



## Welcome to your CDP Climate Change Questionnaire 2021

### C0. Introduction

#### C0.1

##### **(C0.1) Give a general description and introduction to your organization.**

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 have a proud history of 173 years of manufacturing; today we have approximately 6,400 employees serving more than 50 countries around the world.

Our operations include 12 pulp and paper mills in the United States and Canada and nine manufacturing and converting facilities in the U.S.

Our pulp and paper mills are largely integrated, and we are a net pulp producer. In addition to making pulp for our paper manufacturing, we sell market pulp to customers in Asia, Europe and North America.

We are committed to sustainability throughout our operations. Our investment in sustainability is rooted in responsibility, efficiency and engagement. We source wood responsibly, with 41 percent of our wood deliveries in 2020 coming from third-party certified forests. Working with non-governmental organizations and landowners, we have developed sustainable forestry principles to ensure the continued health of forestlands. In addition to working with landowners, we put those principles in practice on the 310,000 hectares of forest that we own and 6.6 million hectares of forest that we manage in Quebec and Ontario, Canada.



In our pulp and paper mills, we are working toward greater efficiency fueled by renewable energy. In 2020, 73 percent of the energy for these mills came from renewable sources, and the mills generated an equivalent of 71 percent of their electricity needs. At the end of 2020, we completed public goals related to use of water, disposal of waste to landfill and emissions of greenhouse gases, and we are currently in the process of establishing our next set of sustainability goals.

Innovation has been a key to our continued success in the past century and a half, and it continues to drive us forward. We are finding new ways to use wood fiber to create bio-based alternatives to some fossil fuel-based products. This emerging area offers exciting possibilities for Domtar.

We don't go it alone. We have been part of many communities for more than a century, and we are proud of our history as a corporate citizen in towns and cities in North America. We regularly make investments in our communities to advance literacy, health and wellness and sustainability through financial and product donations and employee volunteerism. We work to deliver the highest value to our customers and investors, to empower our employees and to enrich our communities.

Domtar's annual sales are approximately \$3.7 billion, and its common stock is traded on the New York and Toronto stock exchanges. Domtar's principal executive office is in Fort Mill, South Carolina. To learn more, visit [www.domtar.com](http://www.domtar.com).

## C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

## C0.3

**(C0.3) Select the countries/areas for which you will be supplying data.**

- Canada
- United States of America



## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Financial control

## C-AC0.6/C-FB0.6/C-PF0.6

**(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?**

	Relevance
Agriculture/Forestry	
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Direct operations only [Processing/manufacturing/Distribution only]
Consumption	

## C-AC0.7/C-FB0.7/C-PF0.7

**(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.**



**Agricultural commodity**

Timber

**% of revenue dependent on this agricultural commodity**

More than 80%

**Produced or sourced**

Both

**Please explain**

Wood fiber from sustainably managed and harvested forest resources is our primary raw material for our products. Our preference is to use wood fiber from third-party certified forests. To advance the sustainability of forest resources in our local wood procurement regions, we are working with small private landowners to lower the technical and financial hurdles to certify their forest resources. One of the ways we advance certification with small, private landowners is through group certification. A great success story is more than 632,606 acres (256,007 hectares) and 258 members have enrolled in the Domtar-supported Four States Timberland Owners Association group Forest Stewardship Council (FSC) certification (<http://us.fsc.org/download.fsc-group-certification-handbook.361.htm>), which reduces the financial and technical hurdles to forest certification for small, private landowners.

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**



Position of individual(s)	Please explain
Board-level committee	Domtar's Environmental, Health, Safety and Sustainability (EHSS) Committee has responsibility at the Board-level for climate-related issues.

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures	Domtar's Board EHSS Committee routinely reviews and guides development and execution of the company's sustainability agenda, including climate-related issues.  The Board is very knowledgeable, active and engaged on climate issues and is aware of risks and benefits associated with climate change activities. They also monitor what is happening in other sectors and with interested stakeholders, and bring those outside perspectives to Domtar.

	Monitoring and overseeing progress against goals and targets for addressing climate-related issues	
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## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify Greenhouse Gas Management Committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Sustainability committee	Assessing climate-related risks and opportunities	Quarterly
Facility manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Energy manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Procurement manager D <sub>1</sub>	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Quarterly

D<sub>1</sub>Energy procurement.

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**



Led by the Vice President of Corporate Services and Sustainability, Domtar's organizational governance for climate-related issues is a matrix structure and integrated within all levels of management throughout the organization.

**Vice President of Corporate Services and Sustainability (Chief Sustainability Officer)**

The Vice President of Corporate Services and Sustainability (VP CSS) has overall responsibility for our strategy and approach to managing climate-related issues. He/she regularly interacts with our business unit leaders, relevant corporate staff, environmental technical experts, internal and external government affairs experts, Sustainability Committee and Management Committee to keep informed of regulatory, policy, scientific and market trends as well as company business plans. He/she also utilizes these multi-disciplinary teams of senior leaders, managers and issue experts to seek input and strategize on climate-related opportunities and risks. On a quarterly basis, the VP CSS interacts with the company's Board of Directors (Environmental, Health, Safety and Sustainability Committee) to communicate and discuss climate-related performance, opportunities and risks to the business.

**Greenhouse Gas Management Committee**

The Greenhouse Gas (GHG) Management Committee is a multi-disciplinary team of managers and senior leaders from finance, environment and energy procurement from the facility and corporate level. The GHG Management Committee is tasked with evaluating global climate regulations and carbon pricing programs, short and long-term impacts to the business, compliance strategies and benchmarking the performance of competitors and other companies. Members of the Committee have experience in managing carbon pricing programs and trading of financial instruments.

**Sustainability Committee**

The Sustainability Committee (SC) is a ten-member, multi-discipline committee comprised of directors and vice presidents from governance, manufacturing, business operations, supply chain, energy services, marketing and sales, investor relations, corporate services and sustainability. The SC looks holistically across the business to identify and assess risks and opportunities and reviews and approves climate-related strategies.

**Facility Management**

Management teams from our manufacturing operations and facilities (*i.e.*, environment, energy, engineering, finance, government affairs, procurement and facility managers), collaborate and work with local, state or provincial and national governments on climate-related issues and regulatory development and implementation. They conduct emission accounting and reporting, ensure compliance reports are third-party verified as required, conduct evaluations of projects for impacts on GHG emissions, and work with corporate management for project approvals.

**Energy Management**



Our energy management team is comprised of experienced energy managers and engineers who are tasked with evaluating and deploying energy efficiency initiatives and identifying and implementing fuel switching opportunities to lower our environmental footprints. They also are responsible for maximizing and optimizing the use of renewable biomass fuels and co-generation (simultaneous generation of thermal and electrical energy) using primarily carbon-neutral and other low-carbon fuels.

**Energy Procurement**

The energy procurement team helps our facilities evaluate and negotiate energy supply contracts, facilitate energy and energy attributes sales and purchases, and evaluate and make recommendations for participation in voluntary and government energy and emission reduction incentive programs.

Input from employees at all levels is encouraged and received through various communication channels.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	<b>Provide incentives for the management of climate-related issues</b>	<b>Comment</b>
Row 1	No, and we do not plan to introduce them in the next two years	

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	1	2	The time horizon for assessing climate-related risks and opportunities is aligned with other business practice time horizons.
Medium-term	3	5	The time horizon for assessing climate-related risks and opportunities is aligned with other business practice time horizons.
Long-term	6	20	The time horizon for assessing climate-related risks and opportunities is aligned with other business practice time horizons. We are also looking out to 2050 with respect to net zero.

