

ACTING TOGETHER

2021 Progress Report



tc • TRANSCONTINENTAL



Isabelle Marcoux
Chair of the Board



Peter Brues
President and
Chief Executive Officer

This 2021 progress report proudly concludes our 2019-2021 Corporate Social Responsibility Plan, *Acting Together*. We have achieved our goals, rich in learning and innovation, as a responsible corporate citizen, with ambitious objectives and committed employees, solid governance, and a constant desire to meet the expectations of our stakeholders.

Beyond COVID-19 which for two years has forced us to face countless health issues, there has been a common desire, at all levels, to always do more. Our Board of Directors and our Governance and Social Responsibility Committee have supported us throughout our efforts through their solid supervision of our CSR strategy and objectives.

TC Transcontinental has also risen to 16th place in the Corporate Knights list of the 100 most responsible companies in the world, and to first place for the packaging industry. We have distinguished ourselves by our high percentage of revenues from the sale of eco-responsible products, by our sustainable investments, and by our advances in gender diversity.

On this last point, at TC Transcontinental, we firmly believe that diversity leads to better performance, greater attraction and retention of talent, and constitutes a competitive advantage. We have proof of this every day.

The same goes for our commitment to communities, and 2021 was no exception. We have indeed lent a hand to the Government of Québec by setting up a supervised vaccination clinic against COVID-19 in our facilities in eastern Montreal, to protect the local population, our employees and their families. We have also extended the scope of our actions by launching a new community engagement program in all the regions where we are present.

We are delighted with the accomplishments made thanks to the efforts of our teams over the past 12 months. These results give us confidence for the future and encourage us to go even further in our ambitions.

We achieved a sustainability milestone in 2021 with the culmination of our 2019-2021 Corporate Social Responsibility (CSR) Plan, *Acting Together*. For the past three years, we have worked tirelessly in order to meet the 11 goals with respect to our coworkers, operations, products, and communities. We are proud that we have exceeded many of our targets and are committed to continue making significant improvements.

We also play a leading role in creating a circular economy for plastics and TC Transcontinental was the first Canadian-based manufacturer to join the Ellen MacArthur Foundation's New Plastics Economy Global Commitment. We co-founded the Circular Plastics Taskforce in Canada, created our new Recycling Group, and launched the ASTRA center, which consists of four state-of-the-art R&D laboratories. These achievements show our willingness to make the investments necessary to accelerate the development and commercialization of sustainable packaging that is fully-recyclable, compostable or made from recycled content.

Moreover, TC Transcontinental is the first North American flexible packaging manufacturer to obtain a Sustainability Linked Loan, which provides for a rate adjustment based on achieving targets linked to environment, social and governance factors. This includes greenhouse gas emissions which we reduced by 10% since 2018, notably through extensive energy-efficiency projects.

Though proud of our success, we are looking ahead to our new 2025 CSR plan. Based on extensive consultation, this ambitious set of targets attests to our commitment to build a more sustainable future. I strongly believe it is not just the right thing to do, but also a collective opportunity to create value for all stakeholders.



OUR EMPLOYEES

Our employees embody our organizational culture and are at the heart of our success. Their health, safety and well-being are a constant priority and we make sure to provide them a healthy and pleasant working and living environment, offering diversity and inclusion. We are doing everything we can to attract, recruit and develop our talents and are proud to have exceeded all of our targets in relation to our employees in 2021.

	2019-2021 Plan Target	2021 Results	2018 Baseline Year
Target 1 Maintain a safe and healthy work environment			
Reduce the total incident rate (incidents per 200,000 worked hours) by 15% for our Printing and Packaging Sectors	2.33	1.57	3.37 ¹
Target 2 Move towards a more balanced gender representation in leadership			
Ensure at least 30% of female representation on the Board of Directors	30%	39%	36%
Have at least 3 women on the Executive Management Committee	3	3	3
Reach 30% of women in executive and management positions	30%	33%	24%
Target 3 Develop our talent			
Annual performance reviews to be completed for 100% of salaried employees ²	100%	100%	n/a.

HEALTH, SAFETY AND WELL-BEING

Beyond the implementation of specific initiatives, a real culture of health and safety has been established at all our sites. We are delighted with the results obtained over the past three years, having succeeded in reducing our incident frequency rate by more than half, thus greatly exceeding our initial objective.

Our performance is based on the work accomplished in the field by our dedicated teams, but also on vigilant governance at all hierarchical levels. Corporate performance is frequently reviewed within the organization, both at the Board of Directors and Executive Committee level, as well as by business leaders and managers in the entities.

