



Welcome to your CDP Climate Change Questionnaire 2022

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 174 years of manufacturing; today we have approximately 6,100 employees serving more than 50 countries around the world.

Our operations include 11 pulp, paper and packaging mills in the United States and Canada and 9 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 40 percent of our wood deliveries in 2021 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 165,000 hectares of forest that we own and 6.6 million hectares of forest that we manage in Quebec and Ontario, Canada.



In our pulp, paper and packaging mills, we are working toward greater efficiency fueled by renewable energy. In 2021, 70 percent of the energy for these mills came from renewable sources, and the mills generated an equivalent of 68 percent of their electricity needs.

In March 2022, Domtar announced six sustainability focus areas for 2030 and beyond: verified fiber sourcing, greenhouse gas emissions, water stewardship, employee safety, community engagement and diversity and inclusion. More specifically, our goal is to become a net zero emitter of greenhouse gases by 2050.

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, to empower our employees and to enrich our communities.

Domtar's annual sales are approximately \$3.7 billion. Domtar's principal executive office is in Fort Mill, South Carolina. To learn more, visit 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, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

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	Direct operations only [Processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Direct operations only [Processing/manufacturing/Distribution only]
Consumption	No

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

(C-AC0.6g/C-FB0.6g/C-PF0.6g) Why are emissions from the consumption of your products not relevant to your current CDP climate change disclosure?

Row 1



Primary reason

Other, please specify
Engagement with other stakeholders

Please explain

As a manufacturer, we support sector and local community initiatives for paper recovery and recycling as we feel it is more effective to partner with other stakeholders and advocacy groups to support responsible consumption and end-of-life management of the products Domtar and others in our industry produce.

Domtar has engaged with research institutions and trade organizations for better utilization of recovered fiber resources in a manner that is most beneficial for society and the environment. In addition, our Kingsport, TN, mill has forged partnerships with Material Recovery Facilities (MRFs) to expand access to recycled paper and paperboard sources for manufacturing 100% recycled linerboard. Domtar and other area industries are collaborating to attract and seek funding support for developing a Northeast Tennessee Regional MRF. The collection and re-use of fiber-based packaging materials and plastics (along with use of wood residuals as an energy source) could make the Tri-Cities area of Tennessee an example for how public/private partnerships can work to mitigate the issues of our filling landfills while building a truly circular economy.

Domtar's mill in Kingsport, TN, is currently undergoing a conversion to be able to produce and market about 600,000 tons of high-quality, low-cost, recycled linerboard and corrugated medium annually, making the mill's machine the second largest recycled containerboard machine in North America once completed. For more information on the mill conversion and activities and progress on multiple recycled fiber initiatives, please go to: <https://www.domtarpackagingkingsport.com/>.

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 610,353 acres (246,998 hectares) and 260 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.

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a CUSIP number	CUSIP257559AJ3
Yes, a CUSIP number	CUSIP 257559AK0
Yes, a CUSIP number	CUSIP 70478JAA2

C1. Governance

C1.1

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



No

C1.1c

(C1.1c) Why is there no board-level oversight of climate-related issues and what are your plans to change this in the future?

	Primary reason	Board-level oversight of climate-related issues will be introduced within the next two years	Please explain
Row 1	Domtar was acquired by Paper Excellence on November 30, 2021, and became a privately-owned company through this merger and Domtar's existing Board of Directors was dissolved.	No, we do not currently plan to do so	

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues
Row 1	Not assessed

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 Working Group	Both assessing and managing climate-related risks and opportunities	Half-yearly
Sustainability committee 🗨️ ₁	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly



Facility manager	Both assessing and managing climate-related risks and opportunities	As important matters arise
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other committee, please specify Management Committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

1 Environmental, Social and Governance (ESG) Committee

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).

Domtar's organizational governance for climate-related issues is a matrix structure and integrated within all levels of management throughout the organization. The Environmental, Social and Governance (ESG) Committee has oversight responsibility.

Chief Executive Officer (CEO) and Management Committee

The CEO leads the Management Committee (MC) which consists of seven members of the Executive Management Team. The CEO and MC are the highest level position and Committee within Domtar with responsibility for climate-related issues. The MC approves the company's ESG goals and directs short and long-term business strategies and investments in our manufacturing facilities, supply chains and people. The CEO regularly reports to Paper Excellence Group Management, which includes climate risks and opportunities.

Sustainability Committee (Environmental, Social and Governance Committee)

The ESG Committee 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, legal and sustainability. The SC looks holistically across the business to identify and assess risks and opportunities and reviews and approves climate-related goals and strategies. Two of the ESG Committee members are also members of the Management Committee.

