



Sustainability priorities

2030 and
beyond



Committ
to a sustainable
future

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Domtar operates responsibly across its business

Domtar is a trusted collaborator with its stakeholders

Domtar controls and reduces the environmental impact of its business operations

Sustainability at Domtar

I have been asked more than once over the years — “*What motivates Domtar’s sustainability leadership? The expectations of our customers, employees, communities, or NGO partners?*”

A quick answer is, “*All of the above.*” But the complete, thoughtful answer is more interesting and instructive.



It would miss the point to think that Domtar’s sustainability accomplishments have solely been successful responses to the interests of others — although it certainly has had that salutary effect.

Domtar’s motivation over many years to address sustainability issues has largely been driven by self-interest. This is not as unseemly as it may sound. Indeed, it is a powerful, positive reminder that businesses that are agile and innovative enough to change with market conditions

and consumer preferences, and that stay focused on using resources ever more efficiently, will stand the test of time. In Domtar’s case, almost 175 years.

Sustainability in business is nothing more (and nothing less) than the serious consideration of the longer term when identifying and assessing a broad set of risks and opportunities. Given that Domtar earned the reputation for looking beyond quarterly and annual results as a publicly traded company, it will certainly now do so as a privately-owned one, as part of the Paper Excellence Group.

Taking the longer view has allowed Domtar to exert leadership on the most challenging issues, even before solutions were clear.

Nearly two decades ago, when the company expressed a preference for wood fiber certified to the Forest Stewardship Council (FSC) standards for sustainability, the company knew that an FSC fiber supply was not readily available. Today, Domtar is one of the largest users of FSC fiber, and we are continuing our work to expand the

supply of FSC fiber with the certification of two large forestlands in Ontario, Wabigoon and Trout Lake. We are also helping launch a new industry partnership to harness information technology to bring unprecedented transparency to the movement of wood fiber through supply chains.

At the same time, Domtar has entered into an exciting new agreement with The Nature Conservancy of Canada to permanently conserve boreal forest in what will be the single largest private conservation effort in Canadian history.

The products we make are recycled at a record rate, and we are creating even more demand for recycled paper by building what will be the second largest, 100-percent recycled packaging board mill in North America. We are also engaged in developing renewable, sustainable alternatives to single-use plastic packaging. These are practical examples of our business interests driving a progressive sustainability agenda.

Leadership is not about following a path; it’s about setting a path where one does not exist. Domtar has substantially reduced its greenhouse gas emissions over the years, and is one of the most carbon-efficient pulp and paper manufacturers in North America. However, our aspiration for the future is to work with governments, universities,



and suppliers to find a path to “net zero” greenhouse gas emissions.

Similarly, our manufacturing operations are in water rich areas and we return the vast majority of the water we use back to the natural environment. Nonetheless, the efficient use of renewable resources is part of the company’s DNA, and water is no exception. That is why we are continuing to invest capital in systems that allow us to re-use the water in our operations over and over again. These investments in closed-loop systems are advancing the ideal of circularity in our economic activity.

Our interest in our people is also forward looking. Beyond providing Domtar’s employees with fair pay, good benefits, and a safe work environment, we want them to understand that the diversity of their experiences, perspectives, backgrounds, and skills are an important part of the company’s success. We believe that workforces that reflect the diversity of

the communities in which we operate is not just good for the community, but also for the company and its customers.

The following pages introduce our vision for the future of sustainability at Domtar. Yes, we are an old and proven company in terms of our existence and experience. We are also a new company because we continue to reinvent ourselves, with new ideas, new products, a new ownership structure, and new opportunities to bring leadership to issues that matter. Both of these together — the old and the new — are testaments to the power of sustainability. We appreciate your taking a few minutes to understand this vision. We think it is exciting, and believe you will too.

John D. Williams
President and Chief Executive Officer

Meet our sustainability champions



Vanecia "V" Carr
Senior Director, Marketing and
Product Management



Bill Edwards
Senior Vice President,
Pulp and Paper Operations



Yves Séguin
Director, Energy Purchasing



Rob Melton
Senior Vice President,
Commercial Pulp and Paper
(Chair of the ESG Committee)



Charlie Floyd
Vice President, Strategic Capital
Packaging



David Struhs
Vice President, Corporate Services
and Sustainability

Embedding sustainability in all our decision-making is not new for the folks at Domtar. It's something we've worked at for years, and something we work at constantly, remaining accountable and transparent.

Among other responsibilities, the ESG Committee makes recommendations on policies and programs that directly contribute to improving the net impact of our operations, monitors key performance metrics related to our sustainability efforts and commitments, and maintains a constructive dialogue regarding ESG issues with our external stakeholders.

Our ESG Committee meets at least six times a year. Committee members rotate over time to ensure we evolve in our diversity of ideas and perspectives while ensuring organizational continuity.



Lewis Fix
Vice President,
Commercial Pulp and Airlaid



Paige Goff
Vice President, Sustainability



Josée Mireault
Director, Corporate Law and
Assistant Corporate Secretary



Katie Zorn
Senior Director, Strategic Planning
and Market Development

Towards New Sustainability Goals

Determined to take a longer-term view of creating sustainable value for our stakeholders, Domtar set ambitious targets to be achieved by 2020. Tangible, measurable and actionable, these goals reflected our commitment to be a more sustainable company. We achieved or exceeded three of those goals and recognize that there is still work to do on the other three.

Here's how we did:

Reduce recordable safety incident rate to 0.50 by end of 2020, while increasing efforts on preventing more serious injuries. **Recordable incident rate of 0.67, down from 0.83 in 2019. 61% recordable incident rate decrease since 2008, below 1.0 for nine consecutive years.**



Establish EarthChoice® Ambassador (ECA) teams in all facilities by end of 2020. **We completed implementation of our ECA program at all 26 locations in Canada and the U.S.**

Increase FSC-certified fiber procured for our pulp and paper mills to 20% of total fiber used by end of 2020. **19% of total fiber procured was from FSC-certified sources in 2019, up from 18% in 2018.**



Reduce total direct and indirect GHG emissions from purchased energy at pulp and paper mills 15% by the end of 2020 from 2010 levels. **27% reduction in GHG emissions since 2010, meeting our goal for fourth consecutive year.**

Reduce total waste to landfill from pulp and paper mills 40% by the end of 2020 from 2013 levels. **Waste sent to landfills reduced by 34% since 2013 through source reduction and beneficial-use programs.**



Develop model for pulp and paper mills to measure and more strategically manage the full cost of using water. **Full-cost-of-water model developed and now in use for project approvals to support water and energy conservation efforts.**

Setting our sustainability strategy to 2030 and beyond

For more than 20 years, Domtar has put sustainability at the heart of everything we do, and believe we are the better for it. Led by our ESG Committee through a comprehensive review process, we are setting our next generation of sustainability priorities.

In alignment with our longstanding sustainability principles, six broad priority areas were identified. This approach to shaping our ESG strategy and vision going forward includes how we monitor and manage the impact of our business operations on people — our employees, customers, suppliers, communities and other stakeholders.

Our priority areas also reflect our desire to go further and be bolder as we look to minimize the use of natural resources and the net impact of our operations on the planet. The world doesn't stand still and neither do we. Here are supporting commentaries and our evolving approach to engagement in each of our six key focus areas:

Verified Fiber Sourcing



Leverage technology to bring enhanced transparency to the sourcing and movement of fiber through our supply chain, and by doing so, make tomorrow's fiber certification schemes more cost-effective and predictable. We aim to begin this process while continuing to increase the use of certified fiber by working with landowners and staying at the forefront of forest management best practices.

Employee Safety



Maintain our best-in-class safety culture that incorporates industry-leading methods and tools to foster the safe, healthy workplace our employees, contractors and visitors deserve. We will continue to execute awareness and prevention programs to eliminate the potential for life-altering hazards, minimize injury and identify safety risks before they occur. In addition, we will sharpen our focus to reduce the severity of incidents, beyond the scope of numbers of incidents.

Net Zero Emissions by 2050



Develop a credible pathway to become a net zero emitter of greenhouse gases by 2050. This effort complements our positive advocacy with governments regarding future climate-related legislation and regulations.