In 2021, we once again had to contend with the global COVID-19 pandemic. Our united, cautious, and responsible approach to the pandemic, the expertise of our teams, as well as the preventive and rigorous measures applied continuously to protect our employees have paid off. In support, a communication campaign made up of illustrated material and

videos made it possible to recall our main directives. Explanatory posters have been sent to all our workplaces, illustrating, among other things, the rules of distancing, the proper wearing of a mask, handwashing, and the importance of vaccination.

Once again, this year, several initiatives were implemented or renewed:

- A project to implement a platform allowing the centralized management of health and safety data has been started. Indeed, an agreement was signed in October 2021 with an industry leader to provide all TC Transcontinental sites with a robust, user-friendly, and multilingual web platform. This will allow all our entities to access data in real time, to investigate incidents that have occurred, and to carry out preventive inspections. The implementation of such a modern and unique platform, accessible on mobile devices and tablets, is a major area for improvement and will prove to be a tool of choice for monitoring the performance of our programs when it is fully deployed.

¹ Data calculated with a different methodology. These data cannot be compared with later data.

² Annual target



The Latin American Group deserves a special mention for its COVID-19 vaccination program

Latin America has faced many challenges with respect to the availability and accessibility of vaccines. Exceptional work has been done by our teams on site in collaboration with local authorities to provide access to the vaccine to our employees in this region.



- The *Health, Safety and Community Partners* recognition program supported the commitment of our employees in the printing and packaging sectors. Thus, the best performing factories were rewarded with a cash donation given to a charity by each of the entities that qualified.
- The *Big Top* program has made it possible to recognize excellence and innovation in health and safety initiatives and to highlight best practices. Among the selection criteria are the degree of impact, the complexity of the project, the costs and the results obtained. Several entities were rewarded for their innovative approach at the 2021 gala.
- In terms of well-being, the implementation in 2021 of the new *Dialogue* integrated health platform is a flagship initiative. This multi-service one-stop shop brings together the Virtual Health Care Service (telemedicine), the Employee and Family Assistance Program (EFAP), including a marriage counseling service, support for children and the elderly, and the Stress and Wellness Management Service, providing unlimited access to psychologists and psychotherapists.

DIVERSITY AND INCLUSION

Diversity and inclusion are deeply rooted in our corporate culture and values and represent an important dimension for our employees. We believe diversity and inclusion leads to better performance and greater talent attraction and retention.

The representation of women in our management teams continues to progress and we are proud of it. In 2021, we launched the second component of the Mentoring Program, where our most promising female talents are sponsored by members of the management committee. We also surveyed the participants of the first component and obtained their input to improve the program. The positive feedback encourages us to continue its deployment.

As announced last year, we have expanded our diversity and inclusion programs to include ethnic diversity. To supplement the results already available in the United States, we proceeded for the first time in Canada to send out a questionnaire on visible minorities and First Nations, where more than 85% of employees completed a self-identification. The information collected was compared with local socio-demographic data. Having a complete portrait in hand, our business entities will now determine the measures and actions necessary to ensure better representation within their teams.

Finally, in keeping with our values, we believe that to reach their full potential, employees must feel safe and accepted for who they are. This is how *True Colors*, an employee-driven LGBTQ+ committee, was launched company-wide. This committee will implement educational and community initiatives to create an inclusive and safe space for members of the LGBTQ+ community and their allies.

OUR SKILLS

At TC Transcontinental, employee development remains one of the keys to our success. It is highly encouraged at all levels and supported by a range of training courses. We are proud to offer our people the opportunity to acquire new knowledge to broaden their horizons and lead them to always want to know more in order to perform better.

Annual performance reviews are part of the process for measuring individual results and enable the implementation of personal development actions. This year again, all of our salaried employees took part.

In addition, in 2021 we conducted an employee engagement survey. This garnered an overall response rate of over 80% and an engagement rate of 76%, positioning us in the top quartile of the manufacturing industry. This survey highlighted the confidence our employees have in our actions and confirmed that we have created a work environment where everyone can succeed.

Finally, in 2021 we started to implement a new Learning Management System (LMS).



This initiative will allow us to better structure our online learning offerings, and to improve and diversify our content. This major project will officially see the light of day in 2022 for employees with access to a computer, and in 2023 for all others. Evolvo will facilitate real-time monitoring of each person's individual development file.

All these concrete actions led us to define our employee value proposition even better. An overhaul of the employer brand began in 2021 and will continue over the coming months, allowing TC Transcontinental to stand out as an employer of choice.