Greenhouse Gas Working Group



The Greenhouse Gas (GHG) Working Group (WG) is a multi-disciplinary team of managers and senior leaders from supply chain, engineering, environment, manufacturing, energy procurement, government relations and sustainability from the corporate level. The GHG WG also includes the Acting Head of Carbon Strategy for the Paper Excellence Group. The GHG WG is tasked with developing short-term and long-term decarbonization strategies to meet our Net Zero by 2050 goal. In addition, the GHG WG identifies and evaluates climate-related supply chain risks and opportunities for review and discussion at the ESG and Management committees.

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.

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?

	Provide incentives for the management of climate-related issues	Comment
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 our net zero goal.

C2.1b

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

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.

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) Working Group and ESG Committee.

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

On a regular basis, climate-related matters that could impact business strategies are assessed and reviewed with the Management Committee.

C2.2a

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



	Relevance & inclusion	Please explain
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. Domtar is actively involved with third-party groups to help identify low-carbon technologies for our manufacturing processes and we advocate for public-private sector funding to incentivize innovation.
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.



Chronic physical	Relevant, always included	If major disruption events were to be reoccurring, mitigation and adaptation measures would be employed to prevent recurrence. 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.
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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.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

Increased severity and frequency of severe weather events such as heavy precipitation/flooding, wildfires, heat waves , drought and extreme cold weather events

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 damage infrastructure/plant and property and lack of availability of raw materials and lack of ability to get final products to customers.

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.

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

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.

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 and packaging papers teams are 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. Domtar is currently building a pilot machine at our Hawesville, KY, mill to advance the product to commercialization. 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.

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) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Domtar has established a goal to become a net zero emitter of Scope 1 and 2 greenhouse gas emissions by 2050; this is our long-term objective. The company is also evaluating establishing a mid-term, interim GHG emission reduction milestone (e.g., 2035) to help guide our GHG emissions reduction transition towards net zero. We plan to complete a high-level screening in the next three years to determine relevant Scope 3 emissions.

C3.2

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

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, and we do not anticipate doing so in the next two years	Important but not an immediate priority	Domtar has already established a net zero by 2050 goal.

C3.3

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

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
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 sustainably managed, renewable natural resource, and is robust enough for limited reuse in a bag application and curbside recyclable. We have begun work on installing a pilot machine at our Hawesville, KY, mill to support commercialization of this product.</p>
Supply chain and/or value chain	Yes	<p>We continue to assess and evaluate decarbonization opportunities through partnerships with suppliers, customers and other business ventures.</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,</p>



		<p>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: https://www.forestfoundation.org/carbon.</p>
Investment in R&D	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 new products.</p> <p>Domtar is actively involved with third-party groups to help identify low-carbon technologies for our manufacturing processes, and we advocate for public-private sector funding to incentivize innovation.</p>
Operations	Yes	<p>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.</p>

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	<p>Revenues</p> <p>Direct costs</p> <p>Indirect costs</p>	<p>Domtar actively forecasts, budgets and manages carbon-related costs and emissions in the jurisdictions with carbon-pricing programs (i.e., Canada). In 2022, we began exploring a process to assign an internal price of carbon for projects in jurisdictions that currently do not have regulatory carbon-pricing programs (i.e., United States). Domtar plans to utilize</p>



<p>Capital expenditures</p> <p>Acquisitions and divestments</p> <p>Assets</p>	<p>an internal price on carbon to inform project planning and capital allocation for future operating scenarios.</p> <p>Domtar has begun to developing carbon reduction roadmaps for Scope 1 and 2 GHG emissions for its manufacturing facilities as we transition the business to achieving our long-term, net zero by 2050 goal.</p> <p>Domtar sells renewable energy and renewable energy certificates from hydropower generation and cogeneration assets largely fueled by renewable biomass fuels.</p> <p>Domtar is regularly looking for opportunities to partner with other entities on research and product development for a low-carbon economy.</p>
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C4. Targets and performance

C4.1

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

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years	To be determined.	In early 2022, Domtar established a target to be a net-zero emitter of greenhouse gas emissions by 2050. We will begin reporting progress toward this new target beginning with the 2022 evaluation year. Domtar's previous greenhouse gas emissions reduction target sunsetted at the end of 2020. For this



			target, the company's pulp and paper mills achieved a 28% reduction in absolute Scope 1 and 2 (market-based) emissions compared to our 2010 baseline.
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C4.2

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

No other climate-related targets

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	5	75,000
To be implemented*		
Implementation commenced*		
Implemented*		
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

Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)

20,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Mandatory

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

Four projects to reduce primary boiler steam use (and respective natural gas fuel use) by reusing lower temperature and pressure "waste" heat in other process applications have been identified and are currently going through Domtar's capital allocation process.

Initiative category & Initiative type

Low-carbon energy generation

Other, please specify

Fuel switching through conversion of coal to natural gas in power boiler

Estimated annual CO2e savings (metric tonnes CO2e)

55,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

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

Fuel switching through conversion of coal to natural gas in a power boiler. This conversion project, if approved, would eliminate coal use within Domtar. The project is currently going through Domtar's capital allocation process.