Community Engagement



We support the communities in which we live, work and play through monetary contributions to local programs to provide long-lasting community benefits. We will continue to encourage our employees to volunteer in activities that enhance the well-being of our communities, both in everyday life and in times of extraordinary need.

Water Stewardship Goal by 2030



Now that we have developed a full-cost-of-water model, the next step is to apply that model at all our pulp and paper manufacturing operations as part of our water stewardship roadmap towards 2030. We will bring the same rigor and discipline that we use to efficiently manage fuel, chemicals and fiber to our stewardship of water, given the interconnectedness of these vital resources.

Diversity and Inclusion



We value a workforce that better reflects the diversity of the communities in which we operate and advances a culture of inclusivity in which everyone's contributions are recognized and appreciated. Together, we strive to become a model of inclusion and diversity in our industry, connecting us closer to our customers, supplier partners, employees and communities.

Identifying priority areas that matter to our business and our stakeholders

Domtar's sustainability principles and broader objectives are rooted in our three pillars of responsibility, engagement and efficiency, and aligned with the expectations of our stakeholders.

- Protecting our planet through the stewardship of greenhouse gas emissions, water usage and certified fiber
- Fostering the health and safety of our employees
- Fostering diversity and inclusion in our workforce
- Improving the quality of life in our local communities
- Upholding the highest standards of ethical business practices and integrity

Our ESG Committee drives our sustainability agenda through regular interaction with our key stakeholders. They also believe that diversity of perspectives, sought through our stakeholder engagement activities, helps shape our sustainability agenda and provides us with insight and opportunities to recognize emerging trends and identify market expectations in a timely manner.

2020

Activities undertaken leading to our six new priority areas:

Stakeholder Engagement and Alignment

Conducted research on the sustainability strategies, goals and frameworks of more than 100 customers, partners and communities to align our sustainability agenda and support them in achieving their sustainability goals and commitments.

2021

2022

NGO Engagement

Maintained dialogue and gathered input from NGOs on their evolving expectations of businesses and Domtar in the sustainability arena.

Industry and Consumer Trends

Gathered information from pulp and paper trade association partners, consumer perceptions, marketing trends and industry thought leaders to better understand sustainability in the context of the COVID-19 pandemic and beyond.

Priority and Agenda Setting

The ESG Committee prioritized sustainability topics that best align with Domtar’s business risk/growth plans based on engagement and assessments. Consolidated findings to develop next generation of sustainability priorities, with input from NYU Stern School of Business.

Roadmap Development

The Sustainability team and ESG Committee are creating roadmaps to reach sustainability priorities, supported by working groups that represent each business unit. Each group is developing a sustainability dashboard to identify key environmental and social metrics and fine-tune our monitoring mechanisms to accurately track our path toward achieving each priority. Domtar continues to fine-tune its priority roadmaps for final distribution in late 2022.



Responsibility at Domtar





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Domtar operates responsibly across its business

Overview

Responsibility

Engagement

Efficiency

Taking Supply Chain to the Next Level With Technology

As the first forest products company to become FSC-certified in North America, we continue to pursue innovative sustainable forestry practices to remain a leader in transparency and accountability. And while we may have been around for nearly 175 years, we aren't afraid to take a technological leap.

Domtar has been actively exploring blockchain technology as a new and modernized opportunity to increase supply chain transparency and build even greater trust among stakeholders. Now, we are ready to turn theory into practice.

Why? Because blockchain, which can capture and store geolocation data, has the potential to provide the level of transparency that we and our customers want from our suppliers.

"The traceability of all forest products is critically important to ensuring that forests are well managed and responsibly harvested," says Paige Goff, Domtar's vice president of sustainability.

"However, gaining this level of transparency can be challenging, and that's where blockchain technology becomes a really promising option to allow us to better understand where the forest products we use every day come from," Goff says.

Blockchain has the potential to improve transparency and efficiency across our internal operations. It provides our wood procurement managers with compliance verification and undisputable traceability of wood that is then communicated to our executive level for decision-making across the organization.

It also reinforces accountability among industry peers, which can contribute to improving the reputation of the industry.

Domtar joins U.S. Endowment's ForesTrust blockchain network

In early 2021, Domtar joined forces with the U.S. Endowment for Forestry and Communities, a nonprofit organization working with partners in the public and private sectors to advance systemic, transformative and sustainable change for the health and vitality of the nation's working forests and forest-reliant communities.

Domtar is proud to be among the first forest products companies to sign on to the ForesTrust blockchain network, a collaboration between the U.S. Endowment,

IBM and others to provide a cost-effective network to accurately and efficiently track wood and wood fiber from the forest to the consumer.

"We are thrilled that Domtar is joining the U.S. Endowment in moving towards a more secure, sustainable and streamlined industry supply chain," says Pete Madden, President and CEO of the U.S. Endowment. "Domtar's guiding principles include sustainability and innovation, which make them a natural partner in leading the way to a new industry standard through the U.S. Endowment's ForesTrust blockchain network."



What is blockchain?

Blockchain is a record-keeping digital technology that registers transactions into a digital ledger as a chain of data blocks, to ensure the chain is never broken and that each block is permanently recorded.

Traditionally known as an encryption technology that supports digital currency transactions, blockchain can help improve the ability to confirm the veracity of wood and wood product sourcing claims.

Practically speaking, it will allow trading partners to be connected to all parties handling materials down to the source and to verify the compliance of the materials as they move through the supply chain — without the need to reveal or even identify business relationships beyond those direct relationships an organization already has.

As such, blockchain can help certified organizations verify that the materials they trade are compliant and traceable to the source.

Domtar is proud to be among the first forest products companies to sign on to the ForesTrust blockchain network.

ForesTrust seeks to provide an efficient way of working across the fiber supply chain for member landowners, harvesters, producers, logistic suppliers, retailers, regulators and consumers by building a safe and secure blockchain network. It seeks to provide transparency into each step of the product journey, aims to tackle illegal logging and guarantees mandated forest governance by trading partners. Ultimately, it will promote even greater transparency across the global wood supply chain.

“We have made great strides to improve supply chain transparency over the last several decades and we are now ready and excited to take on the next frontier of chain-of-custody accountability — to help promote the highest standard in sustainable forestry and to preserve this most precious renewable resource for future generations,” says Goff.

Raising the Bar in Sustainable Forestry on the Wabigoon and Trout Lake Forests

Domtar committed in 2019 to pursue new Forest Stewardship Council (FSC) certification standards for the province of Ontario (Canada) public lands that we manage in the Wabigoon and Trout Lake forests, near our Dryden Mill.

We successfully completed a surveillance audit on the Wabigoon forest in 2020, with the auditor recommending that certification be maintained under the new FSC National Forest Stewardship Standard of Canada.

Work continues toward certifying the nearby Trout Lake forest.

“Our on-the-ground management practices, coupled with a rigorous provincially-mandated forest management planning process, provide a solid foundation for our efforts to achieve FSC certification,” says Marie Cyr, general manager of the Dryden Mill. “We are continuously working to



Marie Cyr
General Manager, Dryden Mill

ensure our practices support the principles of sustainable forest management and the fact that the Dryden Mill has operated in this forest area for over 100 years demonstrates this.”

The new FSC National Standard, which was launched in Canada in June 2019, replaced the previous National Boreal Standard and raised the bar for demonstrating sustainable forestry.

Requirements range from physical solutions, such as protection zones around waterways, to social solutions that address gender equity and enhanced engagement with Indigenous communities and local communities.

The Trout Lake forest area required a full certification audit to ensure that we meet all the rigorous principles of the new FSC standard and to allow for collaboration with stakeholders and Indigenous communities.

Applying a new FSC standard requires time to interpret and operationalize the nuances of the recommendations on the ground. This transparent process involves multiple stakeholders, including communities and environmental organizations, which is why the timeline stretches into late 2022.

The COVID-19 pandemic made that process more challenging, but we have found new ways to collaborate with Indigenous communities in the region.

Colleagues at our Dryden Mill have worked for years with various Indigenous communities and representatives to develop business partnerships and opportunities. These have included supporting a tree seedling nursery, and contracting services for tree thinning, road construction, harvesting and chipping.