GOVERNANCE OF DIVERSITY AND BROADER INCLUSION

In the past, TC Transcontinental has worked hard to increase gender diversity. To be more inclusive, we have taken a new step in 2021 by adding two pillars to our diversity and inclusion program, namely ethnic minorities and LGBTQ+ communities.



OUR OPERATING ACTIVITIES

As a company specializing in packaging and printing, we strive for manufacturing excellence, which goes hand in hand with reducing our environmental footprint. We measure our performance in this sense, whether in terms of energy management, water consumption, greenhouse gas (GHG) emissions or residual materials management. For the past three years, we have carried out concrete and constant actions to reduce our impact on the environment, demonstrating our culture of continuous improvement.

		2019-2021 Plan Target	2021 Results	2018 Baseline Year
Target 4	Reduce our greenhouse gas emissions			
	Reduce our greenhouse gas emissions by 5% (in tonnes of CO ₂ e) ¹	196 493 ²	186 157	206 835
Target 5	Optimize waste management			
	Aim for the complete elimination of our non-hazardous operational waste sent to landfills (% of non-hazardous operational waste reclaimed)	100%	90%	n/a.
Target 6	Ensure food safety and quality			
	Obtain food safety certification recognized by the Global Food Safety Initiative (GFSI) for all our facilities producing direct food contact packaging	100%	100%	76%

GREENHOUSE GAS REDUCTION

Aware that climate change represents one of the greatest challenges of our time, we have set greenhouse gas reduction targets and implemented numerous initiatives to achieve them. These have enabled us to reduce our absolute emissions by 10% in three years, including a 3.3% reduction in the last year alone. More specifically, the printing sector has reduced its emissions by 4.9%, and the packaging sector by 2.6% since the last year.

In terms of relative emissions, for constant production, we emitted 332.65 kg of CO₂e per tonne of products manufactured in 2021, compared to 349.2 kg of CO₂e in 2020. This represents a decrease of 4.7% in a single year, attesting to the success of our energy efficiency initiatives.

In recent years, several plants in our printing and packaging sectors have carried out energy audits and developed multi-year plans to reduce their energy consumption. In 2021,

multiple projects were completed, structured around several lines of action:

- Install heat recovery equipment
- Perform preventive maintenance and corrections to reduce air leaks
- Replace older equipment with state-of-the-art, more energy-efficient models
- Optimize the use of current equipment
- Improve the performance of our buildings.

In addition, to have a more complete overview of our carbon footprint, in 2021 we carried out a preliminary assessment of our indirect greenhouse gas emissions (category 3). By using the Quantis assessment tool, we were able to identify the most important categories of emissions, namely the extraction of raw materials needed to manufacture our

¹ Refers to absolute scope 1 and scope 2 emissions

² Data modified following the update of the methodology and the closure of factories in the last year



PUTTING THE CANADIAN CLIMATE TO WORK!

Our printing plant in Vaughan, Ontario installed a new chiller and completed the installation of a new roof allowing for better energy efficiency. The new chiller, which is more energy efficient, also allows the use of natural cooling or “free cooling”. This technique of passive cooling of installations makes it possible to take advantage of the cooler months of the Canadian climate by using outside air when it is below the ambient temperature of the building. This project, representing a total investment of \$1 million, generates a reduction in our energy consumption and a reduction of 29 tonnes of CO₂e per year.

products and emissions related to their end of life. Together, these two items represent more than 80% of total category 3 emissions. Over the next few years, we will continue to improve our data collection for certain specific categories and will use this preliminary estimate to build an action plan.

We are pleased to have exceeded our 2021 targets and are already actively working to identify an ambitious greenhouse gas reduction target for 2030. We will establish a detailed action plan to achieve it and identify intermediate milestones.

MANAGEMENT OF RESIDUAL MATERIALS

In our factories, we favor the principles of the 4Rs, namely reduction at source, reuse, recycling, and recovery. We want to avoid burying the largest possible volume of residual materials. This zero-waste ambition is a natural extension of our commitment to the circular economy.

In 2021, we maintained our rate of revaluation of non-hazardous residual materials at 90%. Industrial waste has

great value and we take part in industrial synergies to circulate it in the local ecosystem, when possible. These partnerships have notably made it possible to divert wood pallets, cardboard, plastic, organic waste, fluorescent lamps, and printing plates from landfill.

For example, in 2020 and 2021, our Transcontinental Transmag plant shared printing waste with the *Centre de ressources et d'action communautaire de la Petite-Patrie* (CRACPP), in Montreal. This non-profit organization that supports food security and fights against poverty and waste was thus able to reuse more than 500 kg of newspaper residue to protect its baskets during deliveries to vulnerable populations.