C4.3c

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

Method	Comment
Compliance with regulatory requirements/standards	In Canada, where our mills are subject to regulatory-driven, carbon pricing programs, the mills have a heightened focus on identifying and implementing projects that improve energy efficiency and reduce fossil fuel use. We are developing more consistent reporting and forecasting tools to create additional visibility in the organization of current and future carbon costs to drive further emission reduction activities.
Partnering with governments on technology development	Domtar is a member of the Alliance for Pulp & Paper Technology Innovation (APPTI). In 2021, APPTI formed a Net Zero Pathfinding Team focused on identifying platform technologies for the U.S. pulp & paper industry to achieve net zero greenhouse gas emissions by 2050. Domtar is actively participating in this work, which includes identifying opportunities to work with government 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	Domtar actively forecasts, budgets and manages carbon-related costs and emissions in the jurisdictions with carbon-pricing programs (i.e., Canada). In 2022, we began exploring a process to assign an internal price of carbon for projects in jurisdictions that currently do not have regulatory carbon-pricing programs (i.e., United States). Domtar plans to utilize an internal price on carbon to inform project planning and capital allocation for future operating scenarios.
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: https://forestfoundation.org/carbon .

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Generation and sale of renewable energy certificates (RECs) and renewable energy from hydropower and cogeneration of carbon-neutral biomass fuels

Type of product(s) or service(s)

Description of product(s) or service(s)

Renewable energy sales and/or renewable energy attributes (i.e., RECs).

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used 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.)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Gate-to-gate

Functional unit used

Metric ton CO2 equivalents

Reference product/service or baseline scenario used

Carbon intensity of purchased electricity from electrical grid from within the region the REC is generated.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Gate-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1



Has there been a structural change?

Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

The Domtar mill in Kamloops, BC, Canada, was excluded from the scope of reporting for calendar year 2021 and baselines have been adjusted to reflect divestment of the facility.

Details of structural change(s), including completion dates

On November 30, 2021, Domtar was acquired by Paper Excellence. As a result of this acquisition, Domtar agreed to sell its mill in Kamloops, BC, following closing of the merger to satisfy the Canadian Commissioner of Competition concerns about the merger's implications on the purchase of wood fiber from the mill's procurement region. On May 12, 2022, the Kamloops mill was sold to Kruger Specialty Papers Holding L.P.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	GHG emissions from Kamloops, BC, mill excluded due to divestment.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Baseline adjustments are made for divested facilities that remain an ongoing operating entity.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2010

Base year end

December 31, 2010

Base year emissions (metric tons CO₂e)

2,341,413

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)

632,685

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)

1,147,206

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.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment



Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start



Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end



Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment



Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start



Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)



Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)



Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) 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 CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

1,668,162

Comment

Excludes emissions from the mill in Kamloops, BC, which was designated a discontinued operation after the purchase of Domtar by Paper Excellence on November 30, 2021. On May 12, 2022, the Kamloops mill was sold to Kruger Specialty Papers Holding L.P.

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 sources 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

377,805

Scope 2, market-based (if applicable)

708,679

Comment

Excludes emissions from the mill in Kamloops, BC, which was designated a discontinued operation after the purchase of Domtar by Paper Excellence on November 30, 2021. On May 12, 2022, the Kamloops mill was sold to Kruger Specialty Papers Holding L.P.

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

Emissions in reporting year (metric tons CO₂e)

239,200

Emissions calculation methodology

Distance-based method

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

0

Please explain

Indirect emissions from the transport of pulp and paper products to customers for calendar year 2021 were estimated based on 2019 actual calculated emissions and changes in the volume of products shipped in 2021 relative to 2019 (i.e., less paper and 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. Transport-related emission estimates from the Kamloops, BC, mill were excluded due to divestiture of mill.

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 (68% in 2021) 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-AC6.8/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)

8,822,911

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.

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

Timber

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 2021, 40% 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 CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000648

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

2,376,841

Metric denominator

unit total revenue

Metric denominator: Unit total

3,668,000,000

Scope 2 figure used

Market-based

% change from previous year

10

Direction of change

Decreased

Reason for change

Total emissions decreased 9.7% while revenue increased 0.4% for a 10% decrease in GHG emission intensity when normalized for revenue. The 2021 intensity figure reflects the divestment of the Kamloops, BC facility (resulting in both lower emissions and revenue). In addition to lower GHG emissions from the Kamloops divestment, direct emissions (Scope 1) were also lower due to closure of the Port Huron, MI mill and downtime for the conversion of the Kingsport, TN mill to containerboard, while indirect GHG emissions (Scope 2) were primarily lower due to reduced sales of RECs and greening of the electrical grid. Higher selling prices were the primary driver of increased revenue.