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

As a U.S. publicly-traded company, Domtar evaluates issues of material or substantive financial or strategic impact using the Securities and Exchange Commission guidelines on materiality. Fundamentally, it is an area of judgement where Domtar uses both quantitative and qualitative factors appropriate to the situation being evaluated.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

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#### Value chain stage(s) covered

- Direct operations
- Upstream
- Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process



**Frequency of assessment**

Annually

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Domtar actively follows current and proposed climate legislation and regulations in the various jurisdictions in which it has operations and assesses the potential risks and opportunities at both the facility and company level. The company also monitors non-regulatory trends and activities to identify potential risks and opportunities and areas for potential engagement. We regularly engage with our suppliers and customers to better understand their business and climate initiatives, and look for partnership opportunities to improve our environmental footprints.

Climate-related matters at the facility-level are periodically reviewed to assess potential operational risks that could impact operations and the business. Information from these facility-level reviews is shared for further review and consideration by the Greenhouse Gas (GHG) Management Committee and Sustainability Committees.

Both the GHG Management Committee and the Sustainability Committee look more holistically across the business to identify, assess and review potential climate-related risks for the business.

On a quarterly basis, climate-related matters that could impact business strategies are assessed and reviewed with the Board of Directors by the Vice President of Corporate Services and Sustainability.

**C2.2a**

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
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Current regulation	Relevant, always included	Regulatory compliance is a risk which is routinely assessed.
Emerging regulation	Relevant, always included	Emerging regulations are tracked and impacts to the business are assessed.
Technology	Relevant, always included	Technology developments and advancements are routinely monitored and assessed to ensure they meet business needs, product specifications and other customer requirements.
Legal	Relevant, always included	Legal resources are consulted as needed.
Market	Relevant, always included	Potential market risks from supply disruptions and impacts to customers are considered. We follow development of climate mitigation plans of our key customers to ensure our products remain relevant and help our customers meet their business objectives in a low-carbon economy.
Reputation	Relevant, always included	We routinely engage with customers and other stakeholders on our sustainable business practices and efforts to mitigate risk.
Acute physical	Relevant, always included	The impact on business disruptions from major weather events and equipment and process failures are routinely assessed, regardless if they are related to climate change.
Chronic physical	Relevant, always included	If major disruption events were to be reoccurring, mitigation and adaptation measures would be employed to prevent recurrence, regardless if they are related to climate change. The wide distribution of our manufacturing locations and the ability to manufacture similar products at multiple locations is part of our preparedness plan to minimize business disruption.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Company-specific description**

Weather-related issues impacting the ability of our manufacturing facilities to operate due to lack of availability of raw materials and lack of ability to get final products to customers. This also includes wildfires.

**Time horizon**

Short-term



**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

**Cost of response to risk**

**Description of response and explanation of cost calculation**

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Primary potential financial impact**

Other, please specify

Biofuels (green energy)

**Company-specific description**



Domtar is building on our expertise as renewable, fiber innovators to expand into growth businesses. We are transforming to produce higher-value, products for society by leveraging our extensive knowledge of wood fiber and the ability to extract the natural chemical building blocks of trees for use in new products.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Unknown.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

Proprietary.

**Comment**

Proprietary.

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**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Primary potential financial impact**

Other, please specify

Substitute for hydrocarbon-based products

**Company-specific description**

Domtar is building on our expertise as renewable, fiber innovators to expand into growth businesses. We are transforming to produce higher-value, products for society by leveraging our extensive knowledge of wood fiber and the ability to extract the natural chemical building blocks of trees for use in new products.

Domtar's specialty papers team is working with current and potential new customers to help them replace single-use plastic products with lower-carbon, renewable, recyclable and/or biodegradable fiber-based products.

One recent example is Domtar's winning submission to the Beyond the Bag Challenge, led by the Consortium to Reinvent the Retail Bag — a collaboration convened by Closed Loop Partners with leading retailers, environmental partners, global design firm IDEO and others. Domtar's innovation is a 100 percent paper-based material that is sourced from a renewable natural resource, robust enough for limited reuse in a bag

application and curbside recyclable. The product boasts the following properties not commonly associated with paper:

- Stretchable — This unique product stretches and flexes up to 40 percent.
- Strong — The durable material is stronger than conventional Kraft bag paper.
- Lightweight — Domtar's material is up to 47 percent lighter than conventional bag paper.
- Sustainable — This paper is responsibly sourced and curbside recyclable after its intended end use.

The result is a lighter weight carrier bag material with superior qualities, reduced material content and a lower environmental impact. More details on this innovation can be found at: <https://newsroom.domtar.com/domtar-bag-challenge/>.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Unknown.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

Proprietary.

**Comment**

Proprietary.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Other, please specify

Sale of renewable energy and renewable energy certificates (RECs).

**Company-specific description**



**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

Current revenue source at some pulp and paper mills.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

Proprietary.

**Comment**

Proprietary.



## C3. Business Strategy

### C3.1

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

### C3.1a

**(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?**

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

### C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

### C3.2b

**(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?**

Domtar has begun to assess the various scenario planning tools available to identify the ones most suitable and applicable for our business.

### C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

Have climate-related risks and opportunities	Description of influence



	influenced your strategy in this area?	
Products and services	Yes	<p>Domtar is building on our expertise as renewable fiber innovators to expand into growth businesses. We are transforming to produce higher-value products for society by leveraging our extensive knowledge of wood fiber and the ability to extract the natural chemical building blocks of trees for use in products.</p> <p>Domtar's heavy reliance on biomass fuels and extensive co-generation systems allows us to generate renewable energy certificates (RECs) that can be purchased by others to meet their business requirements.</p> <p>As described in section C2.4a (Beyond the Bag Challenge), Domtar is working on innovations to replace plastic bags with ones made from 100 percent paper-based material that is sourced from a renewable natural resource, robust enough for limited reuse in a bag application and curbside recyclable.</p>
Supply chain and/or value chain	Yes	<p>We continue to assess and evaluate through partnership opportunities with suppliers and customers.</p> <p>Domtar actively participates in sustainable forest management and harvesting practices. Our demand for locally sourced wood resources creates economic incentives for landowners to continue to maintain sustainably managed forests which provide society with recreational benefits, enhanced biodiversity and other ecological benefits such as carbon sequestration.</p> <p>In February 2020, Domtar joined the American Forest Foundation and its partner, The Nature Conservancy, in supporting the recently-created Family Forest Carbon Program (FFCP) to enhance carbon sequestration in family-owned forest land across the United States. 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 that dedicate time and effort to their forest management. Families own 290 million acres of America's forests, more than state or federal governments and the forest industry, and many face costs as a barrier in managing their forestland. Domtar's support of the FFCP will expedite family forest owner outreach and will initially enable family forest owners to take action on their land in Pennsylvania where the program is being pilot tested. For more information about the program, please go to: <a href="https://www.forestfoundation.org/carbon">https://www.forestfoundation.org/carbon</a>.</p>



Investment in R&D	Yes	Domtar is building on our expertise as renewable, fiber innovators to expand into growth businesses. We are transforming to produce higher-value products for society by leveraging our extensive knowledge of wood fiber and the ability to extract the natural chemical building blocks of trees for use in new products.
Operations	Yes	Domtar can produce similar products at multiple locations, which minimizes business disruption to our customers. Domtar contracts with multiple suppliers of raw materials and transport to minimize inbound and outbound supply risks to our operations.