In Latin America, many sites have rolled out innovative waste management initiatives. In Guatemala, a traceability system has made it possible to target areas with the greatest potential for improvement, facilitate better classification of residual materials and increase their conversion rate, in addition to reducing the risk of cross-contamination. A partnership has also been created with the company “Red

Ecológica” to promote the recycling of paper used by administrative services. Finally, the plant has increased its plastic recovery rate by reintroducing used plastics into many of our agricultural films, thus supporting our circular economy strategy.

In the coming years, we will maintain our efforts to reduce the landfilling of residual materials generated by our activities and will continue to equip our business entities to move towards zero waste.

FOOD SAFETY

The COVID-19 pandemic has rekindled consumer concern for the hygiene and safety of the products they consume. In this sense, the plastic packaging we produce plays a real role in food safety, the preservation of food and the extension of its shelf life, making it possible to substantially reduce food waste and the GHG emissions associated with it.

As of the end of fiscal 2021, all of our factories where we produce packaging that may come into contact with food have achieved or maintained certification recognized by the *Global Food Safety Initiative* (GFSI), meeting our goal. Our other packaging facilities are certified to AIB and ISO standards for food safety.

Once again, this year, the controls already in place in our packaging plants to limit the risk of food contamination have enabled us to maintain an adequate environment and guarantee our customers safe production that meets the highest quality standards.

GOOD PRACTICES FOR MANAGING PLASTIC PELLETS

In our packaging business, we actively manage plastic pellets to prevent them from ending up in the environment. To this end, measures for the prevention of loss, cleaning and containment of the granules have been put in place in the factories where we handle them.

In Canada, all TC Transcontinental Packaging plants now take part in the Operation Sweep program, an international program focused on the prevention of pollution by plastic pellets deployed by the Chemistry Industry Association of Canada (CIAC). In the United States, we have included a section on pellet management in stormwater pollution prevention plans. These plans include an annual review of procedures and quarterly monitoring of the quality of water discharges.





OUR PRODUCTS

We take particular care in the design of our products so that they completely fulfill their primary function, while reducing their environmental footprint. We are proud to offer a wide range of eco-responsible products that consider each stage of their life cycle, from the extraction of raw materials to their end of life. To improve and optimize existing recycling infrastructures, we are also actively developing strong partnerships with key players in the industry.

		2019-2021 Plan Target	2021 Results	2018 Baseline Year
Target 7	Promote the use of sustainable materials			
	100% of our paper purchases must come from third-party certified or recycled sources ¹	100%	98%	96%
	By 2025, achieve an average usage rate, by weight, of 10% post-consumer recycled content for all plastic packaging in our product portfolio ²	10%	0.79%	0%
Target 8	Design with an end-of-life perspective			
	By 2025, 100% of our plastic packaging will be reusable, recyclable or compostable ²	100%	42%	34%
Target 9	Focus on product research and development			
	Invest at least 1% of the annual revenues of our packaging sector in research and development ¹	1%	0.68%	n/a.

SUSTAINABLE PAPER PROCUREMENT

As the country's largest printer, we recognize the importance of sound forest management. In this way, we ensure that our paper supply meets the highest environmental and social requirements.

We believe in good sustainable forestry practices, which is why we aim to have 100% of our paper purchases come from third-party certified or recycled sources. In 2021, we approached this goal by reaching 98%, an increase of 2% over the last three years.

This success is the result of strict paper purchasing policies and practices. We offer our customers paper options containing pre- or post-consumer recycled fiber when available. When the use of virgin fibers is necessary, we favor

papers whose traceability and responsible forest management are guaranteed by recognized certification – FSC® C011825, SFI® or PEFC. TC Transcontinental's plants themselves hold these three chain-of-custody certifications. In addition, since 2003, we have worked in partnership with the non-governmental organization *Canopy*, to promote the protection of ancient and threatened forests.

Our sustainable sourcing efforts have been evaluated and highlighted by Canopy in its most recent Blueline 2021 ranking, as well as by the CDP organization in its Forest module, for which we obtained a score of B, which is above the industry average.

¹ Annual target

² Target 2025

CIRCULAR APPROACH TO PLASTIC

As a North American leader in flexible packaging, we share the Ellen MacArthur Foundation's common vision of a circular economy for plastics, where plastic never becomes waste.

Flexible plastic packaging has clear benefits and advantages, including its light weight supporting efficient transport, preserving the quality of the packaged product, as well as reducing food waste and associated greenhouse gas emissions. However, issues remain in terms of their management at the end of their useful life.