Intensity figure

392

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

2,376,841

Metric denominator



full time equivalent (FTE) employee

Metric denominator: Unit total

6,069

Scope 2 figure used

Market-based

% change from previous year

2

Direction of change

Decreased

Reason for change

Total emissions decreased 9.7% and the number of full time equivalent (FTE) employees decreased 8.3% for an overall 2% decrease in GHG emission intensity when normalized for the number of FTE employees. The 2021 intensity figure reflects the divestment of the Kamloops, BC facility (resulting in both lower emissions and the number of FTE employees). In addition to lower GHG emissions from the Kamloops divestment, direct emissions (Scope 1) were also lower due to closure of the Port Huron, MI mill and downtime for the conversion of the Kingsport, TN mill to containerboard, while indirect GHG emissions (Scope 2) were primarily lower due to reduced sales of RECs and greening of the electrical grid. The fewer number of employees in 2021 vs 2020 was primarily due to the divestment of the Kamloops mill and closure of the Port Huron, MI mill and Dallas-Fort Worth paper converting facility.

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	1,583,783	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	11,525	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	72,854	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	1,294,980
Canada	373,182

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	1,668,162



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)

1,668,162

Methodology

Default emissions factor

Please explain

Includes Scope 1 emissions from stationary combustion and company-owned transportation vehicles/mobile equipment sources at 12 pulp and paper mills and 10 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)
----------------	--	--



United States of America 🗨️ ¹	373,226	700,868
Canada 🗨️ ²	4,579	7,811

🗨️¹Domtar's U.S. mills sold 976,726 MWh of renewable energy certificates (RECs) in 2021; therefore, the company's market-based Scope 2 emissions are higher than location-based Scope 2 emissions.

🗨️²Domtar's Canadian mills sold 387,472 MWh of renewable energy and associated Renewable Energy Certificates (RECs) in 2021; therefore, the company's market-based Scope 2 emissions are higher than location-based Scope 2 emissions.

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	377,805	708,679

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	53,000	Increased	2.1	Slight reduction in amount of renewable, carbon neutral biomass available offset by slight increases in use of fossil fuels (natural gas, coal, #2 fuel oil, TDF and pet coke).
Other emissions reduction activities	120,200	Decreased	4.7	Emission reductions realized through: "greening" of the electrical power grid in the regions where our facilities are located; reduced use of purchased power; increased share of on-site co-generation of steam and electricity using largely renewable, biomass fuels; and reduced sale of Renewable Energy Certificates (RECs).
Divestment				
Acquisitions				
Mergers				
Change in output	88,100	Decreased	3.5	Reduction in pulp and paper production primarily due to: -Shutdown of integrated uncoated freesheet mill in Kingsport, TN (April 2020), which is currently undergoing a conversion to 100% recycled containerboard; -Permanent closure of non-integrated specialty paper mill in Port Huron, MI, in February 2021; and



				Shutdown of remaining paper machine (A62) at the Ashdown, AR, integrated pulp and paper mill in March 2020. The paper machine (A62) was restarted in late December 2021.
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)	26,184,214	8,263,151	34,447,365
Consumption of purchased or acquired electricity		6,034	1,304,865	1,310,899
Consumption of purchased or acquired steam		273,631	48,798	322,429
Consumption of self-generated non-fuel renewable energy		155,929		155,929
Total energy consumption		26,619,808	9,616,813	36,236,621

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

26,184,214

MWh fuel consumed for self-generation of heat

78

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

26,184,136

Comment

Includes black liquor, self-generated and purchased biomass, wastewater treatment residuals, lignin and tall oil/soap.

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

All biomass classified as sustainable as the material is originally sourced from forests using sustainable forest management practices.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

0

Comment

Renewable fuels are all biomass-derived.

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

405,300

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

405,300

Comment

Bituminous coal.

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

65,390

MWh fuel consumed for self-generation of heat

6

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

65,384

Comment

#2 fuel oil.

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

7,598,779

MWh fuel consumed for self-generation of heat

1,753,122

MWh fuel consumed for self-generation of steam

322,953

MWh fuel consumed for self- cogeneration or self-trigeneration

5,522,704

Comment

Natural gas.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

193,681

MWh fuel consumed for self-generation of heat

105,128

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self- cogeneration or self-trigeneration

88,553

Comment

Pet coke, tire-derived fuel, propane, diesel and gasoline.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

34,447,364

MWh fuel consumed for self-generation of heat

1,858,333



MWh fuel consumed for self-generation of steam

322,953

MWh fuel consumed for self- cogeneration or self-trigeneration

32,266,079

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	2,734,774	1,982,563	2,227,940	1,370,576
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 or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier), supported by energy attribute certificates

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United States of America

Tracking instrument used

Contract

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

6,034

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Contract in place for Dubois, PA, paper converting facility for 100% of the facility's purchased electricity to be supplied with 100% renewable energy from wind renewable energy attribute certificates.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Canada