### C3.4

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Acquisitions and divestments Assets	Domtar actively forecasts, budgets and manages carbon-related costs and emissions in the jurisdictions with carbon-pricing programs (i.e., Canada).  Domtar sells renewable energy and renewable energy certificates from hydropower generation and cogeneration assets largely fueled by renewable biomass fuels.  Domtar is regularly looking for opportunities to partner with other entities on research and product development for a low-carbon economy.

### C3.4a

**(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

Domtar has been managing climate-related issues for nearly three decades. Led by the Vice President of Corporate Services and Sustainability, climate-related issues are identified, assessed, discussed and managed at both the facility and corporate levels using multi-disciplined teams (Greenhouse Gas Management Committee, Sustainability Committee, Energy Management Team and Energy Procurement Team). On a

quarterly basis, climate-related issues are reported and discussed with the company's Board of Directors (primarily Environmental, Health, Safety and Sustainability Committee) as we continue to prepare the business for risks and opportunities in a low-carbon economy.

To date, key components of Domtar's integrated climate-management strategy have included:

- **Greenhouse Gas Reduction Goal:** Domtar had a goal to reduce total Scope 1 and 2 greenhouse emissions at our pulp and paper mills 15% by the end of 2020 relative to our 2010 baseline. In 2020, Domtar's mills achieved this goal for a fifth consecutive year by reducing total Scope 1 and 2 greenhouse gas emissions 27% since 2010.
- **Sustainable Forest Management:** Domtar is recognized as a leader in practicing and supporting sustainable forest management. Forests play a key role in climate regulation, by sequestering carbon. Forests also play a key role in water cycling and conserving biodiversity. We had a goal to increase the level of Forest Stewardship Council (FSC) certified fiber procured for our pulp and paper mills to 20% of total fiber use by the end of 2020. In 2020, we narrowly missed achieving this goal, procuring 19% of total fiber used from FSC-certified sources. Including all third-party certified systems, 41% of the wood used by Domtar mills in 2020 came from certified forests. In February 2020, Domtar joined the American Forest Foundation and its partner, The Nature Conservancy, in supporting the recently-created Family Forest Carbon Program (FFCP) to enhance carbon sequestration in family-owned forest land across the United States. 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 that dedicate time and effort to their forest management.
- **Renewable Energy:** 73% of energy used in our pulp and paper mills comes from carbon-neutral, renewable energy sources - primarily from manufacturing byproducts and residuals. We continue to look for opportunities to maximize and optimize our generation and use of renewable energy.
- **Fuel Switching:** Domtar has converted six power boilers from coal to natural gas since 2014. Natural gas has a 40% lower carbon footprint than coal per unit energy. We continue to look for technically-viable and commercially-available alternatives to our remaining use of fossil fuels (primarily natural gas).
- **Co-generation (combined heat and power):** We efficiently co-generate steam and electricity for use in our operations and for sale to the grid. In 2020, our mills self-generated the equivalent of 71% of their electricity requirements.
- **Energy Efficiency:** Comprehensive energy efficiency reviews have been conducted at all of our pulp and paper mills. We continue to execute energy efficiency opportunities identified from these audits.
- **Beneficial Use of Manufacturing Residuals:** In 2020, Domtar's mills beneficially used 71% of the byproducts generated in our pulp and paper manufacturing processes. Through our efforts to reduce "waste" from our manufacturing processes and find new beneficial uses for our byproducts, Domtar has reduced the amount of material we landfill 34% since 2013, relative to our target of 40% reduction by the end of 2020.
- **Reduction in Water Use by Understanding Full Cost of Water:** Domtar has developed and is deploying a model to provide our manufacturing managers better understanding of the full cost-of-water utilization in our mills in order to improve our efficiency of water, energy and chemical use. Total water use at our pulp and paper mills decreased 13% in 2020 relative to 2016.

- **Sustainable by Design:** The primary ingredient of paper products is renewable wood fiber. Paper products sequester carbon during their useful life and are highly recyclable.
- **Paper recovery and recycling:** In 2020, 65.7% of paper in the U.S. was recovered for recycling, making paper one of the most recycled materials. Domtar has supported actions to help the American Forest & Paper Association (AF&PA) achieve its 2020 paper recovery goal of 70%.
- **Using Valuable Recovered Fiber Resources more Efficiently:** As a sustainability thought leader, Domtar brought together the Massachusetts Institute of Technology and AF&PA, to develop a simulation model that takes a system dynamics approach to advance the sustainability of paper recycling for the long term.
- **New Lower Carbon Products:** Domtar continues to research and explore opportunities to create new value-added products from wood, by leveraging our expertise in fiber sourcing and processing. Wood-based products have the potential to replace numerous fossil fuel-based products society uses today with renewable, lower-carbon alternatives.
- **Sustainable Logistics:** Domtar has been a U.S. Environmental Protection Agency (EPA) SmartWay Transport Partner since 2015, covering of our pulp and paper products shipped in North America. The program is designed to improve fuel efficiency and reduce the environmental impacts from freight transport.
- **Stakeholder Engagement:** We regularly engage with suppliers, customers, investors, communities, non-governmental organizations, governmental organizations and other thought leaders to educate them about Domtar's climate-related performance and actions, and to identify opportunities for partnership in a low-carbon economy.

## C4. Targets and performance

### C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

### C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

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Target reference number

Abs 1



**Year target was set**

2014

**Target coverage**

Business division

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2010

**Covered emissions in base year (metric tons CO2e)**

3,608,685

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

99

**Target year**

2020

**Targeted reduction from base year (%)**

15

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

3,067,382.25

**Covered emissions in reporting year (metric tons CO2e)**

2,625,635

**% of target achieved [auto-calculated]**

181.6081665944

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, and we do not anticipate setting one in the next 2 years

**Target ambition**

**Please explain (including target coverage)**

In 2020, Domtar's pulp and paper mills reduced total direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions from purchased energy 27% from 2010 levels, achieving our goal of a 15% reduction from 2010 levels by the end of 2020 for a fifth consecutive year.

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Other climate-related target(s)

## C4.2b

**(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.**

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**Target reference number**

Oth 1

**Year target was set**

2014

**Target coverage**

Business division



**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management

metric tons of waste diverted from landfill

**Target denominator (intensity targets only)**

**Base year**

2013

**Figure or percentage in base year**

177,967

**Target year**

2020

**Figure or percentage in target year**

106,780

**Figure or percentage in reporting year**

116,961

**% of target achieved [auto-calculated]**

85.6982314187

**Target status in reporting year**

Expired

**Is this target part of an emissions target?**



Domtar's waste to landfill reduction target provides GHG benefits from improved carbon sequestration in soils and plants (through land application of mill residuals on forests and agricultural lands) and avoided emissions of methane that can be generated in landfills from the decomposition of organic-based manufacturing byproducts. While this target is not in the scope of the company's current greenhouse gas emissions reduction target, it is part of our low-carbon transition plan that supports our long-term business strategy.

**Is this target part of an overarching initiative?**

Other, please specify

Sustainability improvement target

**Please explain (including target coverage)**

In 2014, Domtar established a target to reduce total waste to landfill from pulp and paper mills 40% by the end of 2020 from a 2013 baseline. This target was established to: improve the efficiency of raw material usage during the pulp and paper manufacturing process, increase the amount manufacturing byproducts recycled or beneficially used, keep valuable materials circulating in the economy and out of landfills, lower our costs and improve our overall environmental footprint.