As part of the provincial forest management planning process, Domtar forestry professionals work to understand Indigenous values and incorporate their protection into the 10-year forest management plans, prior to seeking approval from the Ontario provincial government.



Moving Product Efficiently Around the Globe

Additional efforts have focused on supporting First Nation’s cultural events and cultural awareness for Domtar employees, and educational and vocational opportunities for First Nation’s youth.

After mid-March 2020, in-person meetings with First Nation leaders were suspended because of the pandemic. This has made continuing the conversations more difficult, but work is being done to advance a collaborative plan that will support certification and benefit all in the region.

“FSC is a model of how to build consensus within groups of common values and divergent interests,” says Chris Grant, forestlands manager at Dryden. “Gaining FSC certification on a public forest is meant to be a collaborative approach among local First Nations and stakeholders.

“The standard itself is a value proposition for enhancing the stewardship of public forests. Domtar is committed to bringing these value propositions to the local First Nations and stakeholders to have a healthy discussion as to what is in the best interests of the forest and the people who live here.”

As the 23rd largest U.S. exporter by container volume and a member of the U.S. EPA’s Smartway program, Domtar ensures that at any point across our logistics chain we are using the most optimal mix of modes of transportation available to contribute to the reduction of GHG emissions.

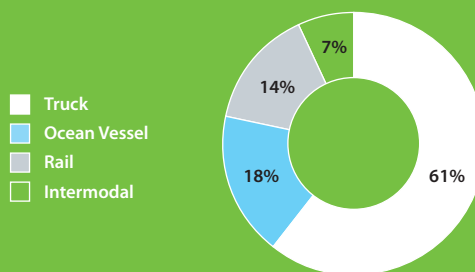


In any given year, we ship approximately 6 million tons of pulp and paper to customers across North America and overseas. To achieve this, we operate an efficient distribution network using third-party truck, rail, intermodal and ocean vessel transport providers. Our aim is to serve our customers using an optimal mix of transportation modes to be cost-effective as well as to reduce our emissions.

We actively support and promote collaboration between stakeholders to improve transportation efficiency through the expansion of ports and intermodal terminals, and to encourage our third-party providers to implement their own innovative sustainable transportation solutions today and in the future.

In addition to finding the most efficient route from point A to B, we optimize our routes with proactive production planning to reduce the number of shipments and minimize any empty miles.

HOW WE TRANSPORT OUR PULP AND PAPER PRODUCTS – 2020 (Tons of Product Shipped)



Over the last ten years, our use of rail and intermodal modes of transportation have resulted in more than 650,000 metric tons of GHG emissions avoided*.

*US EPA Smart Program



Engagem at Domtar



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Domtar is a trusted collaborator with its stakeholders

Overview

Responsibility

Engagement

Efficiency

Celebrating Safety Milestones and Top Employer Recognition

For the third year in a row, the Charlotte Business Journal recognized Domtar as one of the Healthiest Employer Award winners in the Greater Charlotte area.

This award recognizes Domtar's overall employee well-being programs, which work to provide our employees resources through education and activities that support healthy lifestyles, including our robust well-being platform, health assessment tools, digital health coaching, employee challenges, activity tracking, mental health support, financial wellness webinars and much more.

In the challenging times that have been presented by the pandemic, receiving this designation was more important than ever.

This award symbolizes Domtar's continuous work in addressing needs and resources for our employees' physical, financial and mental health, as well as our continued commitment to our employees' well-being.

Three Domtar facilities were among a group of nearly 150 South Carolina-based companies recognized for outstanding workplace safety at the South Carolina Chamber of Commerce's annual safety awards ceremony.

The Marlboro Mill, Tatum Converting Center and Rock Hill Converting Center each received the award based on their low lost workday case rate during the calendar year.



In 2021, Domtar continued to achieve meaningful safety milestones. Our Dryden Mill and offsite network of eight converting facilities achieved one year of safe operations without a recordable injury. These accomplishments come on the heels of the Marlboro Mill achieving one-year incident free in April 2021 and the Ashdown Mill setting its own record of 546 days without a recordable injury.

These latest milestones were capped with news of the Dryden and Windsor mills being named among Pulp & Paper Canada's 2020 safest mills in Canada in their category.

The Kamloops and Dryden mills each received awards recognizing progress in improving safety performance over the past three years as measured by OSHA metrics. The Kamloops Mill received the award for largest reduction in total frequency rate since 2017, while the Dryden Mill was recognized for its reduction in lost time frequency rate during the same period.

Domtar Memorial Safety Awards

The Windsor Mill received the Tom Detwiler memorial award in honor of the long-time Johnsonburg employee that worked his entire career at the mill, eventually becoming mill manager. The Windsor Mill received the award for having the best sustained performance in both total frequency rate and lost time frequency rate combined over the three previous years.



Finally, the Ashdown Mill's project related to confined space was selected to receive the first ever memorial safety award in remembrance of Marty Barfield, a 30-plus year employee who held numerous roles with Domtar and its legacy companies, including Domtar safety director and Kingsport Mill manager.



The award will be given annually to the Domtar site that has completed a project that results in the most impactful reduction in the potential for serious life altering injuries.

“These safety awards are important to our people, and help motivate the adoption of better practices for sustaining safe performance,” says Larry Warren, senior director of health and safety. “Tragically, two contractors working at the Windsor Mill as part of a scheduled maintenance outage in 2021 died in an accident on Oct. 26. This tragic incident remains a compelling reminder that the safety of every person in a Domtar facility is our top priority.”

Warren added, “The caring passion, energy, and dedication of our teams is very much appreciated in a time of public health crisis and stressful surroundings. Our people have put extraordinary efforts into working safely and staying healthy, which speaks to our broader commitment to safety and individual diligence in caring for one another.”

Domtar EarthChoice Ambassadors Step in to Help Our Communities Across North America

Throughout our nearly 175-year history, Domtar has remained deeply rooted in the communities where our employees live and raise their families. Today, we have a presence in more than 20 locations. We know that maintaining strong relations with our neighbors is critical to our communities' success.

In response to the pandemic, Domtar's employees, including those in our EarthChoice Ambassador (ECA) program, came together to support our neighbors while working with COVID-19 restrictions. Local staff volunteered hours on programs to improve health outcomes, meet the personal challenges of families in our communities, distribute medical supplies to our first responders and medical workers, and offer educational assistance to children learning from home.

Domtar continues to work with community partners to promote sustainable practices, sustain the health and safety of our employees and neighbors, improve livelihoods, enhance resilience, and build a better future.

Now in its 11th year, Domtar's EarthChoice Ambassador program promotes sustainable practices that focus on our customers, employees, company and communities. By identifying and sharing innovative solutions, educating and encouraging sustainable habits, and leading by example, these ambassadors amplify our sustainability message throughout our organization and beyond.

Here are some of the many community investment projects accomplished by our ECA teams in 2020 and 2021:

Ashdown, Arkansas

The Ashdown Mill ECA team volunteered at the Ashdown Community Auction to raise money for the beautification and improvement of the downtown area and city park. Ashdown Mill ECAs also partnered with the mill's wood procurement group for a tree seedling giveaway event, distributing more than 1,000 seedlings to residents.

The Ashdown Mill team participated in the clean-up of a two-mile stretch of the Highway 71 frontage in Ashdown. The team also volunteered in early 2021 at the Harvest Regional Food Bank and packaged over 4,000 pounds of meals for residents.





Plymouth, North Carolina

ECAs at our Plymouth Mill typically sponsor a school supply drive to support the local school district, but due to the changing needs in 2020, instead they purchased internet hotspots for local students that didn't have reliable internet at home. They also provided \$3,000 to the United Fund and supported the Humane Society by providing food, litter and veterinary care to displaced and abandoned animals. In addition, they provided much-needed disaster relief in the aftermath of tropical storm Isaias, and donated to the Ronald McDonald House of Eastern North Carolina, which provides temporary housing for families of seriously ill or injured children receiving treatment from area medical facilities.