Consumption of electricity (MWh)

1,190,000

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1,190,000

Country/area

United States of America

Consumption of electricity (MWh)

2,855,673

Consumption of heat, steam, and cooling (MWh)

322,429

Total non-fuel energy consumption (MWh) [Auto-calculated]

3,178,102

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

53,225

Metric numerator

Dry metric tons waste to landfill from P&P mills

Metric denominator (intensity metric only)

% change from previous year

8

Direction of change

Decreased

Please explain

Domtar's waste to landfill reduction efforts supports our low-carbon transition plan and long-term business strategy by improving the efficiency of raw material usage during pulp and paper manufacturing, increasing the amount manufacturing byproducts recycled or beneficially used, keeping valuable materials circulating in the economy and out of landfills, lowering our costs and improving our overall environmental footprint. More specifically, 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). Our pulp and paper mills generate the majority of the materials the company discards of in landfills.



Domtar's pulp and paper mills have reduced the total amount materials landfilled 59% since 2013, and currently beneficially use and/or recycle 83% of the manufacturing byproducts they generate.

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

-  G1678 Domtar Dryden Mill 2021 OReg GHG Verification Report and Statement - Final.pdf
-  11218263-LTR-12-Domtar Espanola-2021 GHG Verification Report.pdf
-  Rapport de vérification de la déclaration des GES 2021 - Domtar usine de Windsor_Summary.pdf

Page/ section reference

Dryden, ON = Page 10
Espanola, ON = Page 9
Windsor, QC = Page 2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

21

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.

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

14

% of Scope 2 emissions covered by the ETS

Period start date

January 1, 2021

Period end date

December 31, 2021

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO₂e

237,536

Verified Scope 2 emissions in metric tons CO₂e

Details of ownership

Facilities we own and operate

Comment

Reported verified Scope 1 emissions above includes combustion emissions only and excludes CO₂ from biomass, landfill emissions and fugitive emissions from wastewater treatment.

Québec CaT - ETS

% of Scope 1 emissions covered by the ETS

7

% of Scope 2 emissions covered by the ETS

Period start date

January 1, 2021

Period end date

December 31, 2021

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO₂e

110,660

Verified Scope 2 emissions in metric tons CO₂e

Details of ownership

Facilities we own and operate

Comment

Reported verified Scope 1 emissions above excludes CO₂ emissions from biomass combustion.

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 is focused on energy efficiency projects to reduce natural gas use (primary source of GHG emissions) and uses available carbon markets to meet future compliance obligations.

In Ontario, our facilities were subject to the Canadian Federal Carbon Pricing Program from January 1, 2019, through December 31, 2021. 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 was effective January 1, 2022.

The Greenhouse Gas Working Group meets regularly, and the scope of this Group's work includes working with our facilities to assess emerging climate and carbon pricing initiatives and regulatory requirements for their potential impact on our strategies and business operations. In early 2022, Domtar established a goal to be a net zero emitter of GHG emissions by 2050 and our GHG Working Group is leading efforts to identify pathways and researching emerging technologies needed for a transformational change.

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
- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Stress test investments
- Identify and seize low-carbon opportunities
- Supplier engagement

GHG Scope

- Scope 1
- Scope 2
- Scope 3

Application

Carbon pricing is utilized in the assessment of new capital projects. In jurisdictions where we have carbon pricing programs, we also use for budgeting and forecasting purposes. We also use this information in our engagements with stakeholders and policy advocacy.

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

50

Variance of price(s) used

In Quebec, we use the latest California-Quebec auction price (\$30.85 USD/metric ton in May 2022).

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

In the US, there currently is no Federal regulatory price on carbon. For these facilities we follow the interim social cost of carbon (currently ~\$50 USD/metric ton).

Type of internal carbon price

Shadow price

Impact & implication

We use this internal shadow price to assess capital projects that involve changes in fossil fuel use and/or that could impact GHG emissions.

C12. Engagement

C12.1

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

Yes, our suppliers

Yes, our customers/clients

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

Collaborate with suppliers on innovative business models to source renewable energy

Other, please specify

Raw material substitution 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.

- Engaging with energy providers to assess both renewable energy purchases and opportunities for them to utilize our energy resources.

Impact of engagement, including measures of success

Several recent successes from these efforts include:

- Enrolling 610,353 acres (246,998 hectares) and 260 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.
- Purchasing renewable energy for our Dubois, PA, paper converting facility under a three-year purchase agreement.