**C4.3**

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		



Implemented*	5	100,000
Not to be implemented		

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

---

### **Initiative category & Initiative type**

Energy efficiency in production processes

Process optimization

### **Estimated annual CO2e savings (metric tonnes CO2e)**

100,000

### **Scope(s)**

Scope 1

Scope 2 (location-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

### **Investment required (unit currency – as specified in C0.4)**

### **Payback period**



### Estimated lifetime of the initiative

#### Comment

Domtar invested capital in our fluff pulp mill in Plymouth, North Carolina, to further optimize its manufacturing processes and assets. The smaller of the mill's two fluff pulp machines was permanently shut down in 2018, and the mill embarked on a multi-year investment program, beginning with several energy and environmental sustainability initiatives. The overall objective was to reduce the mill's total energy footprint and thereby lower its costs, resource use, and environmental footprint.

Capital projects completed at Plymouth in 2018 and 2019 included:

- › Reducing steam use through several energy efficiency projects in the pulp manufacturing process.
- › Reducing fuel use by improving the efficiency of one of the mill's power boilers.
- › Reducing fuel use to make steam by installing a condensing cooling tower and heat exchanger to eliminate 11 million gallons per day of single-pass non-contact cooling water and recover heat from the process.
- › Installing a thermal oxidizer to provide a back-up air emission control device when the power boiler is not available to incinerate gases produced in the chemical pulp manufacturing process.
- › Reducing particulate matter emissions from one of the mill's power boilers by installing a new electrostatic precipitator.

Estimated annual greenhouse gas savings of 100,000 metric tons of CO<sub>2</sub>e were realized in 2020 (vs. 2018), including direct emissions from fossil and biogenic combustion sources and indirect emissions purchased electricity.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	
Partnering with governments on technology development	



Employee engagement	Domtar's EarthChoice Ambassador Program offers employees opportunities to engage and provide input on sustainability improvements in our facilities and our communities.
Internal price on carbon	
Other Investments in forest carbon sequestration	In February 2020, Domtar joined the American Forest Foundation and its partner, The Nature Conservancy, in supporting the recently-created Family Forest Carbon Program (FFCP) to enhance carbon sequestration in family-owned forest land across the United States. 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 that dedicate time and effort to their forest management. For more details, please go to: <a href="https://forestfoundation.org/carbon">https://forestfoundation.org/carbon</a> .

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

### C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

---

**Level of aggregation**

Product

**Description of product/Group of products**

Generation and sale of renewable energy certificates (RECs) and renewable energy from hydropower and co-generation of carbon-neutral, biomass fuels.



**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify

As defined by various renewable energy markets through which Domtar sells renewable electricity and renewable energy certificates (e.g., state renewable portfolio standards, Green-e, etc.).

**% revenue from low carbon product(s) in the reporting year**

**Comment**

Before Domtar would be willing to publicly report this type of information, more work would be required to define "low-carbon" products to allow for comparable and consistent reporting across the global economy.

---

**Level of aggregation**

Group of products

**Description of product/Group of products**

Domtar continues to research and explore opportunities to create new, value-added renewable products by leveraging our expertise in fiber sourcing and processing. Fiber-based products have the potential to replace numerous fossil fuel-based products society uses today with renewable, lower-carbon alternatives.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify

Product substitutions

**% revenue from low carbon product(s) in the reporting year**

**Comment**

These products and markets are currently emerging. Before Domtar would be able to publicly report this type of information, more work would be required to define "low-carbon" products to allow for comparable and consistent reporting across the global economy.

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

---

**Base year start**

January 1, 2010

**Base year end**

December 31, 2010

**Base year emissions (metric tons CO<sub>2</sub>e)**

2,459,887

**Comment**

The 2010 baseline includes greenhouse gas emissions from pulp and paper mills only. Domtar began quantifying greenhouse gas emissions from stand-alone paper converting facilities in 2012, so 2010 data is currently not available; however, these facilities use very little energy relative to our pulp and paper mills and would have represented less than 0.1% of the company's total Scope 1 emissions in 2010.

**Scope 2 (location-based)**

---



**Base year start**

January 1, 2010

**Base year end**

December 31, 2010

**Base year emissions (metric tons CO2e)**

634,276

**Comment**

The 2010 baseline includes greenhouse gas emissions from pulp and paper mills only. Domtar began quantifying greenhouse gas emissions from stand-alone paper converting facilities in 2012, so 2010 data is currently not available; however, these facilities use little purchased electricity relative to our pulp and paper mills and would have represented about 5% of the company's Scope 2 location-based emissions in 2010.

**Scope 2 (market-based)**

---

**Base year start**

January 1, 2010

**Base year end**

December 31, 2010

**Base year emissions (metric tons CO2e)**

1,148,798

**Comment**

The 2010 baseline includes greenhouse gas emissions from pulp and paper mills only. Domtar began quantifying greenhouse gas emissions from stand-alone paper converting facilities in 2012, so 2010 data is currently not available; however, these facilities use little purchased electricity relative to pulp and paper mills and would have represented about 3% of the company's Scope 2 market-based emissions in 2010.

## C5.2

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

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

The Greenhouse Gas Protocol: Scope 2 Guidance

## C6. Emissions data

### C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

1,723,101

**Comment**

Includes Scope 1 emissions from stationary combustion and company-owned transportation vehicles/mobile equipment sources at 13 pulp and paper mills and 11 manufacturing and converting facilities.

### C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

---

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**



We are reporting a Scope 2, market-based figure

**Comment**

Purchased electricity, steam and heat emission factors are updated annually using the latest available factors.

Emission factors for purchased electricity are sourced from the U.S. EPA eGRID for U.S. facilities (eGRID subregion-specific factors are used based on facility location) and National Inventory Reports submitted to the UN Framework Convention on Climate Change by the Canadian government for Canadian facilities (provincial-specific factors used).

Scope 2 emissions from purchased steam at Domtar's mill in Rothschild, Wisconsin (USA), are based on supplier-specific greenhouse gas emission factors.

Domtar's market-based Scope 2 emissions reflect the sale of renewable energy certificates (RECs) and/or renewable energy into various renewable energy marketplaces from the company's pulp and paper mills. They also reflect purchases of renewable energy. In the U.S., the Dubois, Pennsylvania, converting facility began sourcing 100% wind energy through the purchase of renewable energy certificates to cover 100% of the plant's electricity requirements.

**C6.3**

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

---

**Scope 2, location-based**

493,802

**Scope 2, market-based (if applicable)**

925,049

**Comment**



Purchased electricity, steam and heat emission factors are updated annually using the latest available factors.

Emission factors for purchased electricity are sourced from the U.S. EPA eGRID for U.S. facilities (eGRID subregion-specific factors are used based on facility location) and National Inventory Reports submitted to the UN Framework Convention on Climate Change by the Canadian government for Canadian facilities (provincial-specific factors used).

Scope 2 emissions from purchased steam at Domtar's mill in Rothschild, Wisconsin (USA), are based on supplier-specific greenhouse gas emission factors.

Domtar's market-based Scope 2 emissions reflect the sale of renewable energy certificates (RECs) and/or renewable energy into various renewable energy marketplaces from the company's pulp and paper mills. They also reflect purchases of renewable energy. In the U.S., the Dubois, Pennsylvania, converting facility began sourcing 100% wind energy through the purchase of renewable energy certificates to cover 100% of the plant's electricity requirements.