This past summer, our Plymouth Mill employees donated books for middle school students to the Read Program to promote literacy in the community. They provided school materials and resources to students and created informational booths at the Back-to-School BASH event. They also donated \$500 to the Martin Community College Foundation Scholarship Golf Classic for students in vocational areas of electrical, welding, HVAC and others.

Bennettsville, South Carolina

To address a pressing need in their community, ECAs from our Marlboro Mill moved quickly to send diapers and books directly to the organizations serving families in need in early 2020. The mill sent diaper donations to the Pee Dee Pregnancy Resource Center to help new mothers as they navigate parenting. They also supplied books to the local school district to distribute through its lunch delivery program while school was not in session.

Montreal, Quebec

Our Montreal employees partnered with Earth Rangers, a Canadian youth environmental education and conservation nonprofit, to teach students and their families about biodiversity, inspire them to adopt sustainable behaviors, and empower them to become directly involved in protecting animals and their habitats. During Earthweek in 2021, several activities were organized for employees such as a conference on the impact of climate change, articles on the decline in the bee population, the water cycle in Montreal and rummage day 2.0 on how to recycle and where to donate items.



Windsor, Quebec

Windsor Mill ECAs donated 1,000 N95 masks to regional hospitals, cleaned up local parks and held a school supply drive for children learning at home during the pandemic. They also raised funds for a children's foundation that provides educational assistance to children in need.



Dryden, Ontario

The Dryden Mill, in partnership with the City of Dryden, organized “At Work for the Planet” clean-up days at two local parks in celebration of National Forestry Week. Volunteers from the mill have also participated in “Fall Fest,” which features outdoor vendors, book giveaways by Domtar and a walk through the Laura Howe Marsh Trail. This conservation area is a well-used hiking and biking trail which has seen clean-up efforts by Domtar ECAs and community volunteers.

Hawesville, Kentucky

ECAs from our Hawesville Mill created special “Thinking of You” cards and distributed them to a local nursing home during the pandemic. They also donated books through First Book, and participated in a virtual reading activity for a local elementary school. Kids were given backpacks with the EarthChoice logo, along with activity books and bookmarks. They also conducted a river cleanup in the area.



Rothschild, Wisconsin

ECAs at our Rothschild Mill participated in two community cleanup projects through Adopt-A-Highway and at the Domtar boat landing. Employees donated gardening tools to support the North Central Health Care Facility to start a garden for youth patients during their treatment.



Espanola, Ontario

Our Espanola Mill participated in the Sagamok Learning Initiatives Program by sponsoring a class at Sagamok First Nation to assist children in reaching provincial reading requirements. ECAs from Espanola donated gift cards to a local café and provided meals to families in the area whose children depended on the school's breakfast and lunch programs.

Johnsonburg, Pennsylvania

The Johnsonburg Mill ECA team participated in the Knothole baseball field clean-up activity and donated fencing and tin for dugouts. During Youth Field Day in Elk County, goodie bags were handed out to participants. Employees also organized a mill-wide toy collection drive and volunteers wrapped gifts to be distributed to kids in need for Project Gifts for Kids.



Washington Court House, Ohio

The Washington Court House Converting Center ECA team participated in the Fayette County Fair by contributing to 4-H projects that empower all youth to reach their full potential. For the occasion, children raised animals, showed and sold them during the Junior Fair Livestock Sale.

Tatum, South Carolina

Tatum Converting Center ECA teams volunteered more than 500 hours in the last two years, preparing and delivering meals to the Community Kitchen Meal. They also participated in the cleaning of the Tatum Church and cemetery, and in the McColl School's book event and Dr. Seuss Week activities by reading and donating books to students.



Nekoosa, Wisconsin

The Nekoosa Mill ECA team participated in the Men in the Kitchen fundraiser for the Family Center, a shelter for abused women and families. During this activity, eight men from the mill planned, prepared and served their guests. They sponsored four children for the Shining Star Holiday Gift Giving Project for Chahk Ha Chee Head Start by buying gifts, including clothing, shoes, toys and books. More recently, employees hosted an 18-hole golf scramble for 36 teams during the Domtar United Way Golf Scramble that benefits the United Way of South Wood and Adams counties.



Growing Our Diversity and Inclusion

Diversity comes in many forms — race, gender, ethnicity, religion, veteran status, differences in thoughts and life experiences, and more. Inclusion is embracing these differences, collaborating respectfully, and providing the opportunity to grow and contribute.

At Domtar, efforts to promote diversity and inclusion are spearheaded by its Diversity and Inclusion Council. Sponsored by the CEO, the council is made up of 12 members from across the company and provides guidance to Domtar’s leadership to help bridge the gap between our diversity and inclusion vision and the organization’s

reality. The members suggest action plans, support implementation, and help develop communications strategies for employee awareness and engagement.

In 2021, the council moved forward on its five main objectives:

- Make sure employees understand diversity and inclusion and its benefits through competency training.
- Ensure that diversity and inclusion is a consideration in Domtar policies.
- Work to provide growth and advancement opportunities to all employees.

- Foster a culture of openness, understanding and respect.
- Solicit and share feedback on how we are doing as an organizational culture.

“Domtar’s vision is to foster a culture that embraces diversity and allows all employees to feel included and valued. We value a workforce that brings together people who have a broad range of cultures, experiences, knowledge and perspectives. To make that vision a reality, each and every one of us has a role to play,” says Lynda Ramsey, Domtar’s vice president of commercial operations and recently appointed chair of the Diversity and Inclusion Council.



Increasing Awareness and Understanding

To promote a culture of inclusivity, Domtar launched a company-wide compliance program called “Bridging the Diversity Gap,” which is now a mandatory training module for all employees. It also launched a targeted mid-level leadership program this year which included a full-day course on leading diverse and inclusive teams. Approximately 40 high-potential leaders went through this program in 2021. Domtar intends to continue to roll out diversity and inclusion-related training opportunities for employees at all levels.

Domtar was also proud to become a signatory of the National Association of Manufacturers (NAM) Pledge for Action in 2021, committing to take tangible actions to increase equity and parity for underrepresented communities, and to creating pathways to job opportunities for Black people and all people of color.

The NAM pledge's ultimate objective is for the manufacturing sector to reflect the diversity of the overall U.S. workforce by 2030. The actions Domtar has committed to taking as a pledge signatory are consistent with the organization's long-term goals of growing its diversity and inclusion.

"To grow our diversity and inclusion and better reflect the communities in which we are present, we must continue to take concrete action. This will be accomplished through proactive training and engagement, and by ensuring that our diversity commitments are reflected in our policies, as well as in our hiring and talent development practices as we develop the next generation of Domtar leaders," says Ramsey.



Forging Meaningful Relationships

To have a meaningful impact in our sustainability initiatives, Domtar has long recognized the importance of collaboration and engagement. We understand the potential impacts of our operations on biodiversity and work to mitigate or eliminate these. We must also work to understand and meet the expectations of our many stakeholders.

To this end, we engage with landowners, associations, nongovernmental organizations, research institutions and universities to promote sustainable forestry practices and to protect plant and animal species and their habitats. One of the partnerships we are particularly proud of is our association and work with the American Forest Foundation (AFF), a great example of how we engage with key stakeholder groups, work to support programs that can make a real difference and contribute to research aimed at improving forest and biodiversity management.

Protecting at-risk wildlife with AFF

Domtar actively supports AFF's biodiversity conservation initiatives that are helping protect at-risk or endangered wildlife and providing education to local communities, especially in the southeast region of the US. AFF collaborates with the US Fish and Wildlife Service (USFWS) and other partners to provide financial incentives and technical assistance on private lands to support biodiversity conservation efforts. AFF looks for increased opportunities to directly engage and build trust with private landowners actively managing their forests and contributing to a sustainable supply chain.

AFF's biodiversity conservation program includes 13,325 forested acres under agreement for habitat improvement and monitoring for listed and at-risk species. The program is focused on the management of the longleaf pine, and home to more than 800 plant and animal species.

About 200 landowners have already engaged with AFF to gain technical and financial assistance for habitat improvements and in some cases have signed a 10-year access agreement to allow low-cost surveys for populations of at-risk gopher tortoise and eastern diamondback rattlesnake, as well as endangered eastern indigo snake and red-cockaded woodpecker.



American Forest Foundation

This biodiversity conservation model is expanding beyond the pilot region into new areas and different species. The goal is to operate across the entire historic range of longleaf forest, expanding to Virginia, North Carolina, Louisiana, Arkansas and Texas. AFF's long-term goal is to positively impact 30% of America's family-owned longleaf forest and that means securing agreements with an estimated 1,700 landowners. These agreements will provide much needed assurance that more than 265,000 acres of land are under conservation agreements to protect a variety of at-risk and listed species.

AFF's Family Forest Carbon Program attracts attention from Amazon and Nature Conservancy

As an extension of our sustainable forestry principles, Domtar became a founding partner of AFF's Family Forest Carbon Program (FFCP). Designed to enhance carbon sequestration in family-owned forestland across the United States, the AFF includes other business partners and charitable foundations, as well as the Nature Conservancy.

The FFCP represents a new approach to climate change mitigation that taps into the carbon storage potential of family-owned forestland while creating a new market and source of income for the families who dedicate time and effort to their forest management.

In April 2020, Amazon announced a \$10 million commitment to the Nature Conservancy as part of its plans to be net zero carbon by 2040. In partnership with AFF and the Vermont Land Trust, the Nature Conservancy is funding the FFCP and the Forest Carbon Co-ops projects to conserve 4 million acres of forest in the Appalachians and other U.S. regions.

The FFCP will open up carbon credit markets to small family forest landowners and with Amazon's commitment, the funds will go towards expanding the program and designing new methods for measuring and verifying reforestation and forest management practices in climate resilient forests.



As an extension of our sustainable forestry principles, Domtar became a founding partner of AFF's Family Forest Carbon Program.

Domtar, Nature Conservancy Partner in Largest Private Land Conservation Agreement in Canada

As stewards of one of the largest renewable resources on our planet, Domtar has long been committed to safeguarding natural forests and biodiversity. This is accomplished through our sustainable forest management practices and by also forging meaningful, long-term relationships with key stakeholders with whom we can work in collaboration towards land conservation efforts.

In 2021, Domtar made history by entering a long-term partnership with Nature Conservancy Canada (NCC), which includes the largest private land conservation agreement in Canada's history.



Located nearly equidistant by road between our Dryden and Espanola, Ontario, mills, the Hearst Forest encompasses over 12,000 square kilometres (4,633 square miles). It is one of the largest forests in the province.

As Canada's leading national land conservation organization, NCC's mission is to create a legacy for future generations by conserving important natural areas and biological diversity across all regions of Canada.

The objective of our partnership is to work in collaboration to promote the benefits of science-based conservation to achieve durable conservation outcomes, and to encourage others to support NCC's conservation mission.

The conservation of the Hearst Forest also serves as the foundation for the emerging relationship between NCC and Domtar, providing a rich opportunity to demonstrate the value of long-term conservation partnerships. We look forward to exploring other areas of future collaboration with NCC to achieve our common goal and commitment to maintaining a healthy planet for everyone.



Efficiency

at Domtar



y



Domtar controls and reduces the environmental impact of its business operations

Overview

Responsibility

Engagement

Efficiency

Developing a Path to Carbon Neutrality

Reduction of greenhouse gas emissions has long been a focus of Domtar. The company's pulp and paper mills have achieved a 27% reduction in total direct emissions and indirect emissions from purchased energy since 2010, surpassing our goal of a 15% reduction by the end of 2020. These reductions were largely achieved through fuel switching to carbon-neutral and lower carbon-intensive fuels (i.e., coal to natural gas), energy and operational efficiency projects, a greener electrical grid, and in 2020, lower production output.

While these efforts have positioned Domtar well for a lower-carbon economy, we realize more needs to be done.

Changes will be required in both the short and long term to achieve international climate goals that an overwhelming majority of scientists and governments agree need to be met to minimize the worst effects of climate change. Domtar is committed to being at the table and doing our part to tackle this global issue — one that will require transformative changes to social, economic and environmental

systems. We expect these changes will present us with both opportunities and challenges.

To that end, Domtar has begun evaluating pathways and developing plans to understand what "net zero" by 2050 would mean for our business. This requires a holistic strategy that considers what products we make, how we manufacture them, our supply chain, our governance and financial systems, research and development for new technologies, along with cooperation with policymakers and governments for sustainable climate mitigation frameworks.

Since 1990, Domtar's mills have reduced total direct greenhouse gas emissions from fuels used in our manufacturing processes by 55%.

-55% ↓

Our work to lower our carbon footprint over the past few decades has also led to significant reductions in our emissions to air of nitrogen oxides, sulfur dioxide, total reduced sulfur and particulate matter. As we execute plans for a lower carbon future, our energy efficiency initiatives and changing energy sources are expected to lead to further reductions in air emissions, albeit at a slower pace.

73% renewable energy used in our pulp and paper mills.* Industry average = 65%.**

An equivalent of 71% of the electricity used in our pulp and paper mills was self-generated. Industry average = 55%.**

27% reduction in total direct greenhouse gas emissions and indirect emissions from purchased energy at our pulp and paper mills since 2010.

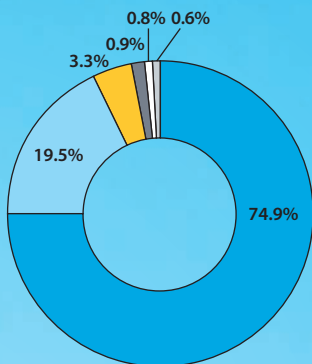


* Net of renewable energy and attribute sales.

** 2020 American Forest & Paper Association Sustainability Report Additional Environmental Indicators

MANUFACTURING ENERGY SOURCES – 2020

- Biomass
- Natural Gas
- Purchased Electricity (Net)
- Coal
- Other
- Purchased Steam and Heat (Net)

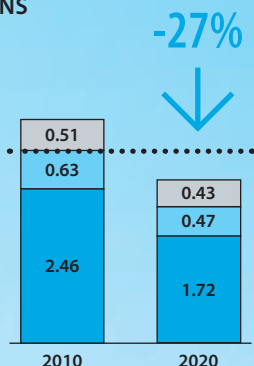


TOTAL ENERGY USE = 147.65 Million Gigajoules

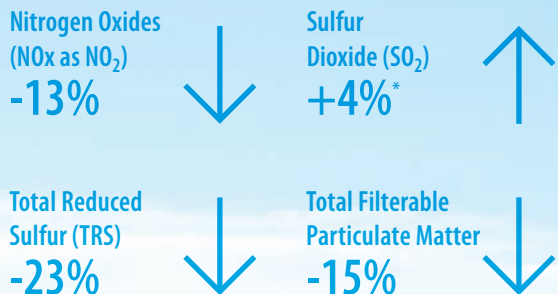
GREENHOUSE GAS EMISSIONS

Pulp and Paper Mills (Million Metric Tons CO₂e)

- Indirect Emissions from Renewable Energy and Attribute Sales
 - Indirect Emissions from Purchased Electricity, Steam and Heat
 - Direct Emissions
- Domtar 2020 Absolute Goal (-15% from 2010)



AIR EMISSIONS PERFORMANCE FROM PULP AND PAPER MILLS SINCE 2016



*Primarily due to changes in emission factors from recent stack testing.

A Data-Driven Approach Through NYU Stern Signature Project

Domtar is a sponsor of the New York University Stern Center for Sustainable Business (NYU Stern CSB) Sustainability Signature Project (SSP), which offers MBA students an opportunity to explore research-driven questions that have real-world business implications.



We have been working with Tensie Whelan, Clinical Professor of Business and Society and the Director of NYU Stern's CSB. With more than 25 years of experience working on local, national and international environmental and sustainability issues, she engages businesses in proactive and innovative mainstreaming of sustainability.

Leading the SSP and with Whelan's support, Domtar has engaged NYU Stern MBA students to develop a pathway towards net zero greenhouse gas emissions by 2050 and other sustainability goals. Using this data-driven approach, the students made informed recommendations to Domtar to better understand the net zero landscape and improve upon our pathway toward that net zero goal.

Full-Cost-of-Water Model Contributing to Conservation Efforts

Water is essential to pulp and paper production — our mills use it to wash and transport pulp, dilute and prepare process chemicals, make steam and electricity, carry raw materials through the mill and clean and cool equipment.

All of our mills are located in watersheds with ample water supplies. While we have access to abundant water supplies today, we don't take this resource for granted.

When we consider the cost to pump, filter, chemically treat, demineralize, heat, reuse and clean the water again before we return it to the watershed, we are reminded that water is anything but free. That is why we spent the past few years working together with our environmental, finance, energy and mill operations teams to develop a model to quantify the "full cost" of using water in our pulp and paper manufacturing processes.

Understanding the site-specific cost of using water helps us to better focus our efforts and resources on conservation in areas where they will do the most good. It also helps make the case for water, energy and resource conservation projects that previously may not have been funded using traditional return-on-investment calculations and models.

Domtar has used our full-cost-of-water model to support recent investments in water-related projects at two mills:

Plymouth Mill

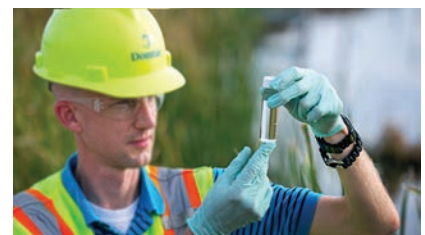
Installed a condensing cooling tower and heat exchanger that eliminated the use of 11 million gallons per day of single-pass non-contact cooling water and recovered heat from the process. This unit was commissioned in 2019.

Marlboro Mill

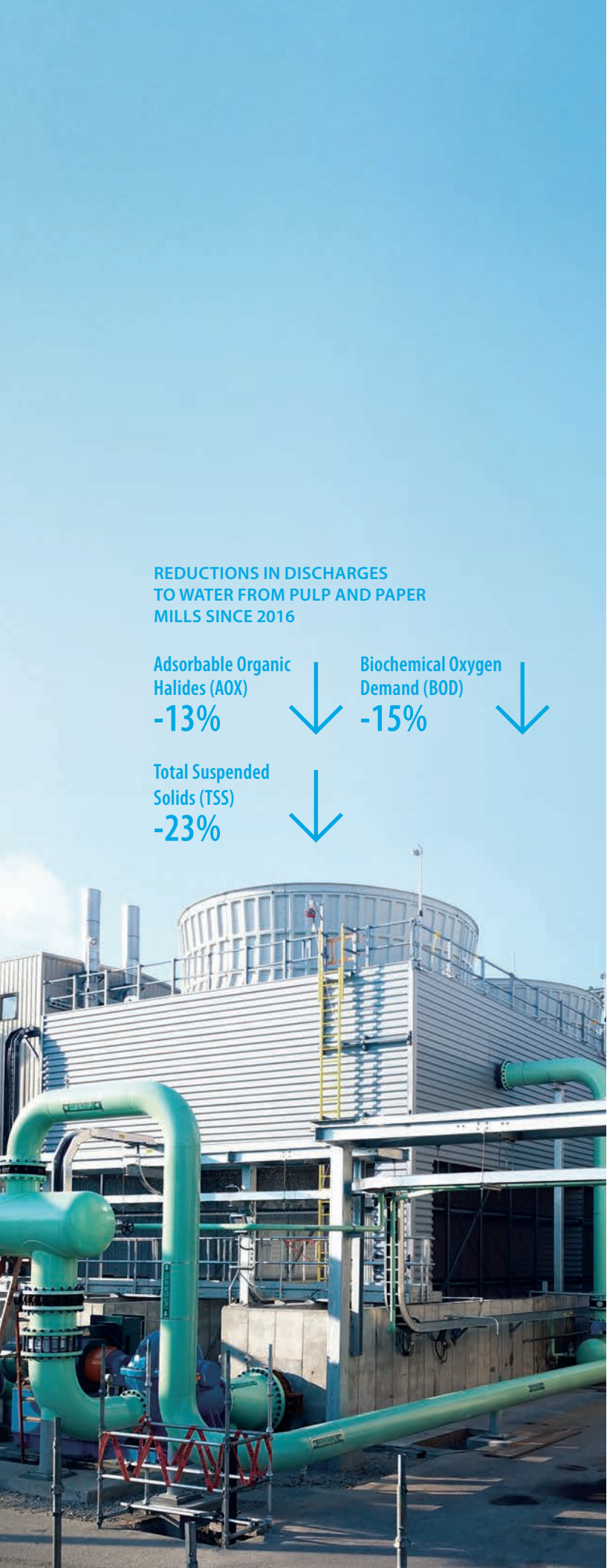
Began construction in 2021 on a second cooling tower that will provide additional water reuse capacity during the summer months. This will make permanent the water conservation benefits the mill was achieving through a makeshift cooling tower with its fire pond system and reduce chemical treatment costs and risks to the fire system. The new cooling tower is scheduled to begin operation in 2022.

Our plan over the next several years is to build on the momentum and support we have received from our mills and senior leadership team on our full-cost-of-water work for which we have already realized improved resource efficiency and cost savings. This work is expected to include:

- Completing full cost of water assessments at all mills.
- Deploying and more systematically utilizing the model results in water and energy conservation investment project justifications across our mill system.
- Expanding the scope of our current "gate-to-gate" full-cost-of-water model to incorporate the "cost" of local, upstream water risks scenarios.



By "following the money" and understanding the more complete costs of using water, we are able to educate our employees on the true value of water conservation and equip our local managers to make more sustainable resource management and investment decisions.



REDUCTIONS IN DISCHARGES TO WATER FROM PULP AND PAPER MILLS SINCE 2016

Adsorbable Organic Halides (AOX)

-13%



Biochemical Oxygen Demand (BOD)

-15%



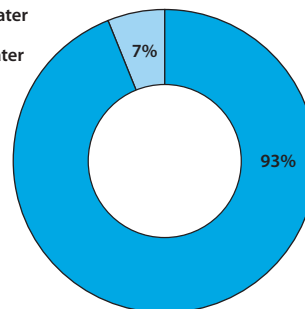
Total Suspended Solids (TSS)

-23%



WATER SOURCES – 2020

- Surface Water
- Groundwater

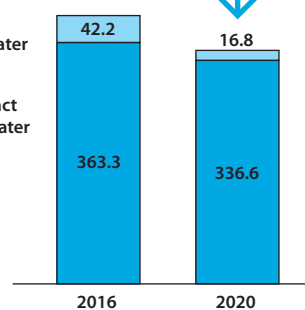


TOTAL WATER DISCHARGE VOLUME (Million Cubic Meters)

-13%*



- Total Process Water
- Total Non-contact Cooling Water



* Measured as final effluent plus non-contact cooling water volume discharged.

Widening the Circle of Circularity Yields an Internal Win-Win

Domtar is increasingly designing our production and materials management systems to align with circular economy principles. This includes minimizing the amount of resources we use, keeping them in use for as long as possible and extracting maximum value from them.

These efforts are enhanced through our continuous improvement initiatives and engineering innovations focused on increasing our manufacturing efficiencies and turning more of the materials we handle into saleable products.

We continue to make progress in finding beneficial-use options for our manufacturing byproducts, driven by a disciplined, companywide approach to defining, measuring and reporting byproduct streams.

We are also sharing best practices across our facilities to build on our success. Together with external experts and partners, we continue to evaluate opportunities to redirect additional byproducts for beneficial, higher value uses.

These collective efforts have helped the company achieve a 34% reduction in the total amount of materials our mills have sent to landfill since 2013.

Turning our manufacturing byproducts into usable products is just one of the ways Domtar works to operate efficiently and responsibly. While these efforts reduce costs, they can also help balance soil chemistry and increase crop yields for local farmers. In addition, reusing byproducts keeps the material out of landfills.

In 2020, we beneficially reused 71% of our pulp and paper manufacturing byproducts, compared to an industry average of 46%.*

“We continually look for ways to make the most of natural resources,” says Brian Kozlowski, director of environment and sustainability at Domtar. “When these resources can have a second life — whether in our own manufacturing or in agriculture — we see benefits across the environment.”