Comment

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing

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 an increasing 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 to reduce product damage and dematerialize.
- 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 The Nature Conservancy, the American Forest Foundation and the Nature Conservancy of Canada to advance sustainable forestry in our wood procurement regions and to support research and conservation efforts. Several of these initiatives include:

- 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.
- Entering into a long-term partnership with the Nature Conservancy of Canada (NCC) alongside the execution of the largest private land conservation agreement in Canadian history. The tract of private land in Ontario, spanning 1,450 square kilometers of boreal forest, previously managed as a wood supply to Domtar's pulp and paper mills, will now be managed for research and conservation by the Nature Conservancy of Canada (NCC). The area, formerly known as the Hearst Forest, is recognized for its extraordinary ecosystem and abundant wildlife. Domtar transferred ownership of the land to NCC for \$7 million below its appraised value as a part of this partnership. More information on this partnership can be found at: <https://www.natureconservancy.ca/en/where-we-work/ontario/news/big-bold-and-boreal.html>. In addition, please find the link to a recording of the press conference made by NPR Canada at: <https://www.dropbox.com/s/1n79jgciusdrb7f/20220422%20NCC%20Edit.mp4?dl=0>.

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

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, and we do not plan to introduce climate-related requirements within the next two years



C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

In 2022, Domtar publicly announced our goal to be a net zero emitter of greenhouse gas emissions by 2050. This is in support of the Paris Commitment to achieve a climate-neutral world by mid-century.

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

We prepare internal assessments, develop advocacy discussion points and have regular discussions with management and senior leadership. We also have regular meetings with our Greenhouse Gas Working Group; Environmental, Social and Governance Committee and Management Committee to develop alignment and strategy as we develop our roadmap and business plans to meet our net zero by 2050 goal.

We engage directly with governments on climate-related matters. We also help shape the approach to climate change policy with trade organizations.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Carbon tax

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Emerging policies and regulations and review of existing carbon tax and pricing programs in the jurisdictions of importance to our business.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Canada

United States of America

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

We engage with the US Federal government, Canadian Federal government and the provincial government of Ontario to share our key criteria for inclusion in carbon tax and other carbon pricing programs. These engagements are conducted through 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.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Our key criteria for effective and competitive climate pricing programs include:

- Recognition of our early actions to reduce greenhouse gas emissions,
- Heavy reliance on carbon-neutral biomass fuels,
- Use of co-generation systems using mainly biomass fuels,
- Remaining competitive in global markets,
- Provisions to prevent leakage of emissions, jobs and investments to other jurisdictions with no or less restrictive carbon pricing programs,
- Avoiding double regulation with provincial and federal government initiatives,
- 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
- Reinvesting proceeds collected from carbon pricing programs proportionally back into the industry sectors.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Focus of policy, law, or regulation that may impact the climate

Circular economy

Specify the policy, law, or regulation on which your organization is engaging with policy makers

New infrastructure or infrastructure upgrades for community paper recovery and recycling programs are needed in regions that are important to our business. The growth of single stream recovery systems and the lack of new technologies at some Material Recovery Facilities (MRFs) have led to decreased quality and cleanliness of the materials that is produced for a circular economy. If the quality of recovered material is too poor, this runs the risk of increasing the amount of recovered material being disposed of in landfills or incinerators.

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Canada

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

We are working with local communities, regional governments and other stakeholders to direct investments to the needed material collection and recovery infrastructure for paper and paperboard products (e.g., boxes and other fiber-based packaging). We are also working with Federal governments to support funding initiatives for new or upgraded infrastructure.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Focus of policy, law, or regulation that may impact the climate

Electricity grid access for renewables

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Continue to maintain access to electricity markets through our connection to the grid to purchase and sell renewable energy (biomass-based co-generation), and continue to support the Public Utility Regulatory Policies Act (PURPA).

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers



Testifying to State and Federal legislatures and regulatory bodies to support our policy positions on grid access and recognition of renewable biomass as a carbon-neutral energy source.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Focus of policy, law, or regulation that may impact the climate

Energy attribute certificate systems

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Electricity and energy attributes generated from renewable biomass (solid and liquid) are recognized or continue to be recognized as a qualifying energy source for meeting State renewable energy goals in some jurisdictions.

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

United States of America

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Engage with State governments, regulatory commissions and elected officials and publicly testify to demonstrate the value and importance of recognizing biomass as a qualifying energy source for renewable energy programs.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Focus of policy, law, or regulation that may impact the climate

Extended Producer Responsibility (EPR)

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Ensure emerging EPR programs do not interfere with the current high level of paper and paperboard recovery programs (68% in 2021) by degrading the quality of recovered materials, raising the cost and/or by subsidizing the recycling of other competing materials (e.g., plastics).

Policy, law, or regulation geographic coverage

Sub-national

Country/region the policy, law, or regulation applies to

Canada

United States of America

Your organization's position on the policy, law, or regulation

Support with major exceptions

Description of engagement with policy makers

Engage with elected officials and State governments to demonstrate the value and importance of recognizing the success of existing, voluntary paper and paperboard recovery programs and concerns the quality of materials and recovery rate could degrade and costs increase with mandated EPR programs.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Paper and paperboard packaging should be excluded from EPR programs if the current recovery programs meet reasonable thresholds.