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

---

#### **Evaluation status**

Not evaluated

#### **Please explain**

### Capital goods

---

**Evaluation status**

Not evaluated

**Please explain**

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

---

**Evaluation status**

Not evaluated

**Please explain**

### Upstream transportation and distribution

---

**Evaluation status**

Not evaluated

**Please explain**

### Waste generated in operations

---

**Evaluation status**

Not evaluated

**Please explain**

### Business travel

---



**Evaluation status**

Not evaluated

**Please explain**

**Employee commuting**

---

**Evaluation status**

Not evaluated

**Please explain**

**Upstream leased assets**

---

**Evaluation status**

Not evaluated

**Please explain**

**Downstream transportation and distribution**

---

**Evaluation status**

Relevant, calculated

**Metric tonnes CO<sub>2</sub>e**

269,000

**Emissions calculation methodology**

Indirect emissions from the transport of pulp and paper products to customers for calendar year 2020 were estimated based on 2019 actual emissions and changes in the volume of products shipped in 2020 relative to 2019 (i.e., less paper shipments and increased pulp shipments).



Emission estimates are based on the number of trips, distance, and mode of transport using emission factors from the U.S. EPA SmartWay Transport Partner Program and other public sources.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Please explain**

**Processing of sold products**

---

**Evaluation status**

Not evaluated

**Please explain**

**Use of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Pulp and paper products sequester carbon in the "use phase." Paper also has a high rate of recovery for recycling (65.7% in 2020) which keeps the majority of our products out of landfills where they have the potential to generate methane under anaerobic conditions.

**End of life treatment of sold products**

---

**Evaluation status**

Not evaluated

**Please explain**



**Downstream leased assets**

---

**Evaluation status**

Not evaluated

**Please explain**

**Franchises**

---

**Evaluation status**

Not evaluated

**Please explain**

**Investments**

---

**Evaluation status**

Not evaluated

**Please explain**

**Other (upstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

**Other (downstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

**C-AC6.6/C-FB6.6/C-PF6.6**

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

**C-AC6.6a/C-FB6.6a/C-PF6.6a**

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

---

**Activity**

Processing/Manufacturing

**Scope 3 category**

Processing of sold products

**Emissions (metric tons CO2e)**

269,000

**Please explain**

Includes downstream transportation and distribution of paper and pulp products only.

- Paper shipments = 140,000 metric tons CO2e

- Pulp shipments = 129,000 metric tons CO2e

## C-AC6.8/C-FB6.8/C-PF6.8

**(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?**

Yes

## C-AC6.8a/C-FB6.8a/C-PF6.8a

**(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.**

### CO2 emissions from biofuel combustion (processing/manufacturing machinery)

---

#### Emissions (metric tons CO2)

10,398,545

#### Methodology

Default emissions factors

#### Please explain

Includes biogenic carbon dioxide emissions from stationary combustion of black liquor, self-generated and purchased wood residuals (hog fuel), wastewater treatment residuals, lignin, crude tall oil/soap and turpentine. Default emission factor source: IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

### CO2 emissions from biofuel combustion (other)

---

#### Emissions (metric tons CO2)

#### Methodology

**Please explain**

## **C-AC6.9/C-FB6.9/C-PF6.9**

**(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?**

---

### **Agricultural commodities**

#### **Do you collect or calculate GHG emissions for this commodity?**

No, not currently but intend to collect or calculate this data within the next two years

#### **Please explain**

Domtar has not estimated greenhouse gas emissions associated with the wood we purchase and harvest from company-owned lands. Our focus is on efforts to improve the sustainability and health of the forests from which we source wood. One of the ways we do this is by working on innovative solutions to lower the technical and financial hurdles to third-party certifying additional forests to one or more credible forest management standards. In 2020, 41% of the wood used in Domtar's pulp and paper manufacturing came from certified forests. Given that sustainable forest management practices enhance a forests' ability to provide ecosystem services, such as carbon sequestration over the long term in areas where forest growth exceeds harvest, Domtar has not dedicated limited resources to quantify emissions from forest management and harvest activities thus far. Our current efforts are focused on reducing Scope 1 and 2 greenhouse emissions that are more directly related to our manufacturing operations. Silvicultural and harvesting activities (and associated fuel use) for pulpwood and timber production on company-owned forest lands are performed by third-party contractors and therefore are not a Scope 1 emission. We plan to estimate emissions from wood silvicultural and harvesting practices and purchases in the next two years.

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

0.000725

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

2,648,150

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

3,652,000,000

**Scope 2 figure used**

Market-based

**% change from previous year**

7

**Direction of change**

Increased

**Reason for change**

Total emissions decreased 11% while revenue decreased 16%. Overall, for 2020, our paper shipments were lower by approximately 19% when compared to 2019, largely due to market conditions related to the COVID-19 pandemic. Due to the sale of the Company's Personal Care business, 2019 greenhouse gas and revenue figures were adjusted when comparing 2020 to the % change from the previous year.

---

**Intensity figure**

400

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

2,648,150

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

6,615

**Scope 2 figure used**

Market-based

**% change from previous year**

2

**Direction of change**

Increased

**Reason for change**

Total emissions decreased 11% while number of full time equivalent (FTE) employees decreased 12%. Market-related downtime and asset closures related to the COVID-19 pandemic largely drove emissions lower. The decrease in the number of full-time equivalent employees was primarily due to announced asset closures/repurposing and implementation of a cost reduction program. Due to the sale of the Company's Personal Care business, 2019 greenhouse gas and FTE employee figures were adjusted when comparing 2020 to the % change from the previous year.



## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

### C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1,623,877	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	13,925	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	85,298	IPCC Fourth Assessment Report (AR4 - 100 year)

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	1,202,334
Canada	520,767

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division



## C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
Pulp and Paper	1,723,101

## C-AC7.4/C-FB7.4/C-PF7.4

**(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?**

Yes

## C-AC7.4b/C-FB7.4b/C-PF7.4b

**(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.**

---

**Activity**

Processing/Manufacturing

**Emissions (metric tons CO2e)**

1,723,101

**Methodology**

Default emissions factor

**Please explain**



Includes Scope 1 emissions from stationary combustion and company-owned transportation vehicles/mobile equipment sources at 13 pulp and paper mills, 11 paper manufacturing and converting facilities. Silvicultural and harvesting activities (and associated fuel use) for pulpwood and timber production on company-owned forestlands are performed by third-party contractors, and therefore, are not a Scope 1 emission.

## C7.5

### (C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America D <sub>1</sub>	490,212	917,069	1,273,379	5,120
Canada D <sub>2</sub>	3,589	7,980	467,483	0

D<sub>1</sub>Domtar's U.S. mills sold 1,017,092 MWh of renewable energy certificates (RECs) in 2020; therefore, the company's market-based Scope 2 emissions are higher than location-based Scope 2 emissions. It does not appear the CDP reporting protocol was designed for companies to report renewable energy and/or REC sales associated with market-based Scope 2 emissions; therefore, Domtar did not report these amounts in column 5 (Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)) at this time as column 5 asks for "purchased and consumed" energy rather than renewable energy and REC sales. The 5,120 MWh reported in column 5 for U.S. operations reflects 100% wind energy purchases as of December 2019 at one of our paper converting facilities.

D<sub>2</sub>Domtar's Canadian mills sold 419,893 MWh of renewable energy and associated Renewable Energy Certificates (RECs) in 2020; therefore, the company's market-based Scope 2 emissions are higher than location-based Scope 2 emissions. It does not appear the CDP reporting protocol was designed for companies to report renewable energy and/or REC sales associated with market-based Scope 2 emissions; therefore, Domtar left column 5 (Purchased and consumed low carbon electricity, heat, steam or cooling (MWh)) blank at this time as column 5 asks for "purchased and consumed" energy rather than renewable energy and REC sales.



## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Pulp and Paper	493,801	925,049

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	6,000	Increased	0.2	Decreased biomass/increased natural gas used to generate steam.



Other emissions reduction activities	41,000	Decreased	1.4	Increased share of on-site cogeneration of steam and electricity from renewable fuels; decreased sale of Renewable Energy Certificates (RECs) from internal renewable energy generation and full-year implementation of energy optimization projects at Plymouth, NC, mill.
Divestment				
Acquisitions				
Mergers				
Change in output	277,000	Decreased	9.4	Largely due to COVID-19 market-related downtime in the company's paper business. Includes the impacts of permanent paper machine closures at the company's mills in Ashdown, AR; Kingsport, TN (uncoated freesheet paper production being converted to 100% recycled containerboard); and Port Huron, MI.
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

### C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based



## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

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

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	30,733,423	8,558,413	39,291,836



Consumption of purchased or acquired electricity		5,120	1,350,635	1,355,755
Consumption of purchased or acquired steam		205,633	45,821	251,454
Consumption of self-generated non-fuel renewable energy		190,667		190,667
Total energy consumption		31,134,844	9,954,868	41,089,712

### C8.2b

**(C8.2b) Select the applications of your organization’s consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

### C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Coal

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

349,759

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

349,759

**Emission factor**

0.09262

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Petroleum Coke

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

27,990

**MWh fuel consumed for self-generation of heat**

27,990

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

0.09287

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Waste Tires

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

54,060

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

54,060

**Emission factor**

0.08149

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

**Fuels (excluding feedstocks)**

Fuel Oil Number 1

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

214

**MWh fuel consumed for self-generation of heat**

214

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

0.07053

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Fuel Oil Number 2

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

50,143

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

50,143

**Emission factor**

0.07053

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Waste Oils

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

953

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

953

**Emission factor**

0.07148

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

## Comment

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### **Fuels (excluding feedstocks)**

Propane Liquid

### **Heating value**

HHV (higher heating value)

### **Total fuel MWh consumed by the organization**

17,591

### **MWh fuel consumed for self-generation of heat**

17,591

### **MWh fuel consumed for self-generation of steam**

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

### **Emission factor**

0.0611

### **Unit**

metric tons CO<sub>2</sub>e per GJ

### **Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006

IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

## Comment

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### Fuels (excluding feedstocks)

Natural Gas

### Heating value

HHV (higher heating value)

### Total fuel MWh consumed by the organization

7,998,515

### MWh fuel consumed for self-generation of heat

2,091,612

### MWh fuel consumed for self-generation of steam

301,935

### MWh fuel consumed for self-cogeneration or self-trigeneration

5,604,968

### Emission factor

0.05069

### Unit

metric tons CO<sub>2</sub>e per MWh

### Emissions factor source

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

## Comment

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### Fuels (excluding feedstocks)

Black Liquor

### Heating value

HHV (higher heating value)

### Total fuel MWh consumed by the organization

24,022,441

### MWh fuel consumed for self-generation of heat

1,345

### MWh fuel consumed for self-generation of steam

### MWh fuel consumed for self-cogeneration or self-trigeneration

24,021,096

### Emission factor

0.00063

### Unit

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Wood Waste

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

6,710,983

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

6,710,983

**Emission factor**

0.00142

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

51,096

**MWh fuel consumed for self-generation of heat**

51,096

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

0.07859

**Unit**

metric tons CO<sub>2</sub>e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

---

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

8,092

**MWh fuel consumed for self-generation of heat**

8,092

**MWh fuel consumed for self-generation of steam**

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

0.06759

**Unit**

metric tons CO2e per GJ

**Emissions factor source**

IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan. The public weblink for the 2006 IPCC Guidelines is: <https://www.ipcc-nggip.iges.or.jp/public/2006gl/> The volume that contains emission factors is Volume 2 Energy and the weblink for that volume is: [https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2\\_Volume2/V2\\_2\\_Ch2\\_Stationary\\_Combustion.pdf](https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf).

**Comment**

**C8.2d**

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3,216,865	2,094,644	2,697,969	1,779,881
Heat				
Steam				
Cooling				

**C8.2e**

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

---

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Wind

**Country/area of consumption of low-carbon electricity, heat, steam or cooling**

United States of America

**MWh consumed accounted for at a zero emission factor**

5,120

**Comment**

Green-e certified wind renewable energy certificates.

## C9. Additional metrics

### C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

---

**Description**

Waste

☞ Scope includes pulp and paper mills and personal care manufacturing facilities.

**Metric value**

116,961



**Metric numerator**

Dry metric tons of waste to landfill.

**Metric denominator (intensity metric only)**

**% change from previous year**

24

**Direction of change**

Decreased

**Please explain**

In 2014, Domtar established a target to reduce total waste to landfill from pulp and paper mills 40% by the end of 2020 from a 2013 baseline. Our pulp and paper mills currently generate more than 95% of the materials the company discards of in landfills. This target was established to: Improve the efficiency of raw material usage during pulp and paper manufacturing, increase the amount manufacturing byproducts recycled or beneficially used, keep valuable materials circulating in the economy and out of landfills, lower our costs and improve our overall environmental footprint.

Domtar's waste to landfill reduction efforts are part of our low-carbon transition plan that supports our long-term business strategy. These initiatives provide GHG benefits from improved carbon sequestration in soils and plants (through land application of mill residuals on forests and agricultural lands) and avoided emissions of methane that can be generated in landfills from the decomposition of organic-based manufacturing byproducts. The "Metric Value" reported in this section includes pulp and paper mills only (excludes stand-alone paper converting and other manufacturing facilities).

Domtar's pulp and paper mills came close to meeting the company's 40% reduction target by reducing the amount of waste sent to landfills 34 % since 2013 through source reduction and beneficial-use programs.

## C10. Verification

### C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Third party verification/assurance underway

**Attach the statement**

 2020 Ontario GHG Verification Report\_Espanola.pdf

 DDM\_2020-ONT-GHG-VER-RPT\_FINAL\_Dryden.pdf

 Rapport de vérification de la déclaration des GES 2020 - Domtar usine de Windsor\_Summary.pdf

 Domtar 2020 GHG Verification Report\_Kamloops.pdf

**Page/ section reference**

Dryden, ON = Page 10

Espanola, ON = Page 12

Kamloops, BC = Page 12

Windsor, QC = Page 2

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

29

## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

BC carbon tax

Canada federal Output Based Pricing System (OBPS) - ETS

Québec CaT - ETS

## C11.1b

**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

### Canada federal OBPS - ETS

---

**% of Scope 1 emissions covered by the ETS**

16

**% of Scope 2 emissions covered by the ETS**

**Period start date**

January 1, 2020

**Period end date**

December 31, 2020

**Allowances allocated**

**Allowances purchased**

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

276,871

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

**Details of ownership**

Facilities we own and operate

**Comment**

Reported verified Scope 1 emissions above includes combustion emissions only and excludes CO<sub>2</sub> from biomass, landfill emissions and fugitive emissions from wastewater treatment.

**Québec CaT**

---

**% of Scope 1 emissions covered by the ETS**

7

**% of Scope 2 emissions covered by the ETS**

**Period start date**

January 1, 2020

**Period end date**

December 31, 2020

**Allowances allocated**

**Allowances purchased**

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

120,153

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

**Details of ownership**

Facilities we own and operate

**Comment**

Reported verified Scope 1 emissions above excludes CO<sub>2</sub> emissions from biomass combustion.

**C11.1c**

**(C11.1c) Complete the following table for each of the tax systems you are regulated by.**

**BC carbon tax**

---

**Period start date**

January 1, 2020

**Period end date**

December 31, 2020

**% of total Scope 1 emissions covered by tax**

5

**Total cost of tax paid**

2,590,000

**Comment**

\$CAD converted to \$USD using average exchange rate of 1 \$CAD = 0.7462 \$USD in 2020.

The reported carbon tax is calculated based on actual mill fossil fuel purchases in 2020.

The BC carbon tax is paid indirectly in the form of higher fossil fuel prices and fuel surcharges from raw material transporters. In 2020, the BC carbon tax was \$40 CAD/metric ton CO<sub>2</sub>e.

The BC government has implemented a Clean Growth Program for Industry which is funded by the incremental carbon tax above \$30 CAD/metric ton as paid by industry. The program allows for a partial return of carbon taxes paid above \$30 CAD/metric ton for facilities that meet an emissions benchmark standard and/or are successful in applications for partial funding for GHG reduction projects.

## C11.1d

### **(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Domtar's strategy to meet the requirements of the various regulatory carbon pricing program varies by jurisdiction.

Across the company, Domtar continues to assess our asset base and identify opportunities for capital expenditures for asset modernization, including installation of new technological advancements. We continue to focus on energy efficiency initiatives that reduce our energy use and carbon footprint. Through R&D efforts, we continue to research and trial technologies that are suitable to displace fossil fuels combusted in our processes.

In Quebec, Canada, Domtar has accumulated banked allocations that can be applied to future compliance obligations along with purchases from the market.

In British Columbia, Canada, the company is subject to the provincial carbon tax in the form of higher fossil fuel prices and fuel surcharges from raw material transporters. We continue to look for opportunities to reduce the use of fossil fuels in our own operations. We also look for opportunities to partner with our suppliers on projects to reduce fossil fuel use and improve efficiencies. The provincial government has announced the carbon tax trajectory through 2022 (\$50 CAD/metric ton).

Currently Ontario facilities are subject to the Canadian Federal Carbon Pricing Program that commenced on January 1, 2019. The Canadian Federal government has accepted Ontario's carbon pricing program as an alternative to the Federal Carbon Pricing Program, and the transition for Ontario facilities from the Federal program to the Ontario program is expected to occur on January 1, 2022.



The Greenhouse Gas Management Committee meets periodically to assess emerging climate and carbon pricing initiatives and regulatory requirements for their potential impact on our strategies and business operations.

## C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

Yes

## C11.3a

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

---

### **Objective for implementing an internal carbon price**

Navigate GHG regulations

### **GHG Scope**

Scope 1

Scope 2

Scope 3

### **Application**

### **Actual price(s) used (Currency /metric ton)**

40



**Variance of price(s) used**

In Quebec and any assessments we would conduct in the U.S., we currently use \$17-\$19 USD/metric ton, which is based on the California market.

In British Columbia, we follow the carbon trajectory the province is on, which is influenced by the Canadian Federal carbon price.

In Ontario, we currently follow the carbon trajectory for the Canadian Federal Carbon Pricing Program.

**Type of internal carbon price**

Shadow price

**Impact & implication**

We use this internal shadow price to assess large capital projects.

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---



**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Run a campaign to encourage innovation to reduce climate impacts on products and services

Other, please specify

Raw material supply and utilization

**% of suppliers by number**

**% total procurement spend (direct and indirect)**

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**

Domtar works with suppliers to improve the environmental profile of the raw materials we purchase (especially wood), our manufacturing processes, our products and transport of these products to our customers. Some of these initiatives include:

- Providing financial and technical support to help small, private landowners certify their forests to recognized sustainable forest management standards.
  
- Engaging in conversations and meetings with our suppliers to identify ways our manufacturing facilities can use raw materials more efficiently and substitute raw materials for alternatives with improved environmental profiles. Our suppliers also support engineering evaluations for new projects, products and services.
  
- Advocating through a national campaign to optimize logistics for improved efficiency by: increasing truck weight limits without creating additional safety and infrastructure issues, expanding intermodal options and ports, and optimizing product packaging and stacking arrangements to maximize truck volumes.



**Impact of engagement, including measures of success**

Several recent successes from these efforts include:

- Enrolling 632,606 acres and 258 members in the Domtar-supported Four States Timberland Owners Association Group FSC certification, which reduces the financial and technical hurdles to forest certification for small, private landowners.

-Engaging with 14 regional forestry partners near our mill in Windsor, Quebec, to promote sustainable forest management practices to small landowners, and to train loggers on harvesting methods that increase productivity and quality. From this initiative, the fiber supply from forests located close to the mill has increased by 30 percent. The Windsor Mill also completed a wood yard modernization project that has improved productivity and chip quality, while reducing fiber loss and processing costs. As fiber yield from each unit of wood brought to the mill is increased, the number of wood deliveries required for each product continue to decline.

**Comment**

**C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

---

**Type of engagement**

Education/information sharing

**Details of engagement**

Share information about your products and relevant certification schemes (i.e. Energy STAR)

**% of customers by number**

**% of customer - related Scope 3 emissions as reported in C6.5**

**Please explain the rationale for selecting this group of customers and scope of engagement**

Climate-related issues are part of some customer business meetings. We discuss areas where our companies can work together on mutually beneficial projects and initiatives. Domtar also participates in customer life cycle assessment (LCA) studies to better understand the environmental and climate impacts and opportunities from producing, using and end-of-life management of their final products. We also complete hundreds of customer information requests every year, for which an increasing number request information on climate-related emissions, performance and strategies.

**Impact of engagement, including measures of success**

These types of engagements with customers build awareness and trust, and uncover opportunities for strategic partnerships to develop more sustainable manufacturing processes, products, logistical systems and other services.

## C12.1d

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Domtar is active in initiatives with value chain partners to improve the environmental profile and logistical efficiency of moving raw materials and products, including:

- Optimizing available transport modes to most efficiently move our products.
- Optimizing product packaging and stacking arrangements to maximize truck volumes.
- Working with policymakers and local governments to educate them on how transportation efficiency can be improved by increasing truck weight limits without creating additional safety and infrastructure issues.
- Continuing to be a member of the U.S. EPA SmartWay Transport Partner program designed to improve fuel efficiency and reduce the environmental impacts from freight transport.
- Working with regional forestry partners to promote sustainable forest management to small landowners closer to the mill to reduce the amount of transport required for our wood resources.

Domtar is also active in working with several non-governmental organization partners, including Rain Forest Alliance, the World Wildlife Fund and the American Forest Foundation to advance sustainable forestry in our fiber procurement regions and to support global conservation efforts. Several of these initiatives include:

- Providing the World Wildlife Fund (WWF) nearly \$4.8 million to support conservation programs around the world since 2008.



- Supporting research in Canada with the National Council for Air and Stream Improvement (NCASI) to increase understanding of caribou nutritional and survival needs and integrate into forest management practices.
- Being a founding member of the Appalachian Woodlands Alliance to provide sustainable forest management tools to small, private landowners to increase the amount of sustainably managed forests.
- Helping local landowners enroll in The Nature Conservancy's Working Woodlands Program, which provides landowners with a forest management plan and group Forest Stewardship Council certification.
- Being a founding member with the American Forest Foundation and its partner, The Nature Conservancy, in supporting the recently-created Family Forest Carbon Program (FFCP) to enhance carbon sequestration in family-owned forest land across the United States. 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 that dedicate time and effort to their forest management.

These initiatives have positive sustainability benefits, including keeping forests as forests and reducing climate-related impacts.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

## C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support with minor exceptions	We engage with the Canadian Federal government and the provincial government in Quebec to share our key criteria for inclusion in cap and trade and other carbon pricing programs. These engagements are conducted through in-person meetings, webinars, conference calls	Our key criteria for effective and competitive climate pricing programs include: -Recognition of our early actions to reduce



		<p>and written comments, and are further supported by consultants, lobbyists and trade associations advocating on our behalf and for others in our sector.</p>	<p>greenhouse gas emissions,</p> <ul style="list-style-type: none"> <li>- Heavy reliance on carbon-neutral biomass fuels,</li> <li>-Use of co-generation systems using mainly biomass fuels,</li> <li>-Remaining competitive in global markets,</li> <li>-Provisions to prevent leakage of emissions, jobs and investments to other jurisdictions with no or less restrictive carbon pricing programs,</li> <li>- Avoiding double regulation with provincial and federal government initiatives,</li> <li>-Limited opportunities for additional, significant emission reductions without the development and deployment of commercially available technology solutions that are compatible with our processes and product quality and performance requirements, and</li> <li>-Reinvesting proceeds collected from carbon pricing programs proportionally back into the industry sectors.</li> </ul>
<p>Carbon tax</p>	<p>Support with minor exceptions</p>	<p>We engage with the Canadian Federal government and the provincial governments in British Columbia and Ontario to share our key criteria for inclusion in carbon tax and other carbon pricing programs. These engagements are conducted through in-person meetings, webinars,</p>	<p>Our key criteria for effective and competitive climate pricing programs include:</p> <ul style="list-style-type: none"> <li>-Recognition of our early actions to reduce</li> </ul>



		<p>conference calls and written comments, and are further supported by consultants, lobbyists and trade associations advocating on our behalf and for others in our sector.</p>	<p>greenhouse gas emissions,</p> <ul style="list-style-type: none"> <li>- Heavy reliance on carbon-neutral biomass fuels,</li> <li>-Use of co-generation systems using mainly biomass fuels,</li> <li>-Remaining competitive in global markets,</li> <li>-Provisions to prevent leakage of emissions, jobs and investments to other jurisdictions with no or less restrictive carbon pricing programs,</li> <li>- Avoiding double regulation with provincial and federal government initiatives,</li> <li>-Limited opportunities for additional, significant emission reductions without the development and deployment of commercially available technology solutions that are compatible with our processes and product quality and performance requirements, and</li> <li>-Reinvesting proceeds collected from carbon pricing programs proportionally back into the industry sectors.</li> </ul>
<p>Other, please specify</p>	<p>Support</p>	<p>We engage with the governments in the United States and Canada to advocate for continuing to maintain carbon neutrality of biomass fuels. These engagements are conducted through in-person meetings,</p>	



Maintain biomass carbon neutrality		webinars, conference calls and written comments, and are further supported by consultants, lobbyists and trade associations advocating on our behalf and for others in our sector.	
Clean energy generation	Support	We advocate for clean energy solutions, including the co-generation of thermal and electrical energy from woody biomass residuals and other manufacturing byproducts.	

### C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

### C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

American Forest & Paper Association

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association’s position**

Domtar supports the American Forest & Paper Association's climate-related policy positions, including:

-Maintaining carbon neutrality of biomass combustion.

-Advocating for the appropriate inclusion of combined heat and power utilization in industrial applications for the development of climate policies.



**How have you influenced, or are you attempting to influence their position?**

Domtar holds governance roles and participates on several American Forest & Paper Association committees and task forces to shape and develop climate-related policy positions supported by science and sustainable economics, including the Environmental Policy Committee, Energy Policy Committee, Biomass Task Force, Air Quality Subcommittee, and Government Affairs Coordinating Committee.

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**Trade association**

Industrial Energy Consumers of America (IECA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

All IECA members that are major energy users have a seat on the Board of Directors, so Domtar is a member of the IECA Board.

IECA's primary focuses regarding climate change include: protecting the competitiveness of member companies and ensuring proper treatment to protect against industrial greenhouse gas emission leakage to regions of the world with higher greenhouse gas emission profiles and lower production costs.

**How have you influenced, or are you attempting to influence their position?**

We hold a governance position and participate on the Environment Committee and participate on the Climate Committee.

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**Trade association**

Forest Products Association of Canada

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Keeping the Canadian forest products industry globally competitive is the primary focus of FPAC's advocacy for climate-related activities. This includes getting our industry recognized as EITE (Energy Intense and Trade Exposed) and obtaining relief from carbon pricing programs to remain competitive in the global marketplace as much of Canadian forest products are commodity products which are exported globally.

**How have you influenced, or are you attempting to influence their position?**

Domtar holds governance roles and participates on FPAC committees to shape and develop climate-related policy positions supported by science and sustainable economics. Domtar also conducts our own advocacy to support FPAC positions.

## C12.3d

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

## C12.3e

**(C12.3e) Provide details of the other engagement activities that you undertake.**

Domtar offers semi-annual engagement opportunities to our largest stockholders. Environmental, Social and Governance (ESG) topics, including climate change, are an increasing part of these conversations. Domtar is also having routine conversations on ESG topics with credit rating agencies. These two-way dialogues provide valuable information to shape the company's future strategies and business plans.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

We have prepared internal position papers and have regular discussions with appropriate corporate staff. We also provide briefings to senior leaders and company officers and have regular meetings with our Greenhouse Gas Management Committee, Sustainability Committee and Board EHSS Committee. We also help shape the approach to climate change policy for relevant trade organizations of which we are a part through regular issue-specific meetings and comments.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

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### Publication

In voluntary sustainability report

### Status

Underway – previous year attached

### Attach the document

 Domtar\_Sustainability Report 2019\_ENG.pdf

 Domtar\_SGR\_Update2020\_4pages\_ENG\_PP.pdf

### Page/Section reference

Energy and climate-related information can be found on pages 44-47 and 61 of Domtar's 2019 Sustainability Report.

Additional information on our approach to managing energy and greenhouse gas emissions can be found on our website at:  
<https://www.domtar.com/en/how-we-work/sustainability-domtar/energy-and-emissions>.

### Content elements

Governance

Strategy

Risks & opportunities

Emissions figures



Emission targets

Other metrics

**Comment**

## C15. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Domtar sold its Personal Care Division to American Industrial Partners on March 1, 2021. Business activities and emissions associated with Domtar's former Personal Care business are excluded from our responses to the 2021 CDP Climate Questionnaire.

### C15.1

**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Vice President, Corporate Services and Sustainability	Chief Sustainability Officer (CSO)

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**



	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

**Please confirm below**

I have read and accept the applicable Terms