We believe the solution lies in establishing a circular economy and are actively working to create opportunities for recycled plastics. On the one hand, we want to market packaging designed to be reused, recycled, or composted. On the other hand, we take part in improving the recycling ecosystem through our own facility – Transcontinental Recycling Montréal – as well as through our active participation in numerous associations and various projects.

Over the past few years, our innovation and research and development (R&D) teams have worked tirelessly to develop and market more sustainable plastic packaging, in line with our Ellen MacArthur Foundation objectives. We have developed *VieVERTE*[®], our line of products that are recyclable, compostable, or made from recycled resins. These products are not only eco-responsible, but also meet the performance needs of our customers and their brand strategies.

Sustainable packaging currently represents 42% of the products we market. To continue increasing this proportion, in 2021 we have developed and launched innovative recyclable packaging in various formats, such as:

- Pouches and bags with barrier for kibble and treats for pets
- Recyclable barrier packaging for grated cheese and cheese sticks
- A new recyclable stand-up pouch for granolas, now available in retail stores

All of our recyclable packaging is designed and pre-approved for *How2Recycle* in the USA. This logo allows the consumer to easily identify good recycling practices directly on the packaging, which encourages better disposal at the end of its life.

In terms of compostable packaging, we cemented our leadership in 2021 by continuing to innovate, in particular to reduce costs and improve the performance of our range of solutions. We have enhanced our current product platforms for coffee, as well as accelerated the development of home-compostable solutions. In 2021, we also invested in our advanced composting lab, allowing us to deepen our understanding of the biodegradation process and provide a one-stop-shop for our customers interested in bringing certified compostable packaging to market.

The incorporation of post-consumer resins (PCR) in our products is another key element of our circular economy strategy. In 2021, we launched cheese stand-up pouches and beverage shrink wrap made with 50% PCR. We have also developed and marketed packaging for fresh poultry containing post-consumer plastic resins.

These initiatives have enabled us to achieve a rate of 0.79% of our plastic packaging volume coming from post-consumer recycled sources. We are optimistic that the development and commercialization of products with high recycled content will allow us to reach our goal of 10% by 2025. To accelerate this transition, we have dedicated significant investments in Transcontinental Recycling Montréal, our first flexible plastics recycling plant. This plant gives us the unique opportunity to source recycled resin internally, allowing us to better control the quality required by our customers.

Beyond our full range of sustainable products, we actively participate in the development of the circular plastic economy by working in synergy with the various stakeholders in the ecosystem. In particular, we are one of the founding members of the Circular Plastics Action Group (GAPC), a collaboration between companies wishing to find concrete solutions to improve the management of plastics. The work of the GAPC led to the publication in September 2021 of the White Paper *Rethinking the recycling of plastic packaging: Solutions towards greater circularity in Quebec and Canada*. This white paper paints a portrait of the plastics situation in Québec, presents the players in the ecosystem, analyzes the potential markets, and suggests certain avenues for optimizing the system. These solutions will now be tested in pilot projects launched in Phase II in 2022.



ASTRA Center specialized in R&D and Innovation – An accelerator towards the circular economy

In September 2021, TC Transcontinental Packaging unveiled its new ASTRA Center, dedicated to Art, Science and Technology for Research and its Applications. This center located in Wisconsin, at the cutting edge of technology and supported by our R&D talents, represents a cornerstone of the company for innovating, prototyping, and commercializing sustainable solutions for our customers.

Through our four labs, major brands and retailers can benefit from in-depth expertise in compostable, recyclable and recycled-content packaging, rapid time-to-market from design to commercialization, optimized solutions in performance, and cost and turnkey packaging solutions.

- The Analysis and Testing Services Laboratory performs physical tests to simulate the actual use of the packaging at each stage of use. The measurements carried out aim to develop molecular structures that meet the functionality requirements of the packaging for its entire life cycle.
- The Packaging and Applications Development Laboratory is equipped with nine-layer blown extrusion technology to perform experiments and optimize film compositions. The tests carried out also make it possible to guarantee the performance and efficiency of the packaging on our customers' equipment.
- The Advanced Compostable Products Lab; the first of its kind within a packaging manufacturer, aims to develop the next generation of packaging and improve the time and cost of certifying compostable packaging. This laboratory is itself certified to the ISO17025 standard and is equipped to test and meet the ASTM 64000 standards for compostable packaging.
- The Recycling Technology Lab, which is expected to be fully operational in 2022, will complement the R&D skill set with an in-house recyclability assessment lab. This lab will measure every aspect of a package designed against industry-accepted criteria, to ensure that it is truly compatible for recycling, in accordance with design guidelines available in the industry.



OURCOMMUNITIES

For more than 45 years, community involvement has been deeply rooted in TC Transcontinental's DNA. Our philanthropic mission is clear: to give back to society, to build for the future and to leave the legacy of a strong, responsible corporate citizen. Whether it is through financial donations, products or services, sponsorships, or the volunteer involvement of our employees, we are proud to contribute to the communities where we live and work.

		2019-2021 Plan Target	2021 Results	2018 Baseline Year
Target 10	Investing in our communities			
	Over 3 years, donate \$5 million in financial contributions, goods and services to organizations, projects and programs that support the communities in which we operate ¹	\$5 M	\$5.35M	n/a.
Target 11	Encourage employee engagement			
	All business entities must participate in at least one initiative that has a positive impact on their community each year ²	100%	74%	n/a.

Over the past three years, more than five million dollars have been distributed to organizations or projects benefiting communities. We have thus exceeded the objective that we had set ourselves, demonstrating the importance of social commitment for our company and for our employees.

For several years, the company has framed the granting of donations in a dedicated public policy that gives priority to three major areas of community investment: health, education, and local communities. We help, on an annual basis, many non-profit organizations. True to our commitment, we once again responded to the appeal of Centraide's fundraising campaign, contributing \$404,000.

Throughout 2021, we have been inspired by the many initiatives taken by our employees wishing to have a positive impact in their local communities. To encourage them, we have developed a new community engagement program consisting of two components. First, \$5,000 is awarded per facility outside Quebec for donations to local non-profit organizations. Second, an additional \$5,000 per installation is distributed within the "\$ for doers" program to equalize the volunteer support of our people from all TC Transcontinental entities.

Due to the COVID-19 pandemic, not all of our locations were able to hold local engagement events. Despite this, once again this year, our employees have repeatedly demonstrated their creativity and generosity to serve their communities:

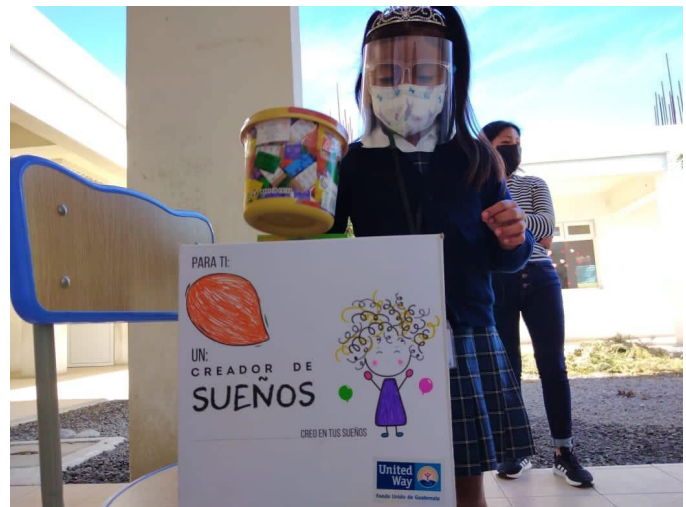
- Transcontinental United Kingdom donated laptops to *Darland High School*, Wrexham, UK. The school and TC Transcontinental also work together on career crossroads projects, internships, and community events.



¹ Cumulative target

² Annual target

- TC Transcontinental was well represented at the “Weekend to Fight Cancer” in support of the Segal Cancer Center at the Jewish General Hospital in Montreal. Our colleagues raised \$39,561, making the TC Transcontinental team the 7th highest fundraising team. The funds will be used, among other things, to finance research on the link between physical activity and the rapid regeneration of the immune system in cancer patients.
- In Escuintla, Guatemala, our employees took part in the *United Way initiative*, “Anita’s Box of Dreams”. Boxes of toys were distributed to children in disadvantaged neighborhoods. In addition, each box contained information on a range of careers children can dream of, including doctor, accountant, and dentist. A monetary donation was also granted to them. Our employees and their families took care of decorating the boxes and helping with their distribution. More than 600 young people were able to benefit from this initiative.
- When a hurricane struck northern Guatemala and destroyed the homes of agricultural workers in the region, a multifunctional team from TC Transcontinental (logistics, human resources, and sales) deployed to provide emergency assistance. Basic necessities were distributed to 40 affected families awaiting the reconstruction of their homes, including mattresses, food, and water.
- In the United States, the TC Clinton Community Engagement Committee has been active for several years. It brings together employees from all levels and has helped to over thirty not-for-profit organizations since its inception. Employees were generous during the last *Angel Tree fundraising campaign*. Their donation provided over 40 children from disadvantaged backgrounds with new clothes and toys over the holiday season.





La vaccination au cœur de votre quartier!

Centre de vaccination Rivière-des-Prairies

tc • TRANSCONTINENTAL

energir

AIEM Association Industrielle
de l'Est de Montréal

CCR
UNE COMPAGNIE GLENCORE

VACCINATION CLINIC: close to 30,000 people vaccinated

As a responsible corporate citizen, we responded quickly to the call launched by the Gouvernement du Québec to support the health network in its vaccination campaign against COVID-19. In collaboration with Énergir, the Association industrielle de l'est de Montréal and Affinerie CCR, we opened a vaccination center in the summer of 2021 located at the headquarters of our Distribution activities in Rivière-des-Prairies. Entirely managed by TC Transcontinental, the clinic served the local population, as well as our employees and their families, from May 26 to August 28, 2021, 7 days a week, from 8 a.m. to 8 p.m. Nearly 30,000 people have been vaccinated there.

The project team set up by TC Transcontinental provided the logistics for setting up and managing this vaccination clinic in accordance with the recommendations of the CIUSSS de l'Est-de-l'Île-de-Montréal and government measures. To provide this service on an ongoing basis, 83 people were hired, including vaccination staff, nurses, reception and maintenance workers and security guards. To make this clinic a great success, many regular TC Transcontinental employees also rolled up their sleeves and participated in the recruitment of external personnel, signage, computer support and inventory management.

PARTNERSHIPS AND RECOGNITIONS

Meeting sustainability challenges requires collaboration across the entire value chain. We have established rich relationships over the years with our esteemed partners and are very proud of our performance within many recognized rankings. As we move forward on social responsibility, we continue to develop new strategic partnerships for #ActingTogether to a more sustainable future.



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



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



Member of Ameripen



Member of The Association of Plastic Recyclers



Named the 16th most eco-responsible company in the world according to Corporate Knights



EcoVadis assessments contribute to the management of our suppliers' CSR performance



Obtained a B- grade in 2021 for our performance in climate change and 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 FHCP



Member of the Flexible Packaging Association



Co-founding member of the Circular Plastics Action Group



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

CONCLUSION

This report marks the end of our 2019-2021 Corporate Social Responsibility Plan, *Acting Together*. Over the past three years, many teams and departments have focused their actions and developed initiatives to support, achieve, and even exceed the targets we had set for ourselves.

In a context where stakeholder expectations are changing rapidly and where social responsibility is becoming a business imperative, we have made sustainable development one of our strategic priorities for the years to come. We are convinced that the benefits will be numerous for our organization: attraction and retention of talent, development of new markets, manufacturing excellence, brand positioning and synergy with the ambitions of our customers. We will therefore

continue to deploy our efforts with enthusiasm, rigor, and determination, supported by governance, bringing together the various sectors of the company, our management teams, and our Board of Directors.

Building on the success of our last plan and convinced that we must actively take part in the economic and ecological transition already underway, we have once again set ambitious new targets for our 2022-2025 Plan. We therefore invite you to join us as we begin this new chapter in our journey. Together, we will build the society of tomorrow.

2021 CSR KEY PERFORMANCE INDICATORS

	2021	2020	2019	2018
FINANCIALS (in millions)				
Revenues	\$2,643.4	\$2,574.0	\$3,038.8	\$2,623.50
Operating earnings	\$233.8	\$241.4	\$309.5	\$367.70
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)	\$313.5	\$352.8	\$348.0	\$356.90
Total assets	\$3,612.9	\$3,598.4	\$3,781.8	\$3,782.20
Market capitalization at fiscal year-end	\$1,703.7	\$1,444.8	\$1,333.1	\$1,819.50
Operating expenses (excluding employee-related costs)	\$1,513.1	\$1,436.2	\$1,770.0	\$1,417.50
Dividends on participating and preferred shares	\$78.3	\$77.9	\$76.0	\$68.60
Interest paid on debt	\$32.3	\$42.6	\$64.0	\$35.00
Income taxes paid	\$59.4	\$49.8	\$59.5	\$41.90
Research and development expenditures ²	\$9.6	\$10.5	\$7.3	n/a.
OUR EMPLOYEES				
Number of employees	7,904	8,103	9,070	9,059
Female employees (%)	28	28	28	28
Employee-related costs (in millions)	\$675.4	\$638.4	\$781.3	\$654.0
Employee turnover rate (%) ³	9.2	7.4	8.5	n/a.
PENSION FUND				
Type of pension fund ⁴	MIX DB and DC	MIX DB and DC	MIX DB and DC	MIX DB and DC
Pension plan assets (in millions)	\$683.5	\$758.1	\$766.6	\$721.2
Deficit of defined benefits plans (in millions)	\$45.3	\$62.5	\$75.6	\$58.0
Defined contribution pension plans and State plans expenses (in millions)	\$29.5	\$27.7	\$30.1	\$32.1
Number of unionized employees ⁵	2,038	1,873	2,263	n/a.
HEALTH, SAFETY AND WELLNESS				
Number of fatalities	0	0	0	0
Total incident rate (incidents per 200,000 worked hours) ⁵	1.57	1.88	2.96	3.37
Lost time accident severity rate (lost days per 200,000 worked hours)	58.7	93.0	69.1 ⁶	70.56
GOVERNANCE				
Independent Directors (in %)	62	62	62	62
Female representation on Board of Directors (in %)	39	39	39	36
Number of women on the Executive Management Committee	3	3	3	3
Women in executive and management positions (in %)	33	31	25	24
OUR COMMUNITIES				
Donations of cash, goods and services (in millions)	\$5.4	\$3.8	\$2.1	n/a.
OUR PRODUCTS				
PROCUREMENT				
Paper purchased (excluding paper provided by customers) (in tonnes) ⁷	285,180	311,468	396,545	448,090
Total paper consumed (in tonnes) ⁷	307,227	328,126	435,803	462,424
Purchases of FSC® certified paper (in tonnes) ⁷	68,626	65,243	77,051	297,650
Purchases of PEFC certified paper (in tonnes) ⁷	210,324	240,791	313,542	128,743
Purchases of SFI® certified paper (in tonnes) ⁷	867	637	1,000	3,250
Total plastic consumed (in tonnes) ²	215,905	138,235	148,831	156,821

	2021	2020	2019	2018
ENERGY				
Energy used (in GJ)	2,681,319	2,674,544	2,976,622	2,957,502
Natural gas purchased (in GJ)	1,301,004	1,327,010	1,470,90	1,434,704
Propane purchased (in GJ)	3,633	7,049	7,681	4,864
Electricity purchased (in GJ)	1,376,681	1,340,486	1,498,751	1,517,935
Renewable energy used (in %)	23.8	23.3	22.3	22.2
Renewable electricity used (in %)	46.3	46.5	44.4	43.2
AIR EMISSIONS				
Scope 1 Greenhouse gases (GHG) emissions (in tonnes of CO ₂ e)	98,551	103,041	113,109	109,607
Scope 2 Greenhouse gases (GHG) emissions (in tonnes of CO ₂ e)	87,606	89,394	97,432	97,228
Volatile organic compounds (VOC) emissions (in tonnes) ⁸	825	856	889	1,147
WASTE				
Waste generated (in tonnes)	71,156	78,067	93,393	62,021 ⁷
Recycled waste (in tonnes)	62,922	66,496	79,866	59,700 ⁷
Waste used for energy recovery (in tonnes)	1,338	3,348	4,141	0 ⁷
Waste sent to landfill (in tonnes)	6,896	8,223	9,386	2,300 ⁷
WATER				
Water used (in cubic meters) ⁹	1,019,664	1,259,824	1,237,577	1,251,213
ENVIRONMENTAL MANAGEMENT				
Spills	0	0	1	0
Fines for environmental damage or non-compliance (in US \$)	2,000	0	10,000	900

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) Voluntary turnover only
- 4) For Canadian entities only
- 5) For TC Transcontinental Packaging and TC Transcontinental Printing only
- 6) Data calculated with a different methodology. This data cannot be compared with subsequent data
- 7) For TC Transcontinental Printing only
- 8) Does not include our facilities in Latin America, China, and New Zealand
- 9) Water use was calculated based on information from water meters and estimates of average consumption by facility type

CORPORATE INFORMATION



\$2.6B
revenues
2021



close to
8,000
employees



41 operating
facilities

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Media

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Shareholders, Investors and Analysts

For further financial information or to order supplementary documentation about the Corporation, please contact the Investor Relations Department or visit the “Investors” section of TC Transcontinental’s website at www.tc.tc

Additional information

Ce rapport est aussi disponible en français dans la section « Responsabilité sociale » du site Web de la Société.

This report is also available in the “Social Responsibility” section of the Corporation’s website.

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

FORWARD-LOOKING STATEMENTS

This 2021 Corporate Social Responsibility Progress Report may contain forward-looking statements or objectives which are based on management’s expectations and are inherently subject to a certain number of 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 2021 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 2021 Corporate Social Responsibility Progress Report covers the period from November 1, 2020 to October 31, 2021. This progress report is published and posted on the company’s external website on June 15, 2022. In this document, unless otherwise specified, the term “dollar” and the symbol “\$” refer to Canadian dollars.