four key areas (governance, strategy, risk management, and metrics and targets) and demonstrates our company's commitment to transparency, which is essential for building trust with our stakeholders.

Topic	Disclosure	TC Responses for 2022
Governance Disclosure of the organization's governance around climate-related risks and opportunities	Board oversight Describe the board's oversight of climate-related risks and opportunities	Annual report, 2022, p. 23 Management Proxy Circular, 2023, p. 42 Corporate Social Responsibility plan, Building our Future - 2025, p. 4 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C1.1a, C1.1b
	Management role Describe management's role in assessing and managing climate-related risks and opportunities	Annual report, 2022, p. 23 Annual information form, 2022, p. 15 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C1.2, C2.1
Strategy Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Risks and opportunities Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term	Annual report, 2022, p. 25, 26, 27 Annual information form, 2022, p. 15 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C2.1a, C2.3, C2.3a, C2.4, C2.4a
	Impact of risks and opportunities on organization Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Annual report, 2022 p. 25, 26, 27 CDP Climate Change Questionnaire – Questions C2.3a, C2.4a, C3.1, C3.2a, C3.3, C3.4
	Resilience of the organization's strategy Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	CDP Climate Change Questionnaire – Question C3.2

<p>Risk Management Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</p>	<p>Processes to identify and assess risks Describe the organization's processes for identifying and assessing climate-related risk</p>	<p>Annual report, 2022, p. 23 Annual information form, 2022, p. 15 Management Proxy Circular, 2023, p. 42 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C2.1, C2.2, C2.2a</p>
	<p>Processes to manage risks Describe the organization's processes for managing climate-related risks</p>	<p>Annual report, 2022, p. 23 Annual information form, 2022, p. 15 Management Proxy Circular, 2023, p. 42 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C2.1, C2.2</p>
	<p>Integration of climate-related risks into overall risk management processes Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>Annual information form, 2022, p. 15 Management Proxy Circular, 2023, p. 42 Corporate Social Responsibility plan, Building our Future - 2025, p. 4 Corporate Social Responsibility Report, 2022, p. 36 CDP Climate Change Questionnaire – Questions C2.1, C2.2</p>
<p>Metrics and Targets Disclosure of metrics & targets used to assess & manage relevant climate-related risks & opportunities where such information is material</p>	<p>Metrics to assess risks and opportunities Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>CDP Climate Change Questionnaire – Questions C4.2, C4.2a, C4.2b</p>
	<p>Greenhouse gas emissions Disclose Scope 1, Scope 2, and, Scope 3 GHG emissions, and the related risks</p>	<p>Corporate Social Responsibility Report, 2022, p. 39 CDP Climate Change Questionnaire – Questions C6.1, C6.3, C6.5.</p>
	<p>Targets to manage risks and opportunities Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>Corporate Social Responsibility plan, Building our Future - 2025, p. 8 Corporate Social Responsibility Report, 2022, p. 6, p. 10, p. 12 CDP Climate Change Questionnaire – Questions C4.1, C4.1a, C4.2.</p>

CORPORATE INFORMATION

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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.

Este informe también está disponible en español en nuestro sitio web bajo el título “Responsabilidad Social”.

FORWARD-LOOKING STATEMENTS

This 2022 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. The 2022 report was prepared based on the various existing CSR disclosure frameworks. We are closely monitoring the development of the reference frameworks and aim to gradually align our indicators and our future reports with the recommendations of the SASB, GRI and TCFD. 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 2022 Corporate Social Responsibility Report covers the period from November 1, 2021 to October 31, 2022. This report is published and posted on the Company’s external website on June 15th, 2023. In this document, unless otherwise specified, the term “dollar” and the symbol “\$” refer to Canadian dollars.