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

National Association of Manufacturers

Is your organization's position on climate change consistent with theirs?

Unknown

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

NAM's membership is very diverse with differing climate policy needs. Currently NAM is not publicly providing detailed positions on climate. For example, Domtar's primary climate-related policy issue is to maintain recognition of biomass carbon neutrality, which only affects a small percentage of NAM membership.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify

American Forest & Paper Association (AF&PA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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

- Maintaining carbon neutrality of biomass residuals generated from our manufacturing processes and used for energy generation.
- Advocating for biomass carbon capture, utilization and storage.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify

Forest Products Association of Canada (FPAC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

Keeping the Canadian forest products industry globally competitive is the primary focus of FPAC's advocacy for climate-related activities. This includes maintaining our industry recognition 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.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify

Industrial Energy Consumers of America (IECA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly promote their current position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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. In addition, IECA is focused on securing government funding and R&D for technology advancements to decarbonize. The heavy industrial sector (e.g., cement, steel, pulp and paper) will be the most challenging to decarbonize due to its high energy and temperature demands for their manufacturing processes.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

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).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

 Domtar_SGR2021_ENG.pdf

Page/Section reference

Pages 30-31

Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment



C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, executive management-level responsibility	<p>Biodiversity assures forests now, and for future generations, and is therefore integrated into the decision-making of Domtar’s Executive Management Committee and our executive-level ESG Committee. In addition, daily oversight of our operational sustainability, wood procurement and forestry practices, all of which incorporate biodiversity factors, is conducted at the vice-president level, and supported by wood procurement and environmental teams at each of our mills.</p> <p>A) The majority of forestland in the United States is privately owned by small, private landowners. Domtar has worked with these small landowners to broaden acceptance of sustainable forest practices. Strong markets for forest products, like the pulp and paper products made by Domtar, provide economic return that allow landowners to keep their forestlands as forests, which ensures abundant, working forests that serve as a prerequisite for biodiversity.</p> <p>B) Domtar is a partner of the American Forest Foundation (AFF). We actively support biodiversity conservation initiatives that are helping to protect at-risk or endangered wildlife and provide biodiversity education to local communities, particularly in southeastern U.S. In addition, Domtar works with AFF in its collaboration with U.S. Fish and Wildlife Service (USFWS) and other partners to provide financial incentives and technical assistance on privately owned forestlands to support biodiversity conservation efforts, covering 13,325 forested acres and home to more than 800 plant and animal species. More information on these biodiversity efforts can be found on pages</p>



		<p>26-27 of Domtar’s 2021 “Sustainability Priorities: 2030 and Beyond” report at: https://www.domtar.com/sites/default/files/2022-05/Domtar_SGR2021_ENG.pdf</p> <p>C) In 2022, Domtar made history by entering a long-term partnership with Nature Conservancy Canada (NCC), which includes the largest private conservation agreement in Canada’s history. A large private tract in Ontario spanning 1,450 square kilometers of Boreal forest, that was managed as a wood supply to Domtar’s pulp and paper mills, will now be managed for research and conservation by the NCC. The area, formerly known as the Hearst Forest, is recognized for its extraordinary ecosystem and abundant wildlife. Domtar agreed to transfer ownership of the land to NCC for \$7 million below its appraised value as a part of this partnership.</p>
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C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species	Other, please specify The objective of the Domtar-NCC partnership is to promote the benefits of science-based biodiversity conservation and achieve durable outcomes. For more information go to: https://www.dropbox.com/s/1n79jqcjusdrb7f/20220422%20NCC%20Edit.mp4?dl=0



		<p>Commitment to no conversion of High Conservation Value areas</p> <p>Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples</p> <p>Commitment to no trade of CITES listed species</p> <p>Other, please specify</p> <p>Domtar is a partner of the American Forest Foundation (AFF), engaged in multiple biodiversity conservation programs in North America, and the Four States Timberland Owners Association (FSTOA)</p>	
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C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

Does your organization assess the impact of its value chain on biodiversity?	
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?