Take, for example, our use of lime manufacturing byproducts to treat acidic wastewater.

Lime improves chemical balance

One mill’s “trash” is another mill’s “treasure.” Our Nekoosa and Rothschild mills have discovered a mutual benefit to the lime byproduct produced in the process of making pulp.

The two mills, located about 50 miles apart in Wisconsin, use different processes for pulping, one of the earliest stages of papermaking. These processes leave Nekoosa with excess lime residuals and Rothschild with acidic wastewater.

Nekoosa’s leftover lime, which has a high pH, can help neutralize the wastewater at Rothschild before it enters the mill’s treatment plant.

Environmental engineers, Afton Pumper at Nekoosa and Matthew Tlachac at Rothschild, put their heads together for a solution that would benefit both sites.

*2020 American Forest & Paper Association Sustainability Report Additional Environmental Indicators

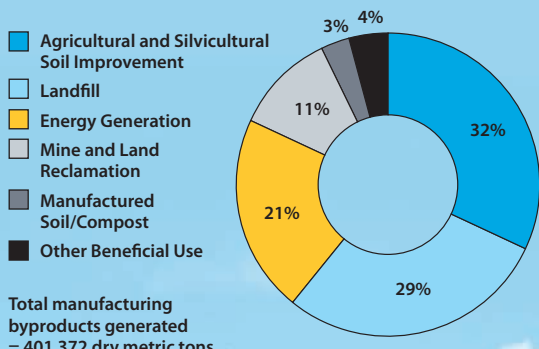
"We were just landfilling much of the lime," Pumper says. "Local farmers take some of it, but we still were using the landfill for the excess."

And Rothschild, which had been using a lime byproduct from a different manufacturer to neutralize its wastewater, was losing its source of lime.

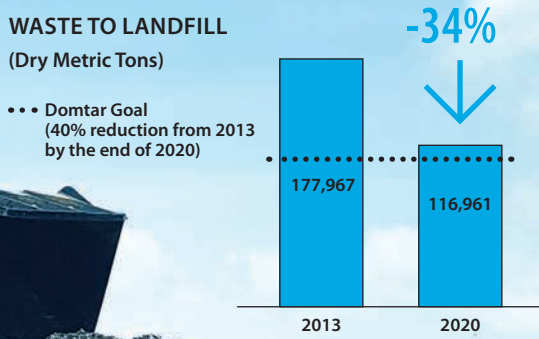
Teams at the two mills worked out the details to begin trials using lime from Nekoosa to treat the wastewater at Rothschild.

"It's a win-win," says Kozlowski. "For Rothschild this reduces the cost of buying lime from an outside source. For Nekoosa it reduces waste going to landfill. Every effort large or small contributes to our efficiency and good stewardship of these resources."

DISPOSITION OF MANUFACTURING BYPRODUCTS – 2020
(Dry Metric Tons)



WASTE TO LANDFILL
(Dry Metric Tons)



Kingsport: Domtar's Entry Into Recycled Packaging Market

Over the last several years, Domtar has evaluated the merits of repurposing key paper machines as we adjust our uncoated freesheet paper production capacity to match our customer demand. That's why we announced the conversation of our Kingsport, Tennessee, mill into the company's first packaging facility, a \$350 million project.

This conversion is at the heart of our circular economy strategy. It embodies our commitment to lowering consumption of raw materials, utilizing regional and developing local waste recycling chains, as well as reducing non-recyclable waste, all while contributing to innovation and economic growth.

"We are entering an exciting market that directly aligns with Domtar's expertise and nearly 175-year legacy of turning fiber into useful products," says Steve Henry, senior vice president of packaging. "Repurposing Kingsport is the first step in our long-term strategy to build a large and cost-competitive business. We are also contributing to the circular economy by decreasing our impact on the environment and making a product from reclaimed fiber that would otherwise be headed to landfill."

Once the conversion is complete, the mill will be able to produce and market about 600,000 tons of high-quality, low-cost, recycled linerboard and corrugated medium annually, making the mill's machine the

second largest recycled linerboard machine in North America. To produce that, however, the mill will continue to need a steady supply of recovered fiber.

"Currently, there are no municipal recycling facilities (MRF) in the immediate Kingsport area," says Charlie Floyd, vice president of strategic capital, packaging. "Domtar and other area industries are collaborating to attract and seek funding in support of establishing a Northeast Tennessee Regional

MRF. The collection and re-use of fiber-based packaging materials and plastics, along with use of waste wood as a steam generating fuel, could easily make our region an educational example for how public-private partnerships can work to mitigate the issues of our over-flowing landfills while building a truly circular economy right here in the Tri-Cities."

The Recycled Linerboard Answer

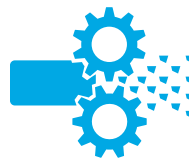
Starting in the first quarter of 2023, the retail boxes and other mixed paper in your recycling bin might come back to you in the form of a box made with recycled linerboard from Kingsport. Here's how the process will work:

- The contents in your recycling bin will be picked up and taken to a sorting center that separates all the cardboard and mixed paper, such as cereal boxes, office paper and newsprint. Those items are formed into large bales that will be delivered to the mill.
- When they arrive, they'll be placed on a large conveyer and sent to one of two pulper vats to turn the recycled bales into pulp.
- From there, plastics and large contaminants will be removed. Those byproducts will be burned to produce energy and electricity at the mill.
- Then the pulp will go through a screening process to remove fine contaminants and prepare it for the linerboard machine. This includes separating long and short fibers for better blending. Separating and blending fibers allows for better strength properties on the various grades of recycled linerboard that the mill will produce.
- Finally, the recycled linerboard will come off the machine in five-ton reels to be sent to customers who will use it to produce boxes and other packaging materials.

Repurposing and Recycling Materials

Here's how the Kingsport Mill's conversion will result in reducing waste, make greater use of recycled material and contribute to a circular economy:

31,500 tons of crushed concrete and bricks from original Kingsport buildings are being reused as fill material to solidify the foundation of the new buildings.



6,500 tons of steel, copper and aluminum are being recycled, the equivalent of 5,000 automobiles.



We are building a **150,000** square-foot warehouse, the size of three football fields, to store the bales of recycled fiber that will be used to produce new packaging grades.



Water usage will be reduced by **60%**, from about 10 to 4 million gallons per day. After use, we will treat and return more than 90% of the water back to the watershed.



The mill will consume about **700,000** tons of recycled linerboard and mixed-use paper each year, which might previously have ended up in a landfill.



Sustainability Performance Indicators

WOOD AND FIBER PURCHASES (Thousand Metric Tons)					
<i>Pulp and Paper Mills</i>	2016	2017	2018	2019	2020
Wood Purchases (As Received in Chip Equivalents) ¹⁾	15,463	15,586	15,178	15,239	13,704
Virgin Pulp Purchases (Air Dry)	22	41	58	97	75
Recycled Pulp Purchases (Air Dry)	66	68	75	58	37

CERTIFIED WOOD (% of Total Wood Deliveries)					
<i>Pulp and Paper Mills</i>	2016	2017	2018	2019	2020
TOTAL CERTIFIED WOOD	34%	41%	38%	34%	41%
Forest Stewardship Council (FSC)	19%	22%	21%	18%	19%
Programme for the Endorsement of Forest Certification (PEFC) ²⁾	15%	19%	17%	16%	22%

DIRECT ECONOMIC VALUE CREATED BY OPERATIONS (Million U.S. Dollars) ³⁾					
<i>All Domtar Operations</i>	2016	2017	2018	2019	2020
ECONOMIC VALUE GENERATED					
Sales Revenue	4,291	4,258	4,565	4,369	3,652
ECONOMIC VALUE DISTRIBUTED					
Materials and Services Purchased	2,732	2,690	2,894	2,990	2,597
Capital Investments in our Facilities ⁴⁾	347	182	195	255	175
Research and Development ⁴⁾	118	132	140	130	106
Salaries, Wages and Benefits Paid	841	867	881	830	751
Returns to Shareholders ⁴⁾	112	104	108	329	110
Interest Paid to Debtholders ⁴⁾	64	58	57	46	52
Taxes Paid ⁴⁾	40	33	71	59	(22)

OUR WORKFORCE (% Unless Otherwise Noted)					
<i>All Domtar Operations</i> ⁴⁾	2016	2017	2018	2019	2020
Number of Employees as of December 31 st Each Year	9,983	9,899	9,784	9,623	6,615
BY REGION					
Asia	<0.1%	<0.1%	<0.1%	0.1%	0.1%
Europe	11%	12%	12%	12%	0.1%
North America	89%	88%	88%	88%	99.8%
BY GENDER					
Female	22%	22%	22%	23%	18%
Male	78%	78%	78%	77%	82%
BY AGE					
≤ 29	10%	9%	12%	12%	10%
30-39	18%	17%	18%	19%	18%
40-49	26%	25%	25%	25%	24.6%
50-59	34%	33%	33%	32%	34%
60-69	12%	15%	12%	12%	13%
≥ 70	<1%	1%	<1%	<1%	0.4%
BY EMPLOYMENT TYPE					
Union	48%	48%	44%	44%	43%
Non-Union	52%	52%	56%	56%	57%
TURNOVER					
Voluntary Turnover Rate	3.9%	3.6%	4.2%	5.0%	5.2%

SAFETY INCIDENTS					
<i>All Domtar Operations</i>	2016	2017	2018	2019	2020
Total Frequency Rate (# Recordable Incidents/200,000 Hours Worked)	0.87	0.81	0.78	0.83	0.67
Lost Time Frequency Rate (# Lost Time Recordable Incidents/200,000 Hours Worked)	0.31	0.39	0.36	0.32	0.27
Lost Time Severity Rate (# Lost Days * 200,000)/# Hours Worked)	33.71	18.43	18.98	13.32	12.08
Fatalities (Number) ⁵⁾	0	1	0	0	0

1) Includes roundwood and chips.

2) Includes fiber inputs from the American Tree Farm System (ATFS), Canadian Standards Association (CSA) and Sustainable Forestry Initiative (SFI). PEFC endorses these and other national forest certification standards.

3) Sales Revenue and Materials and Services Purchased, years 2015-2017, were adjusted to reflect the retrospective application of ASU 2014-09 "Revenue from contracts with customers," adopted on January 1, 2018.

4) Includes data from the Personal Care (PC) division, sold in Q1, 2021.

5) Kamloops, British Columbia mill, June 2017.

ENERGY USE (Million Gigajoules Unless Otherwise Noted)					
<i>All Manufacturing Facilities</i>	2016	2017	2018	2019	2020
TOTAL ENERGY USE FOR MANUFACTURING	163.88	168.40	165.16	158.09	147.65
Biomass (Black Liquor, Bark, Wood Residuals and Biofuels)	77.2%	77.3%	75.1%	74.6%	74.9%
Natural Gas	15.6%	16.9%	19.1%	19.3%	19.5%
Purchased Electricity (net)	3.3%	3.4%	3.3%	3.8%	3.3%
Coal	2.5%	1.0%	1.1%	1.0%	0.9%
Purchased Steam (net)	0.6%	0.7%	0.7%	0.7%	0.6%
Other (Hydropower, Oil, Pet Coke, Propane, Tire-derived Fuel)	0.8%	0.7%	0.8%	0.6%	0.8%
TOTAL ENERGY USE FOR ON-SITE MOBILE EQUIPMENT	0.34	0.32	0.33	0.31	0.27
Diesel	66.5%	66.7%	66.4%	66.5%	67.2%
Propane	24.0%	23.8%	23.4%	22.8%	22.1%
Gasoline	9.6%	9.6%	10.3%	10.7%	10.6%

AIR EMISSIONS (Metric Tons)					
<i>Pulp and Paper Mills</i>	2016	2017	2018	2019	2020
Nitrogen Oxides (NO _x)	12,038	11,706	11,260	10,628	10,494
Sulfur Dioxide (SO ₂)	3,150	3,203	2,896	3,264	3,267
Total Particulate Matter (PM)	3,158	3,140	2,877	2,406	2,672
Volatile Organic Compounds (VOC)	4,435	4,612	4,741	4,537	4,463

GREENHOUSE GAS EMISSIONS (Million Metric Tons CO ₂ e)					
<i>All Manufacturing Facilities</i>	2016	2017	2018	2019	2020
TOTAL GREENHOUSE GAS EMISSIONS	3.17	3.04	3.15	3.00	2.65
Direct Emissions (Scope 1)	1.85	1.77	1.94	1.85	1.72
Indirect Emissions from Purchased Electricity and Steam (Scope 2)	0.67	0.60	0.59	0.70	0.49
Indirect Emissions from Sale of Renewable Electricity Attributes (Scope 2)	0.65	0.66	0.62	0.46	0.43

WATER USE AND DISCHARGES					
<i>Pulp and Paper Mills</i>	2016	2017	2018	2019	2020
TOTAL WATER USE (Million Cubic Meters)⁶⁾	405.5	410.4	406.8	366.7	353.4
Process Water Use	363.3	365.9	361.1	344.4	336.6
Non-contact Cooling Water Use	42.2	44.5	45.7	22.3	16.8
WATER SOURCES (%)					
Surface Water	94%	94%	94%	92%	93%
Groundwater	6%	6%	6%	8%	7%
DISCHARGES TO WATER (Metric Tons)					
Adsorbable Organic Halides (AOX)	766	749	670	645	669
Biochemical Oxygen Demand (BOD)	8,570	8,990	9,435	8,428	7,246
Total Suspended Solids (TSS)	11,981	11,483	12,729	12,170	9,265

MANAGEMENT OF MANUFACTURING BYPRODUCTS (Dry Metric Tons Unless Otherwise Noted)					
<i>Pulp and Paper Mills and Personal Care Facilities</i>	2016	2017	2018	2019	2020
TOTAL BYPRODUCTS GENERATED	450,646	454,871	473,888	470,585	401,372
To Landfill	116,168	110,051	144,850	153,522	116,961
To Beneficial Use or Recycling	334,478	344,820	329,038	317,063	284,411
Beneficial Use and Recycling Rate	74%	76%	69%	67%	71%

HAZARDOUS WASTE (Metric Tons)					
<i>Pulp and Paper Mills and Personal Care Facilities</i>	2016	2017	2018	2019	2020
Total Hazardous Waste Manifested ⁷⁾	457	501	370	433	468

6) Measured as water volume discharged.

7) Reported according to national jurisdictional regulations and requirements.

Some of the data contained in these tables may be slightly different than what has been previously reported. This is due to adjustments resulting from additional data verification, ongoing efforts to standardize and improve performance indicators across the company, and changes to reporting methods.

Our Sustainability Reporting

The data contained in this document represents the most current annual data available, cover Domtar's pulp and paper operations and corporate activities.

Some historical data may differ slightly from what has been previously reported due to adjustments resulting from additional data verification, ongoing efforts to standardize and improve performance indicators, and changes to internal reporting methods.

Data contained herein have gone through a rigorous internal verification process.

For additional information on our sustainability efforts and performance, please visit:

www.domtar.com/en/how-we-work/sustainability-domtar

Comments or questions about our sustainability efforts?

We want to hear from you.
Send us a message at sustainability@domtar.com

About Domtar

Domtar is a leading provider of a wide variety of fiber-based products including communication, specialty and packaging papers, market pulp and airlaid nonwovens. We turn sustainable wood fiber into useful products that people rely on every day, serving customers in countries around the world. Domtar has locations throughout North America, ranging from pulp and paper mills to converting centers and corporate offices. Our thousands of employees are driven by a commitment to continually find ways to do a better job in developing our products, improving our manufacturing processes and managing natural resources responsibly.

Paper

Cover printed on 80 lb. Cougar® Cover, Super Smooth Finish.
Insert printed on 80 lb. Cougar® Text, Super Smooth Finish.

Printing

Cover and insert printed using a 4-color process with low VOC inks on a Komori 640 press with in-line coating and an extended delivery.



Cougar® paper contains 10% post-consumer fiber



The mark of responsible forestry



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