	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy Livelihood, economic & other incentives

C15.5






(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators Pressure indicators Response indicators

C15.6








(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Risks and opportunities Biodiversity strategy	Domtar's "Sustainability Priorities: 2030 and Beyond Report", pages 21, 26-27 Link: https://www.domtar.com/en/how-we-work/sustainability-domtar 1, 2

<p>In voluntary sustainability report or other voluntary communications</p>	<p>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity</p>	<p>Domtar's Due Care Program under the Lacey Act, which includes a biodiversity component (Page 7)  3</p>
<p>In voluntary sustainability report or other voluntary communications</p>	<p>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity</p>	<p>Domtar's Due Diligence Program under the EU Timber Regulation 995/2010 which includes a biodiversity component (page 7)  4</p>
<p>In voluntary sustainability report or other voluntary communications</p>	<p>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity</p>	<p>Domtar's Sustainable Forestry Principles (pages 1,2)  5</p>
<p>In voluntary sustainability report or other voluntary communications</p>	<p>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity</p>	<p>Domtar's Forest Policy (page 1)  6</p>
<p>In voluntary sustainability report or other voluntary communications</p>	<p>Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy</p>	<p>Dryden Mill Biodiversity Poster, which shows multiple aspects of biodiversity being managed as part of the upcoming Trout Lake FSC certification process.  7</p>
<p>Other, please specify</p>	<p>Content of biodiversity-related policies or commitments</p>	<p>Links to the following websites: Dryden, ON mill's forestry progress and updates: www.domtardrydenforestry.ca</p>



	Governance Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy	Windsor, OC mill's forest management policies and activities documents, including biodiversity: https://mirador.domtar.com/app/ressource
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-  ¹Domtar_SGR2021_ENG_final_page.pdf
-  ²Domtar_SGR2021_ENG.pdf
-  ³Lacey_Act_Due_Care_Program_091515.pdf
-  ⁴EUTR_Regulation_En.pdf
-  ⁵Domtar-Pulp-Paper-Sustainable-Forestry-Principles_0.pdf
-  ⁶Domtar's Forest Policy.pdf
-  ⁷HCV_Poster_12_03_2021.pdf

C16. 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's responses to this questionnaire excludes emissions from the mill in Kamloops, BC, which was designated a discontinued operation after the purchase of Domtar by Paper Excellence on November 30, 2021. On May 12, 2022, the Kamloops mill was sold to Kruger Specialty Papers Holding L.P.



C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Domtar would be pleased to work on collaborative projects and initiatives with our suppliers and customers to further reduce greenhouse gas emissions from raw material sourcing, manufacturing, transporting, using and end-of life of our products, and to improve the resiliency of our supply chains.

On average, our pulp and paper mills use 70% renewable energy sources from carbon-neutral, biomass fuels. Our pulp and paper mills also self-generate an equivalent of 68% of their electricity needs through efficient, co-generation processes and hydropower.

Primarily made from renewable wood fiber, paper products sequester carbon in the product in-use phase. At the end of their useful life, our paper products are highly recyclable with 68% of paper consumed recovered for recycling in 2021. Eighty-three percent of the byproducts generated from our pulp and paper manufacturing processes were beneficially used and kept out of landfills in 2021.

We are continuously working on optimizing transportation modes to most efficiently move our products. We are also optimizing product packaging to maximize truck volumes.

Domtar's specialty and packaging papers teams are 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. Domtar is currently building a pilot machine at our Hawesville, KY, mill to advance the product to commercialization. More details on this innovation can be found at: <https://newsroom.domtar.com/domtar-bag-challenge/>.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	3,668,000,000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Scope of emissions

Allocation level

Allocation level detail

Emissions in metric tonnes of CO₂e

Uncertainty (±%)

Major sources of emissions

Verified

Allocation method

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting member

Scope of emissions

Allocation level

Allocation level detail

Emissions in metric tonnes of CO₂e

Uncertainty (±%)



Major sources of emissions

Verified

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Purchased electricity emission factors for Scope 2 emission calculations for US facilities are from the EPA eGRID website at:
https://www.epa.gov/system/files/documents/2022-01/egrid2020_summary_tables.pdf

Purchased electricity emission factors for Scope 2 emission calculations for Canadian facilities are from the NATIONAL INVENTORY REPORT 1990 – 2019: GREENHOUSE GAS SOURCES AND SINKS IN CANADA - PART 3 Report (page 73 for Quebec) found at:
https://publications.gc.ca/collections/collection_2021/eccc/En81-4-2019-3-eng.pdf.

For other emission information, Domtar can provide customers this additional information upon request.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges

Please explain what would help you overcome these challenges

<p>Diversity of product lines makes accurately accounting for each product/product line cost ineffective</p>	<p>Pulp and paper mills are very complex manufacturing systems, generally producing numerous different paper products (grade, finish, basis weight, etc.) market pulp and electricity that is sold to and purchased from the grid. We currently do not have energy metering in place that can be used to assign greenhouse gas emissions down to the product SKU level. We currently track total facility-level GHG emissions and divide by the total mass of product output to generate a facility-level GHG intensity factor. It would be very costly and time-consuming to measure, collect and track GHG data at a more granular level, taking resources away from focusing on true improvements to our manufacturing processes that make us a more sustainable company. We are satisfied with our current approach and believe it provides enough accuracy for the intended purpose.</p>
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

We are satisfied with our current approach and believe it provides enough accuracy for the intended purpose.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No



SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms