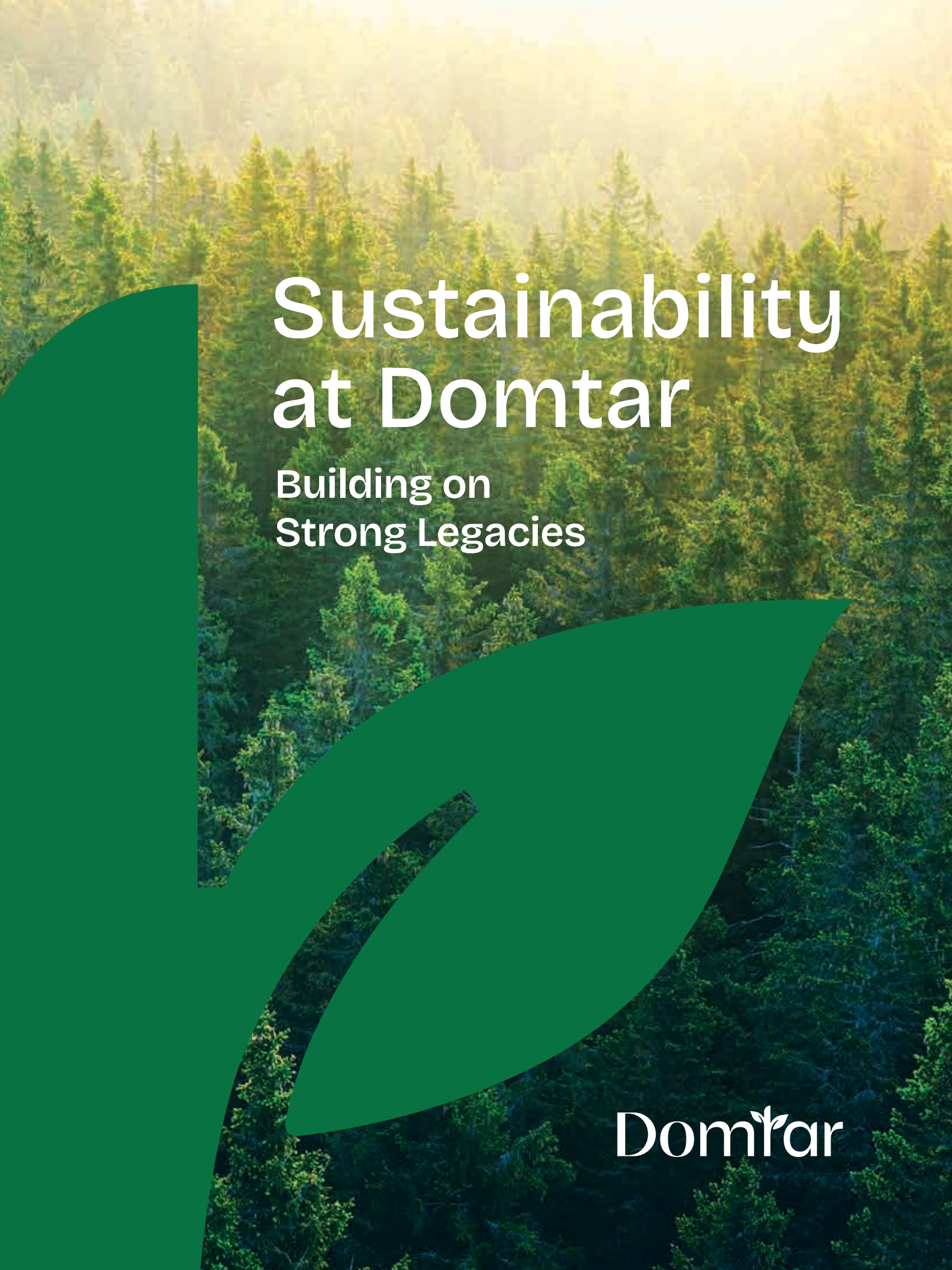




Sustainability at Domtar

Building on
Strong Legacies

Domtar



Building on Strong Legacy

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The background of the page is a close-up photograph of a wood grain, showing concentric growth rings. A large, solid green abstract shape, resembling a stylized leaf or a modern logo, is positioned on the right side, partially overlapping the wood grain.

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Building on Strong Legacies

It's been less than a year since we set out on a new journey as a leading North American forest products company under the Domtar brand.

We've made great progress, and the release of our new sustainability strategy was truly a defining moment. It's one of the most important ways in which we at Domtar are embodying what it means to be the fiber for the future.

Our strategy builds on the strong track records of our three legacy companies and lays an important part of the foundation for a resilient and successful integrated business. More than that, it reflects our core commitments to the stakeholders and rightsholders we engage with every day.

Our sustainability strategy is the result of nearly two years of dedicated work, shaped by the deep involvement of operational experts across all our business units.

We began with a hard look at legacy company performance, both strengths to leverage more broadly and weaknesses to better address. Input from hundreds of stakeholders helped us better understand which of our business impacts matter most to them. Finally, we tested our strategy against leading external guidance and standards, relating to both the performance we're targeting and the ways in which we'll report on it.

We're still defining some of the key performance indicators for our objectives and targets. We need to more fully determine our performance baselines as a newly integrated company. Then once we know our precise starting points, we'll set targets that strike the right balance between ambition and achievability.

Built on the three pillars of Environmental Stewardship, People and Communities, and Responsible Business, our strategy commits Domtar to 12 concrete objectives and targets to be achieved by 2030.



Awie Kardiman
Member,
Management Board

Steve Henry
President,
Paper & Packaging,
Management Board

Alongside this important and intensive work, we've maintained our focus on performance improvement. In 2024, we advanced specific investments, initiatives and outcomes that line up with the objectives we've set across the three pillars of our strategy.

Some of those efforts and outcomes — and the challenges that invariably come when your ambitions are high — are described in this report. Future reports will be more specifically aligned with the objectives and targets in our strategy.

I'll close with a few words to our stakeholders and other partners. Not only is our sustainability strategy guided by your input, but ultimately, it's up to you to judge its quality.

Thank you for your engagement so far, it was invaluable, and we're determined to make sure you see it reflected in the way we operate. Through this report and future updates, we'll make sure you have the information you need to do that with confidence.

In short, we look forward to continuing this journey with you. As is often observed, there's no destination or endpoint where sustainability is concerned. We're confident we can advance toward ever more sustainable business outcomes and greater value that we can all share together.



John D. Williams
Non-Executive Chairman,
Management Board

Hoany Muljadi (Wawa)
Member,
Management Board

Claudio Cotrim
Member,
Management Board

John D. Williams
Non-Executive Chairman

Guiding Our Path Forward

At Domtar, our vision, mission and values guide everything we do — from the way we operate our facilities to how we engage with customers, communities and one another. We are committed to producing industry-leading forest products while prioritizing transparency, sustainability and strong relationships. These principles define who we are and shape our path forward as a global leader in the forest products sector.



Our Vision

Our vision is to be the global leader in the forest products sector, setting new standards for industry excellence through quality products, transparent practices and strong customer relationships.

Our Mission

Our mission is to produce industry-leading forest products with a commitment to our employees, customers and communities, and a dedication to sustainability.

Our Values

Caring

We are uncompromising about the safety of all our people and prioritize the success of the communities where we have operations and the sustainability of the resources we share. We nurture and mentor leaders, celebrate teamwork and actively cultivate a culture of trust and respect.

Accountability

We work to earn the right to be in business every day and are dedicated to delivering excellence to our customers. We own the result across every facet of our operations, from the development and well-being of our people to the health of our business.

Collaboration

We believe that uniting talent with ideas is the cornerstone of our success. Through collaboration and the amplification of diverse voices, we encourage the calculated risks that drive innovation and help us achieve shared goals.

Entrepreneurship

We embrace an entrepreneurial mindset that turns challenges into opportunities to drive innovation. We navigate a dynamic world with resilience and strategic thinking, staying adaptable and proactive to create lasting value.

An Unwavering Commitment to Integrity

In today's world, sustainability governance is not only key to managing risks and opportunities, but also vital to building a company's reputation, earning customer trust and inspiring employee loyalty. Domtar's commitment to conducting all business affairs with integrity within an environment of respect, candor and good faith underlies our governance framework.

Jackson Wijaya, owner and sole shareholder of Domtar, entrusts the company's operational oversight to our Management Board — a team of senior leaders responsible for strategic direction, corporate governance and decision-making aligned with Domtar's mission, with a strong focus on people, communities, customers and sustainability. Our business unit (BU) and corporate leaders work closely with the Management Board to ensure strategic alignment and to advance Domtar's vision.

Sustainability oversight ultimately rests with the Management Board, which delegates this responsibility to our Global Sustainability Steering Committee (GSSC). This executive-level body that includes representatives from both the Management Board and senior leadership meets at least twice a year to provide oversight of Domtar's sustainability strategy and policy framework, ensure alignment of our sustainability commitments across all business units, monitor material sustainability-related risks and opportunities and position the company to meet its regulatory and voluntary environmental, social and governance (ESG) commitments.

Domtar operates through its business units — Paper & Packaging, Pulp & Tissue, and Wood Products in North America. Each unit is assigned a sustainability committee tasked with driving the implementation of Domtar's 2030 sustainability strategy at the operational level and providing management-level oversight of sustainability risks, opportunities and performance. Reporting to the GSSC, these cross-functional groups of senior managers and experts who are supported by the Global Sustainability function meet quarterly to carry out their responsibilities.

Code of Ethics and Business Conduct

Our Code of Ethics and Business Conduct sets clear expectations for integrity, legal compliance and ethical behavior across all operations. It serves as a foundation for policies addressing anti-corruption, workplace conduct and environmental responsibility.

Whistleblower Complaints Policy and Procedures

Our Whistleblower Complaints Policy and Procedures ensures a safe, confidential way for employees and external parties to report concerns. It reinforces our commitment to transparency, accountability and maintaining the highest ethical standards across our operations.

Global Sustainability Policy

Our Global Sustainability Policy guides our commitment to responsible resource use, community well-being and ethical business practices. It provides a strategic framework to drive continuous improvement, accountability and long-term value for our stakeholders and the environment.



Steve Henry
President,
Paper & Packaging



Luc Thériault
President,
Wood Products



Richard Tremblay
President,
Pulp & Tissue



Jean-François Guillot
President and
Chief Operating Officer,
Fibre Excellence



Sabrina de Branco
Global Chief
Sustainability Officer



Blair Dickerson
Vice President,
Public Affairs – Canada



Bill Edwards
Senior Vice President,
Operations,
Paper & Packaging



Jennifer Johnson
Vice President,
Global Communications



Lori Kilgour
Chief Information Officer –
North America



Nancy Klembus
Chief Legal Officer –
North America



Seth M. Kursman
Vice President,
Public Affairs – United States



John Lafave
Senior Vice President,
Commercial –
Pulp & Tissue



Peter Martin
Senior Vice President,
Procurement and
Strategic Projects



Rob Melton
Senior Vice President,
Commercial Paper & Packaging



Daniel Ouellet
Senior Vice President,
Human Resources –
North America



Joseph Ragan
Global Chief
Financial Officer

A Leading Manufacturer of Diversified Forest Products

7.2 million

metric tons
annual production
capacity of pulp,
paper, packaging
and tissue

3 billion

board feet annual
production capacity
of lumber and
other wood
products

Products
marketed in

90+
countries

14,000

employees across
North America

Our **Paper & Packaging business unit** is comprised of 11 integrated pulp and paper mills and supported by converting and manufacturing operations. It produces a wide variety of paper, including office papers, printing and publishing papers, digital and production inkjet papers, technical and specialty papers and converting papers. It also manufactures fully recycled linerboard, corrugated medium packaging materials, fluff pulp and baled market pulp.

Our **Pulp & Tissue business unit** operates 15 facilities, including six pulp mills that produce softwood, recycled bleached kraft and fluff pulp. It also manufactures newsprint and specialty uncoated mechanical papers. Three of our mills produce a range of tissue products for the retail and away-from-home markets, spanning ultra, premium, and value grades.

Our **Wood Products business unit** operates 20 wood products facilities, including 15 sawmills that produce dimension spruce-pine-fir lumber. These sawmills are a major source of wood chips in both Canada and the U.S., as well as dimension lumber and decking. They also generate wood residue used as renewable fuel for electricity and

steam production across our operations. In addition, we operate two remanufactured wood products facilities, two engineered wood products facilities and one wood pellet facility.

Fibre Excellence is a pulp manufacturing company, and a sister company of Domtar, that operates two major industrial sites, Fibre Excellence Saint-Gaudens and Fibre Excellence Provence, located in southern France. These facilities produce kraft pulp primarily from softwood, serving both domestic and European markets.

Domtar POS, acquired by Domtar in November 2024, specializes in converting thermal paper parent rolls into receipt rolls for industries such as food services, retail, pharmacy and financial services. It operates from five sites in Arizona, Kansas, Tennessee, Virginia and Nogales¹, Mexico.



Note: Through 2024, the Domtar group of companies also included a minority stake in Eldorado Brasil, a company specialized in sustainably produced eucalyptus pulp and operated independently in Três Lagoas, Mato Grosso do Sul, Brazil. The company was sold on May 15, 2025.

60+

locations across
North America



Paper & Packaging Business Unit ■

Canada

Crofton, BC
Port Alberni, BC
Windsor, QC

United States

Ashdown, AR
Hawesville, KY
Johnsonburg, PA
Kingsport, TN
Marlboro, Bennettsville, SC
Nekoosa, WI
Plymouth, NC
Rothschild, WI

Other Facilities²

Jesup, GA
West Carrollton, OH
Ariva Canada
(6 locations)
Converting facilities
(11 locations)
Regional replenishment centers
(10 locations)

Pulp & Tissue Business Unit ●

Canada

Alma, QC
Clermont, QC
Dolbeau, QC
Gatineau, QC
Howe Sound, BC
Kénogami, Saguenay, QC
Meadow Lake, SK
Saint-Félicien, QC
Skookumchuck, BC

United States

Calhoun, TN
Coosa Pines, AL
Grenada, MS³
Hialeah, FL
Menominee, MI
Sanford, FL

Wood Products Business Unit ◆

Canada

Atikokan, ON
Château-Richer, QC
Comtois, Lebel-sur-Quévillon, QC
Girardville, QC
Ignace, ON
La Doré, QC (2 facilities)
Larouche, QC
Maniwaki, QC
Mistassini, QC
Opitciwan, Obedjiwan, QC⁴
Outardes, Pointe-aux-Outardes, QC
Saint-Félicien, QC
Saint-Prime, QC
Saint-Thomas, QC
Senneterre, QC
Thunder Bay, ON (2 facilities)

United States

Cross City, FL
Glenwood, AR

Chip and Planer Mills

Normandin, QC
Saint-Prime, QC
Talladega, AL

Domtar also manages directly or indirectly 20 million hectares of forest across North America through our woodlands operations. All of these woodlands are third-party certified to independent, internationally recognized forest management standards. We also maintain ISO 14001-certified environmental management systems at all of our woodlands operations.

1 Operational in 2024 and since idled.

2 Only Jesup, GA and West Carrollton, OH are included on the map.

3 Operational in 2024 and since idled.

4 Société en Commandite Scierie Opitciwan is an unconsolidated entity in which Domtar has a 45% interest.

Strategy Development



Developing Domtar's Global Sustainability Strategy

The integration of three legacy companies into one unified organization marked a unique opportunity for Domtar to develop a comprehensive global sustainability strategy reflecting our shared values and honoring our historical commitments. As we aligned our operations, teams and governance frameworks, it was a moment to define a clear path forward in an evolving sustainability and regulatory landscape.

Our strategy reflects the culmination of over two years of intensive internal and external engagement, assessment and strategic planning. It brings together the insights and best practices of our legacy businesses, while preparing us to lead in a world where sustainability performance and transparency are an imperative.

Assessment Results



Internal Assessment and Strategy Alignment

1

Working with subject matter experts from across all business units and corporate functions, Domtar's Sustainability team conducted a comprehensive review of each legacy company's sustainability performance. This included an evaluation of strengths and blind spots to understand where we could harmonize, where we needed to improve and how we could differentiate as a newly unified organization. We also conducted an in-depth analysis evaluating both our positive and negative impacts. From this, we prioritized sustainability-related risks and opportunities most critical to Domtar's future success.

Stakeholder Engagement

2

In parallel, we undertook an inclusive stakeholder engagement process designed to understand the expectations and concerns of those impacted by or influencing our business. We engaged 485 individuals from several stakeholder groups including employees, customers, Indigenous communities, suppliers, non-governmental organizations, academic institutions, regulatory bodies and local community leaders. Their input directly influenced the

priorities of our strategy and reinforced the importance of transparency, trust and long-term accountability.

Materiality Based Strategy Design

3

The process began in 2023 when Domtar launched an impact materiality assessment combining industry and peer benchmarking, global sustainability standards and frameworks (Global Reporting Initiative (GRI), Corporate Sustainability Reporting Directive (CSRD), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD)) and the integration of our own legacy Enterprise Risk Management (ERM) processes. The result was a clear set of priority ESG topics validated through stakeholder feedback and internal analysis and presented in the materiality matrix on pages 12-13. These priorities form the foundation of our strategy structured under three strategic pillars: **Environmental Stewardship, Our People and Communities, and Responsible Business.**

Our strategy also reflects the growing urgency of regulatory compliance. With the rise of voluntary and mandatory disclosure, we strengthened our due diligence through the completion of a double materiality assessment (DMA).

This includes a review of impacts, risks and opportunities (IROs) within our ERM framework and developing internal processes in plans to support external assurance for future disclosures. This integrated approach ensures our strategy is compliance ready, supporting responsible growth, operational resilience and stakeholder confidence.

Launch of the 2030 Sustainability Strategy

4

Our sustainability strategy is based on the findings of this extensive process and designed to build on legacy company achievements and accelerate them.

Officially launched on May 6, 2025, our strategy is backed by our robust governance to track and ensure progress against targets. Our GSSC provides strategic oversight of the strategy alongside continued engagement from the Sustainability function and business unit sustainability committees.

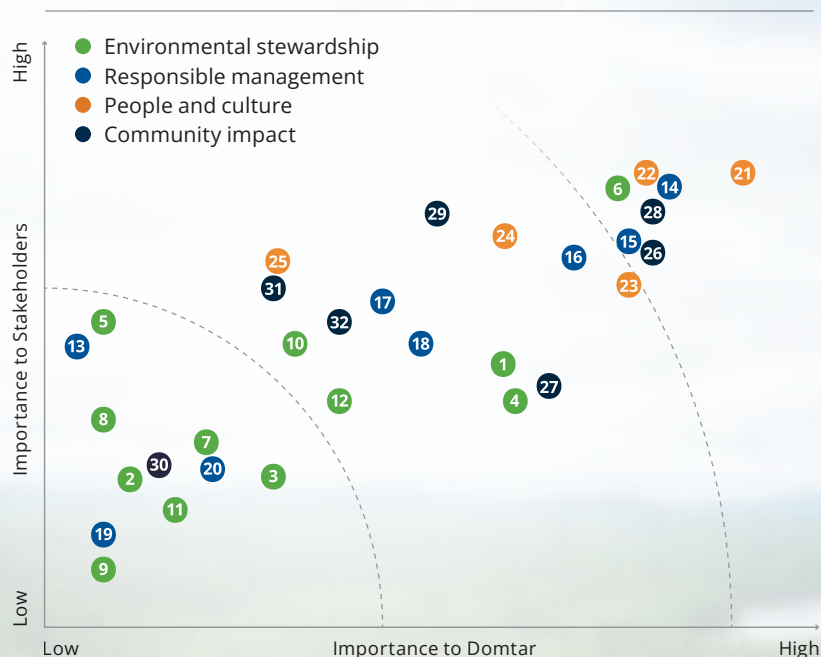
In addition to international frameworks and stakeholder input, our strategy is aligned with the United Nations Sustainable Development Goals, a testament to Domtar's commitment to advancing global progress.



2025

Our Materiality Matrix

Our materiality matrix plots the priorities of our stakeholders to help determine where our sustainability focus needs to be. The vertical axis reflects the perceptions of Domtar's stakeholders, specifically from individuals who do not hold management decision-making roles at Domtar. This includes employees as well as external stakeholders, such as customers, local community stakeholders and nongovernmental organizations. The horizontal axis represents the importance of each topic to Domtar's senior leadership, including executives and Management Board.



Key Material Topics

- | | | |
|--|---|---|
| 1 Carbon emissions | 13 Human rights and modern slavery | 21 Health, safety and well-being |
| 2 Climate change adaptation | 14 Business conduct and ethics | 22 Employee engagement and talent development |
| 3 Energy management | 15 Profitable growth and economic performance | 23 Diversity, equity, inclusion and belonging |
| 4 Renewable energy | 16 Business model resilience | 24 Labor management |
| 5 Biodiversity | 17 Idled-site management and revitalization | 25 Recruitment and retention |
| 6 Forest management | 18 Customer satisfaction | |
| 7 Waste management and pollution | 19 Data security and privacy | |
| 8 Product lifecycle management | 20 Harassment, discrimination and grievance | |
| 9 Packaging material and waste reduction | | |
| 10 Water management and marine resources | | |
| 11 Air pollution and quality | | |
| 12 Fiber sourcing practices | | |

Weighting

Domtar

Board members	25%
Executives	75%

Stakeholders

Customers	12.5%
Employees	12.5%
Government	12.5%
Indigenous Nations or organizations	12.5%
NGOs / Academic groups and communities	12.5%
Regulatory bodies and industry groups	12.5%
Suppliers or third-party vendors	12.5%
Others	12.5%

- 26 Indigenous relations
- 27 NGO engagement
- 28 Community relations
- 29 Community investment
- 30 Employee volunteering
- 31 Local hiring
- 32 Local and Indigenous procurement

Sustainability Reporting Boundaries

The information contained in this report includes environmental, social and governance performance related to Domtar's three North American business units during the period from January 1, 2024, to December 31, 2024.

This report represents the company's inaugural sustainability disclosure since the October 24, 2024, integration of Domtar Corporation, Resolute Forest Products and the Paper Excellence Group, under the Domtar brand. As such, it reflects a newly adopted organizational boundary for sustainability reporting, which is designed to encompass the material IROs within our owned operations.

In preparing this report, we drew on the GRI, the CSRD and SASB. These regulations and frameworks helped to guide our selection of material topics and reporting metrics and provided a platform for ensuring the relevance and comparability of our disclosures among the legacy companies.

The group of entities we are providing information about is slightly different from the entities featured in our Form 10-K, as there is a difference in the consolidation boundaries between these two reports.

One Vision for a Sustainable Tomorrow

Domtar's 2030 Sustainability Strategy is founded on three pillars — **Environmental Stewardship, Our People and Communities, and Responsible Business** — each defined by a guiding principle in our Global Sustainability Policy.

Our three pillars are supported by 12 sustainability objectives that build on our long-established commitment to the environment and socioeconomic impact in our operating communities.

Each objective is reinforced by a comprehensive program of performance indicators and 2030 targets that demonstrate the level of ambition we are committed to putting into action over the next five years. Our 2026 targets are vital steps toward making our aspirations a reality.

Our legacy companies had various targets: reducing greenhouse gas (GHG) emissions, minimizing fiber loss and waste, increasing fiber certification, enhancing health and safety, supporting community investment and advancing procurement. Many were set for 2026, with several already met or exceeded before integration. Now that operations have been integrated, Domtar's new sustainability strategy builds on these commitments which shaped our 2026 and 2030 targets.



Environmental Stewardship

Sustainable Forest Management and Fiber Sourcing

Positive Biodiversity Impacts

Decarbonization

Water Resilience



Our People and Communities

Employee Safety

Indigenous Partnerships

Community Engagement

Employee Experience and Talent Development



Responsible Business

Ethical and Sustainable Leadership

Innovation

Human Rights

Partnerships and Accountability

Environmental Stewardship

Steward the planet's resources responsibly by striving to reduce the environmental footprint of our everyday operations and setting actionable objectives that positively impact nature and the environment.



Sustainable Forest Management and Fiber Sourcing

Objective:

Advance our commitment to sustainable forest management across Domtar's value chain for all wood and fiber.

Targets:

100% of wood and fiber sourced from responsibly managed forests by 2030

Increase landowner engagement in our fiber value chain compared to 2025 on practices that deliver social, environmental and economic value by 2030

Ensure Domtar is recognized as a collaborative partner in advancing the status of critical habitat for threatened species by 2030

Positive Biodiversity Impacts

Objective:

Positively impact biodiversity through our forest, fiber supply chain and operational footprint.

Targets:

Develop a science-based policy and monitoring system for assessing biodiversity-related risks and opportunities by 2026

Ensure 100% of operations with risks in high-value areas have action plans in place within one year of completed assessments by 2030

Decarbonization

Objective:

Decarbonize our operations, products and value chain by leveraging renewable, sustainable, fossil-free resources and efficient manufacturing processes.

Targets:

Advance the development of our Scope 3 GHG emissions inventory by 2026

Establish a science-based reduction target for our Scope 1, 2 and 3 GHG emissions by 2026

Be on track to meet our 2035 (or earlier) GHG emissions reduction target by 2030

Water Resilience

Objective:

Improve the water resiliency of our manufacturing operations by reducing water-related risks and impacts.

Targets:

Reduce water use intensity by 20% over 2020 baseline in the Paper & Packaging business unit by 2030

Ensure 100% of facilities have water-related risk mitigation plans in place within one year of completing risk assessments by 2030

United Nations
Sustainable Development Goals



Our People and Communities

Contribute to the prosperity and quality of life in our operating communities through trusted partnerships, thoughtful engagement and support for the wellbeing and development of our employees in a safe and inclusive workplace.



Employee Safety

Objective:

Aspire to reduce employee injuries to zero by enforcing a proactive safety program and culture.

Targets:

Establish annual safety targets that drive positive actions and behaviors by 2026

Aim to achieve zero safety injuries by 2030

Indigenous Partnerships

Objective:

Foster relationships with Indigenous communities built on trust, mutual benefit and long-term resilience.

Targets:

Establish Domtar as a preferred partner for Indigenous communities through the implementation of our Indigenous Partnership policy and internal engagement strategies by 2030

Ensure Domtar is considered a culturally safe and inclusive environment where Indigenous employees, partners and communities feel respected, valued and heard by 2030

Community Engagement

Objective:

Enhance our community engagement programs focusing on employee volunteerism as well as financial support for education, sustainability and humanitarian needs.

Targets:

Achieve \$20 million in community investments over five years by 2030

Reach volunteerism milestone established in 2026 by 2030

Employee Experience and Talent Development

Objective:

Strengthen the employee experience by fostering an environment where everyone is inspired to build their career and fulfill the company's purpose.

Targets:

Achieve milestones determined by top themes in 2026 employee engagement survey by 2030

Expand growth and development opportunities for at least 85% of high-potential and potential successors by ensuring their participation in personalized development plans by 2030

Develop a mitigation strategy for 85% of critical roles, prioritizing internal talent, when applicable, to ensure timely fulfillment of open positions by 2030

United Nations
Sustainable Development Goals



A photograph of an industrial facility, likely a refinery or chemical plant, at night. The facility is illuminated by numerous lights, creating a bright contrast against the dark blue sky. The lights reflect on the calm water in the foreground. The facility includes various structures such as storage tanks, distillation columns, and a tall smokestack. The overall scene conveys a sense of industrial activity and environmental stewardship.

Responsible Business

Uphold ethical and sustainable business practices and engage with our customers, business partners and stakeholders honestly and transparently.



Ethical and Sustainable Leadership

Objective:

Ensure ethical and sustainable leadership practice by upholding our Global Code of Business Conduct and Ethics, Sustainability Policy and internationally recognized reporting standards.

Targets:

Fully comply with international reporting standards across Domtar and affiliated companies under Domtar's control by 2030

Complete CDP report covering all global operations under Domtar's control by 2030

Innovation

Objective:

Drive sustainability through product, process and value chain innovation, focusing on delivering measurable environmental and business value while advancing circular solutions.

Targets:

Integrate sustainability as a formal criterion in R&D and capital investment decisions by 2026

Ensure a significant and growing share of innovation-related investments support sustainability objectives compared to 2025 by 2030

Human Rights

Objective:

Safeguard the people in our value chain by ensuring the respect of human rights and labor standards, safe working conditions and no abuse of any type, including child and forced labor.

Targets:

Establish a global human rights policy aligned with international standards, including the Universal Declaration of Human Rights, by 2026

Conduct comprehensive human rights risk assessments across our value chain, ensuring alignment with our global human rights policy and actionable measures to mitigate identified risks, by 2030

Partnerships and Accountability

Objective:

Advance shared goals, enhance resilience and build mutual trust in collaboration with customers, academia, NGOs and other partners.

Targets:

Increase stakeholder trust levels compared to 2025 by 2030

Meet our 2030 sustainability targets by overcoming obstacles without diminishing our level of ambition

United Nations
Sustainable Development Goals





Environmental Stewardship - Our Practices

Steward the planet's resources responsibly by striving to reduce the environmental footprint of our everyday operations and setting actionable objectives that positively impact nature and the environment.

100%

managed forests
third-party certified

39%

reduction in
Scope 1 & 2 GHG
emissions from a
2015 baseline

72%

renewable
energy use

88%

of waste
repurposed



Globally Recognized Certifications Endorse Our Sustainable Practices in Forest Management and Fiber Sourcing

At Domtar, environmental stewardship begins with responsible fiber procurement. This includes the responsible management of forests entrusted to our care, careful tracking of wood fiber sources and a long-running endorsement of third-party certification.

The Forest Stewardship Council® (FSC®), the Sustainable Forestry Initiative® (SFI®) and the Programme for the Endorsement of Forest Certification (PEFC) are independent, globally recognized certification frameworks. They provide our customers with the assurance that we adhere to rigorous forest management and chain-of-custody (CoC) standards.

Today, Domtar is the world's largest holder of FSC and SFI Forest Management certificates, a testament to our commitment to managing forests carefully, with nature, wildlife and local communities at the heart of our approach.

All the woodlands we manage received one, or more, of these certifications. Harvested woodlands are regenerated — an essential component of responsible and sustainable forest management. We rely on various forest management techniques and best practices, including regeneration surveys, site preparation, planting of seedlings and seeding — all in combination with natural regeneration.

All our manufacturing facilities have a CoC tracking system that complies with one or more certifications, including FSC, SFI and/or PEFC, and we require that 100% of the fiber we process meet minimum due diligence requirements related to risks of illegal logging and other important sustainability-related impacts.

"In today's world, our stakeholders and partners across all sectors are rightfully focused on environmental impact," said Luc Thériault, president of Domtar's Wood Products business unit. "For a company like ours that depends on renewable natural resources like wood fiber, this scrutiny isn't just expected—it's essential. Our environmental performance must be exemplary, which is why this pillar is fundamental to our strategy."



Watch to learn
more about our
certifications

Promoting Sustainable Forestry Practices Among Private US Landowners

As part of Domtar's commitment to promote responsible forestry and support rural communities in the United States, we collaborate with the Four States Timberland Owners Association (FSTOA), whose members hail from Arkansas, Texas, Louisiana and Oklahoma and which has held FSC® certification since 2012, marking more than 12 years of the program's operation.

The partnership aims to increase FSC-certification among small landowners in those states, making responsible forest management more accessible and cost-effective.

With support from our Ashdown pulp mill in Arkansas, the FSTOA has enrolled over 200,000 hectares (500,000 acres) of privately owned forestland in FSC certification programs, enhancing forest health, biodiversity and long-term sustainability.



Watch the video
to learn more



Harnessing Technology for Smarter Sustainable Forestry

At Domtar, responsible forest management is driven by precision, efficiency and a deep respect for the ecosystems in which we operate. These practices are embedded across our Canadian forest operations, where about 80% of our tree harvesting is performed with advanced cut-to-length harvesters, machines that are as smart as they are powerful.

These harvesters may perform a centuries-old task, but the technology they integrate is anything but outdated. Equipped with high-performance onboard computers, they guide operators with real-time maps and tailored instructions, helping ensure each operation is aligned with environmental best practices. Operators can instantly see where to cut; how to minimize trail creation to protect soil integrity and forest regeneration; and which areas to leave untouched, such as sensitive habitats, buffers along watercourses and retention zones.

The machines also collect detailed data on every tree harvested, including species, diameter and length. This information is used to maximize the value of each log by guiding the operator to cut it to the optimal length for sawmill needs. Meanwhile, forwarder operators use the same data to recover all usable material from the harvest site, reducing waste and ensuring no resources are left behind, other than small amounts of forest residue and organic material that help regenerate the forest.

Our ultimate goal is two-fold: extract the highest possible value from every cubic meter of wood, and do so with the lowest possible environmental footprint.

That includes minimizing fuel consumption per the volumes we harvest while using data insights to continuously improve operator performance and machine efficiency.

The harvested wood plays a vital role in meeting societal needs, not only by providing forest products but also by supporting local economies through job creation, tax contributions and community investments. High-quality logs are transformed into construction lumber used for homes and buildings, while sawing residues are repurposed into pulp, paper, hygiene products, energy and more. Every woodland operation is carefully directed to serve this full spectrum of needs, reinforcing our commitment to a circular and sustainable forest economy.



Advancing Climate Action at Domtar

At Domtar, we're committed to decarbonizing our operations, products and value chain by using renewable, fossil-free resources as well as efficient manufacturing processes.

Our Global Carbon Committee provides strategic vision, expertise and oversight as we align our legacy companies' goals under a unified climate and carbon vision that includes defining a new science-based emission reduction target by 2026. Together, our legacy companies in North America have reduced Scope 1 and 2 GHG emissions by 39% since 2015, in addition to completing a company-wide Scope 3 GHG emissions

inventory for calendar year 2023. This inventory builds upon the annual Scope 3 reporting of Resolute Forest Products, which has been in place since 2009.

Domtar's corporate carbon strategy is designed to position the company as a climate leader in the forest products sector. Rooted in a deep understanding of our carbon footprint and value chain, our strategy focuses on reducing

emissions across operations, enabling product substitution benefits, and capturing emerging opportunities in carbon markets and low-carbon technologies. By integrating policy foresight, robust measurement, and targeted investment, we aim to strengthen resilience, create sustainable, long-term value, and support the decarbonization of our operations and value chains.

We demonstrate our steadfast commitment to transparency and climate leadership by disclosing our annual performance to CDP and aligning our sustainability reporting program with internationally recognized frameworks.

Skookumchuck Mill Curbs Carbon Emissions by Modernizing Boiler System

Our Skookumchuck pulp mill in British Columbia reduced its carbon footprint by making targeted improvements to its boiler system. The boiler primarily runs on woody biomass fuels and switches automatically to supplemental natural gas whenever the biomass feeding system encounters an issue. This operational strategy reduces fossil fuel use and lowers GHG emissions.

By improving the biomass feeding system, mill employees lowered the use of natural gas, resulting in decreased emissions of approximately 5,120 metric tons of carbon dioxide equivalent per year, certified by a third-party evaluator. That is equivalent to removing the GHG emissions of 1,194 passenger cars from the road.



Team Effort Enables Windsor Mill to Achieve ISO 50001 Certification

Our Windsor, Quebec, paper mill earned its ISO 50001 certification after developing an energy management system that establishes a structured approach to monitor, manage and continually improve energy efficiency.

This achievement was the fruit of a two-year team effort. Employees from all levels of the mill joined forces to meet the certification criteria, which include developing a policy for more efficient energy use, setting targets and implementing practical measures that are helping the mill reduce costs and its environmental footprint. The mill is committed to reducing annual energy usage by 2%*, saving enough energy to power 2,000 homes.



Jeffrey Byrns, process engineer at the Windsor mill, Quebec, holds the mill's new ISO 50001 certificate.

The Windsor mill certification is a testament to Domtar's long-term environmental commitment.

Watch the video
to learn more



* This 2% reduction is the target for the first three-year certification period.

Mills Advance Process Control to Support Decarbonization Efforts

Two of our mills in Quebec turned to smart technology in 2024 to reduce their environmental impacts by focusing on maximizing the efficiency of existing manufacturing processes.

In partnership with software engineering company Enero Solutions, we launched an innovative optimization program that helps the mills fine-tune equipment through process control optimization.

At the heart of this effort is the implementation of “advanced control logic,” which helps optimize the mills’ thermal power plant operations.

Saint-Félicien, QC

Making more from biomass, using less fossil fuel

Our Saint-Félicien pulp mill’s cogeneration plant is powered by a mix of fuels — biomass, wood shavings, natural gas and oil — to generate steam and electricity for the pulp-making process. Thanks to the new control system, the plant can now:

- Obtain more steam from biomass, reducing reliance on fossil fuels;
- Produce more electricity without overloading the system;
- Reduce thermal loss by tightening steam flows through the plant’s equipment.

Alma, QC

Smarter use of heat and boilers

Over in Alma, the paper mill’s cogeneration plant uses natural gas and electricity to generate steam for making the pulp transformed into paper products. The control system helps:

- Capture and reuse energy from used steam that would otherwise go to waste;
- Run each boiler in the most efficient way possible;
- Cut down on thermal loss through vent utilization.

By leveraging technological innovation to fine-tune existing infrastructure, our optimization program offers a replicable pathway for other facilities, as well as a scalable, cost-effective model for decarbonizing operations across our facilities.

* The cogeneration plant project was not fully implemented in 2024 and additional savings are planned for 2025.

Saint-Félicien
Approximate Annual
Savings

2,400,000 m³
Natural gas

970,000 L
Oil

7,500 mt
CO₂

Alma
Approximate Annual
Savings*

300,000 m³
Natural gas

550 mt
CO₂

Legend
m³: Cubic meter
L: Liter
CO₂e: Carbon Dioxide
Equivalents
mt: Metric tons

Reducing Fossil Fuel Emissions in Port Alberni



The team at our Port Alberni paper mill in British Columbia is exploring innovative solutions to reduce fossil fuel-derived GHG emissions.

About 90% of the mill's total direct GHG emissions are from renewable biomass, its primary energy source. These emissions are biogenic and classified as carbon-neutral per international GHG accounting frameworks. Biomass energy, also called hog fuel, is a byproduct of timber harvesting and lumber manufacturing; bark and sawdust are combusted in solid biomass boilers to generate steam, which is then run through a turbine to generate electricity. If not burned for energy recovery, these biomass residues would otherwise be left to pile up or decompose in the forest.

The remaining 10% of the mill's emissions are from fossil fuels, which the mill relies on only when they are needed to support running the biomass boiler. To find out how to consume less, the mill is undertaking three studies.

The first two studies are exploring ways to improve woody biomass delivery to the biomass boiler in order to reduce fueling interruptions that trigger the use of natural gas. The third study is looking at ways to reduce fossil fuel energy use by recovering waste heat from the power boiler stack, potentially through the installation of a heat recovery system in the exhaust.

The pathways mapped out by these studies will help us meet the decarbonization targets we recently set as part of Domtar's 2030 Sustainability Strategy.

Watch the video
to learn more



Environmental Management

At Domtar, we take a structured, top-down approach to environmental management — grounded in compliance, continuous improvement and local accountability. In 2025, we launched a newly integrated Environmental Policy endorsed by our business unit presidents, reinforcing our commitment to meeting all applicable environmental laws, regulations and other commitments which we subscribe.

Most of our manufacturing and woodlands operations (72%) are ISO 14001-certified, and all facilities operate with environmental management systems that support site-specific targets, risk mitigation and measurable progress.

Facility environment coordinators lead compliance and performance on the ground, supported by corporate teams that guide strategy and monitor key indicators, such as water use, GHG emissions, air emissions and waste.

As part of our 2030 targets, we have also committed to elevating our environmental management program by ensuring 100% of our manufacturing operations not only have water-related risk mitigation plans in place, but also that any operation with biodiversity risks in high-value areas has an action plan in place by our target year.

Business Recycler of the Year Award

At the 2024 Tennessee Sustainability Conference, Domtar's Kingsport packaging mill in Tennessee was named Business Recycler of the Year by the Tennessee Recycling Coalition for its leadership in recycling and waste prevention. The mill was recognized for its two-year conversion of the facility's uncoated freesheet paper machine into the company's first 100% recycled containerboard mill.



Kingsport Mill Manager Troy Wilson and U.S. Public Affairs Director Jan Martin

Domtar Teams Rise to Water Conservation Challenge, Win Award

In 2024, Domtar received a sustainability award from the American Forest & Paper Association (AF&PA) for our water conservation program, an achievement that reflects the innovative spirit of our teams across North America.

We launched the award-winning program in 2023, dedicating a portion of capital spending solely for water-reduction projects. This fund was designed to attract projects and ideas from across our network.

Mills submit proposals for a chance to earn a portion of the available funds. Importantly, no financial return was required for the projects. The sole goal was water reduction to help position us to achieve our water intensity target: a 20% reduction in water use per unit of product by 2030, compared to 2020 levels.

"I was very impressed by how our teams responded and rose to the challenge," said Bill Edwards, Domtar's senior vice president, Operations, Paper & Packaging. "The process not only generated some fun and healthy competition between our mills but also some great and actionable projects that will have meaningful and long-lasting impacts on water usage for our mills and for our communities."

In 2023, ten projects were completed at seven mills under a water conservation program that saves more than 1 billion gallons of water annually, enough to fill more than 1,600 Olympic-sized swimming pools.

Projects covered different aspects of water use, including:

Installing flow regulators to control water usage more efficiently

Replacing packing with mechanical seals to minimize freshwater losses

Adding mechanical seals with tank support systems to extend seal life

Reusing cooling water, process white water and seal water instead of fresh water

Rerouting water streams to a cooling tower for reuse, replacing single-pass freshwater systems

Converting open-loop water cooling systems to closed-loop systems, eliminating water use altogether



From left to right: Howard Coker, President & CEO of Sonoco and Board Chair of AF&PA; Gregory Burns, Director, Power, Recovery & Energy Optimization; Brian Kozlowski, Senior Director, Environment & Sustainability; Bill Edwards, Senior Vice President of Paper & Packing Operations; Steve Henry, President of Paper & Packaging and Member of the Management Board; and Heidi Brock, President & CEO, AF&PA.



Our People and Communities - Our Practices

Contribute to the prosperity and quality of life in our operating communities through trusted partnerships, thoughtful engagement and support for the wellbeing and development of our employees in a safe and inclusive workplace.

\$2.8 million
in philanthropic
contributions

100%
of salaried employees
completed unconscious
bias training

Commitment to achieve
**zero safety
injuries**
by 2030



Promoting Indigenous Conservation in Ca

Domtar was an early investor in the First 30x30 Canada, an initiative supporting Indigenous-led conservation projects across Canada. As an early funder, with a contribution of \$135,000, Domtar is helping advance environmental stewardship and unlock economic potential, with Indigenous Nations at the forefront.

Through the Kunming-Montreal Global Biodiversity Framework, more than 190 countries have committed to protect 30% of their lands and waters by 2030, also known as “30x30.” To reach this goal, Canada will need to protect an additional 1.6 million square kilometers (more than 160 million hectares), an area larger than Saskatchewan and Manitoba combined.

To meet Canada's conservation goals, Indigenous-led conservation is vital, given certain First Nations’ access to and claims over vast expanses of land.

First 30x30 Canada works to address financial and technical obstacles for Indigenous communities to maximize economic growth and opportunity through conservation projects. This program helps navigate early-stage development efforts to launch projects that are built to last.

First 30x30 Canada projects will primarily focus on Indigenous Protected and Conserved Areas, which are lands and waters that First Nations identify for conservation.



Our funding contributes to identifying opportunities for enhanced biodiversity, prioritizing large areas of land ideal for conservation and absorbing carbon, developing nature-based solutions and delivering economic benefits for Indigenous communities.

ous-led nada

"Indigenous-led conservation initiatives are vital to protecting culturally and ecologically significant lands within Indigenous territories, as they recognize First Nations' rights to lead the establishment of protected areas," said Lana Wilhelm, Domtar director of Indigenous Relations.

In 2024, Domtar launched a newly integrated **Indigenous Relations Steering Committee**. The goal is to build a common program, developing shared best practice standards and aligning our Indigenous relations policies and commitment statements. As part of Domtar's sustainability strategy, the IR steering committee has pledged to establishing an integrated Global Indigenous Relations Policy by 2026. The steering committee is made up of dedicated professionals with strong backgrounds in Indigenous relations and many years working in the forest industry.



Members of Domtar's Indigenous Relations Committee with Erik Blaney (Tla'amin Nation), Tina Rasmussen (Meadow Lake Tribal Council Industrial Investments), Dale Levesque (Dallan LP) and Alexandre Girard (Groupe Aishkatsh).

"Our journey with the Tla'amin Nation is an important one in the history of our company. The path we have walked together shows that when you take the time to build trusted relationships and get things right, the extraordinary becomes possible." — Richard Tremblay, president, Pulp & Tissue business unit

Ongoing Indigenous-related Initiatives

Domtar signed an agreement with Tla'amin Nation in 2025 to return a culturally significant parcel of land, marking a meaningful step toward reconciliation.

Corporate commitment to Free, Prior and Informed Consent (FPIC) is reflected in Domtar's many collaborations and partnerships with Indigenous communities across Canada.

25-year joint venture with Band Council of Obedjiwan at Opitciwan, Quebec, sawmill, where more than 73% of the 50 employees are Atikamekw.

23-year partnership with Fort William First Nation, on whose land our Thunder Bay, Ontario, sawmill employs over 260 workers, approximately 20% of whom are Anishinabek.

Agreements concluded with Klahoose First Nation and We Wai Kai First Nation on fiber supply partnerships in British Columbia.

Mistik Management Ltd., an equal partnership between Domtar's Meadow Lake pulp mill and NorSask Forest Products (owned by the Meadow Lake Tribal Council), holds the provincial forest management agreement for the area in Saskatchewan.

Health and Safety at Domtar: A Shared Commitment Rooted in Care

At Domtar, safety is a top value, integrated into every aspect of our business. Our ultimate goal is to reduce employee injuries to zero by enforcing a proactive safety program and culture. We believe every incident is preventable and are committed to protecting our employees, contractors and visitors through continuous improvement and shared accountability.

As a leading producer of pulp, paper, tissue and wood products, we understand the challenges and risks of industrial environments. Safety is not only a compliance requirement, but also a mindset and a shared responsibility embraced by all levels of our organization.

“We need our employees to be constantly engaged in safe work practices,” said Richard Tremblay, president of our Pulp & Tissue business unit. “Ensuring safety at work is one way we care for one another and propels us to reach our ultimate safety goal — zero injuries.”



Within our Paper & Packaging business unit, we call our approach “Safety Made Personal.” It reflects Domtar’s broader commitment to safety across all operations by emphasizing the unique conditions and responsibilities of each work environment. It’s about recognizing and responding to specific hazards, levels of risk tolerance and the needs of individuals and teams. This approach encourages a culture of personal accountability — looking out not just for oneself, but also for coworkers and families. Our goal is to minimize the risk of harm and continually invest in safer, more effective practices, so that everyone returns home better than when they arrived.

Our occupational health and safety management system provides the proactive structure for continuous improvement, focusing on training, audits, awareness and monitoring. Employees are expected to act when they encounter unsafe conditions or behaviors, and to put into practice the principles that support the system.

The company’s Strategic Safety Steering Committee provides oversight for ensuring safety is integrated into every aspect of our business. The committee has been working diligently on integrating the health and safety practices of our three North American legacy companies. In addition, it sets high-level injury reduction goals, reviews serious incidents, aligns business units on risk priorities and

tracks performance metrics, thereby facilitating safety innovations across all operations.

To guide our progress, we have established clear milestones, including setting annual safety targets that drive positive actions and behaviors. Our 2030 target is to achieve zero safety injuries, in line with our long-established aspirational goal.

“We’re proud of all our safety accomplishments,” said Steve Henry, Domtar management board member and president of the Paper and Packaging business unit. “But our safety focus doesn’t stop when we reach these types of milestones. We expect all our employees to work safely, all day, every day so they return home better than when they came to work — healthy and injury-free.”

Our Thunder Bay,
Ontario, sawmill reached

2M hours
without a recordable
injury at the end of 2024.

Our Amory, Mississippi,
chip mill reached

13 years
without a safety
incident.



The Mistassini and
Saint-Félicien, Quebec,
woodlands teams
reached, respectively,

750K hours
without a recordable
injury.

Our Menominee,
Michigan, recycled
pulp mill surpassed

2.25M work
hours spanning 11 years
without a single recordable
incident.

Our People, Recognized

Open Mind Brazil Award

Sabrina de Branco, global chief sustainability officer, received the 2024 Open Mind Brazil award for Excellence in ESG and Sustainability as its inaugural recipient.



CNESST Award

Antoine Zuchoski, Windsor, Quebec, mill received the Health and Safety Leader — Worker Representative Award from the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST).



Forest Products Association of Canada Women in Forestry Award

Lana Wilhelm, director of Indigenous Relations, received the Women in Forestry Award in recognition of her contributions and leadership.



Pulp and Paper Safety Association Distinguished Service Award

Randy Adams, health and safety manager at the Kingsport, Tennessee, mill, received the Distinguished Service Award, PPSA's highest honor.



ASPI Excellence in Leadership Award

Bill Edwards, senior vice president, Operations, Paper & Packaging, received the ASPI Excellence in Leadership Award.



TAPPI Awards

Seth Gullede, Marlboro, South Carolina, mill's paper machine optimization lead, received the TAPPI Young Professional of the Year Award.



Kingsport, Tennessee, mill Superintendent **Lance Holub** received the Paper Industry Management Association (PIMA) Brookshire Moore Superintendent of the Year award.



Kurt Mehlberg, Domtar quality solutions manager, received PIMA's Division Leadership & Service Award.



Domtar Recipient of Diversity and Inclusion Employer Award

Domtar received the award from the Conseil du patronat du Québec (CPQ) for our foreign workers program, through which 300 employees joined our company from other countries. Through the program, Domtar ensured that our recruits had the ability to find housing, overcome language differences and become a part of the community.

“We recognize that making a big change like moving to another country for a better life can be extremely difficult, but we want all of our employees to know that they can experience support and encouragement on the job,” said Karen Roach, general manager of our Grenada, Mississippi mill and DE&I Committee chair.

Grenada Mill Manager and Domtar DE&I Committee chair Karen Roach (center) accepts the 2024 PROSPÈRE Diversity and Inclusion Employer Award from representatives of the CPQ. Also shown, from left to right, are Denis Deschamps, chairman of the board at CPQ, Janic Gaudreault, partner, talent acquisition at Domtar, Luc Thériault, president, wood products at Domtar, and Danièle Henkel, ambassador for the francophonie économique at the CPQ.



Employee Training Strengthens Long-term Performance

Our long-term competitiveness is tied directly to our ability to recruit, develop and retain top talent. Strengthening the employee experience through an environment where everyone is inspired to build their career and fulfill the company's purpose is a key driver of our 2030 Sustainability Strategy.

Our success in this regard hinges on the development opportunities and skills training through which we empower our employees. We provide a broad range of ethics, human rights and sustainability-focused training that effectively supports and strengthens our corporate governance.

Sustainability and Ethics Training

Throughout the year, we organized training sessions for several corporate functions on emerging trends and developments related to our ESG work. Sessions covered the basics of ESG, while additional workshops focused on climate change, carbon management and corporate sustainability reporting.

Our Code of Ethics and Business Conduct is an important tool for guiding our employees to uphold our high standards of integrity, ethics and compliance. In 2024, we trained 100% of new employees on the Code. We also conducted training for 50 employees on Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act. This law, passed in May 2023 and effective as of January 2024, aims to identify and eradicate situations of exploitation from corporate supply chains.

Enhancing Work Processes

Developing a better understanding of unconscious biases helps create a better workplace. That's why we trained 100% of salaried employees to recognize and address their own biases. In addition to training on our performance management process, some employees participated in development sessions, such as *Empowering Others Through Delegation and Change Management*, supporting both individual growth and leadership capabilities across the organization.

We also provided Lean Six Sigma Yellow Belt training to specific employees from our operations and corporate offices. Focusing on the basics of continuous improvement, the Yellow Belt provides foundational knowledge and skills for contributing to process improvement, helping to identify process issues and improving data collection. Some employees also took part in targeted development opportunities, including training in *Project Management, Leading Innovation, Creating a Culture of Agility,*

and Developing Your Team — reinforcing our focus on adaptability, leadership, and continuous improvement.

IT Skills Training

Our ability to leverage technology to its fullest potential drives our IT training initiatives. In 2024, our employees collectively dedicated over 5,700 hours to learning and mastering Microsoft 365 applications, and we provide our employees frequent educational sessions on navigating the complexities of online risks and threats.

Annual Compliance Training

As we conduct business and integrate our business practices, we continue to comply with laws and regulations as well as the stringent requirements of our Code of Ethics and Business Conduct. For that reason, every employee is required to complete annual compliance training, ensuring understanding of, and collective commitment to, ethical and legal conduct across all regions where we operate.

Empowering Communities Through Financial Support and Action

Domtar has a longstanding tradition of community involvement across its operations and legacy companies.

Today, our efforts continue through both employee volunteerism and financial support guided by a clear objective: to enhance our community engagement programs with a focus on education and literacy, environment and sustainability as well as humanitarian needs.

Domtar Connects is the framework that unifies our approach. It brings together community investment and employee-led service to maximize our impact and strengthen the communities where we live and work. Domtar Connects, established at many of our sites, are employee teams who play a key role in reviewing local support requests and organizing opportunities for involvement.

To support our long-term vision, we've established clear targets. By 2030, Domtar aims to invest \$20 million in community initiatives and reach the volunteerism milestone we are in the process of defining by 2026. Our

approach is built on the belief that our contributions are most meaningful when tied to the broader social benefits of the products we make — from books that support literacy, to materials that promote sustainability, to products that assist in disaster relief.

Domtar's Community Investment Policy provides the structure for these efforts. It aligns our investments with our mission, vision and values, supports Indigenous reconciliation and helps us meet the expectations of regulatory bodies, environmental non-governmental organizations (ENGOS) and other stakeholders by focusing on tangible, lasting impact.

Community investment committees across the company ensure funding decisions are aligned with our focus areas and reflect local needs. Whether through a corporate contribution or a volunteer-led initiative, our people continue to demonstrate what it means to give back.

In 2024, Domtar provided

\$2.8 million

in community, charitable and academic contributions at the corporate and operation levels.

With 26 Domtar Connects teams in place, and plans to expand, we are building a consistent and unified approach to community support. Led by our vice president, Global Communications, Jennifer Johnson, these efforts reflect Domtar's ongoing commitment to leadership, partnership and care — making a meaningful difference in the communities we call home.

Watch the video
to learn more





In October 2024,
Domtar provided

\$100,000

in financial support
to communities impacted
by Hurricane Helene.

Our Western Canadian
mills contributed over

CA\$52,000

to education through
local postsecondary
institutions and
scholarships.

In summer 2024, our
Wood Products business
unit launched the “United
in Purpose” pilot to foster
employee leadership and
community engagement.
Salaried employees were
challenged to lead projects
that benefit local communities
while building **collaboration
and leadership skills**.

Employees and business
partners from Montreal and
Saguenay-Lac-Saint-Jean,
Quebec, came together for
two golf tournaments and
a cycling tour, raising an
impressive

CA\$165,000

for local health
organizations.



Each year, Domtar
offers an employee
giving program called
\$2K Your Way, through which
employees can apply for a

\$2,000

grant to a nonprofit of
their choice that aligns
with our focus areas. In
2024, Domtar donated

\$76,000

through the program.



Responsible Business - Our Practices

Uphold ethical and sustainable business practices and engage with our customers, business partners and stakeholders honestly and transparently.

\$342 million

invested to keep our facilities resilient

Recognized

as Top Sustainable Private Company by Corporate Knights

50 employees

trained on Canada's Forced Labour in Canadian Supply Chains Act



Hawesville Mill Stretching Its Way into New Packaging Paper Markets

In October 2024, our Hawesville, Kentucky, mill produced its first roll of Energetec™ Paper, the company's newest fiber-based innovative product. While further development toward commercialization is ongoing, this promising new product has significantly greater stretch than currently available extensible paper, as well as a unique feel and flexibility. Employees celebrated the milestone by posing for photos with the first reel of Energetec™ Paper and taking a few paper samples to remember the occasion.

This milestone marks the culmination of over eight years of research, supported by a two-year, \$57-million investment to add new patented technology to one of the mill's two paper machines. Importantly, it also continues the Hawesville mill's

longstanding tradition of innovation in papermaking — reflected in its ongoing ability to expand capabilities and evolve with changing market needs, positioning it well to embrace this next step in technology.

Now, the H1 paper machine can produce Energetec™ Paper, an engineered paper that behaves very differently from conventional paper, providing a new option for packaging, in markets and applications where



brands and consumers are looking for alternatives to plastic. The Hawesville mill will continue to produce communications papers on the H2 paper machine.

The addition of technology reflects the hard work, dedication and expertise of the mill's employees and supporting corporate teams, while also creating exciting new market opportunities for Domtar.

While further application development is ongoing, this stretchable paper product has properties that are beneficial in a wide variety of end uses, such as e-commerce mailers, high-end retail bags and various food packaging applications.



Innovation

We drive sustainability through product, process, and value chain innovation, investing in circular solutions that deliver both environmental impact and business value. With 2030 targets to increase sustainability-related innovation investments beyond 2025 levels, Domtar provides substantial financial support to universities and colleges to help spark innovation in the forest products sector. From developing stretchable paper to advancing cellulose filament technologies, we align our innovation priorities with measurable outcomes to accelerate progress toward a low carbon, circular future.

Reducing Energy Use at Our Clermont Mill

Faced with the high energy demands of paper production, our Clermont, Quebec, mill rose to the challenge with an innovative energy recovery project to lower its energy use, in collaboration with Hydro-Québec. The initiative has yielded significant results, reducing the site's annual energy use by 15 million kWh: enough energy saved to power 1,353 homes!



Watch the video
to learn more

Domtar Partners with Boisaco to Advance UQAC Boreal Forest Research

Domtar has a long history of collaboration and partnership with leading organizations that share our priorities and resources.

In 2024, we were proud to join forces with Boisaco and the Centre de recherche sur la boréale (CREB) of the Université du Québec à Chicoutimi (UQAC) to support leading-edge research projects that will address the challenge of managing Quebec's forests sustainably. The research partnership that was officially announced in early 2025 will allocate CA\$430,000 annually over five years, totaling CA\$2.15 million, with Domtar providing CA\$350,000 annually.

Boisaco, a cooperative-based company in Sacré-Coeur, Quebec, serves as a model of citizen cooperation and sustainable development in the forestry sector, while CREB is a UQAC research center dedicated to studying renewable resources in the boreal environment.

This major funding initiative will allow CREB's team of experts to lead UQAC's projects on critical themes, such as climate change adaptation, biodiversity, carbon management and forest ecosystem regeneration.

These research projects are expected not only to advance Quebec's scientific knowledge but also directly contribute to improving the province's sustainable forest management practices.

This partnership represents a great example of collaboration between academia and industry to advance our shared goals and commitment to sustainable forest management.



From left to right: André Gilbert, managing director, Boisaco Inc., Étienne Vézina, vice president, Forestry and Certification, Domtar, André Pichette, co-director, Centre de recherche sur la forêt boréale, Mohamed Bouazara, vice-rector, Research, Innovation and Partnerships and Yan Boucher, co-director, Centre de recherche sur la forêt boréale.



Domtar Recognized as Top Sustainable Private Company by Corporate Knights

For over two decades, leading sustainable economy media and research organization Corporate Knights has recognized Domtar and its legacy companies, including Paper Excellence and Catalyst Paper, for their contributions to advancing a sustainable economy. These distinctions reflect Domtar's ongoing commitment to transparency and accountability, which are central to our sustainability strategy.

In April 2025, Domtar was recognized among the Private 25 Most Sustainable Corporations in the World by Corporate Knights. Global companies that disclosed their greenhouse gas emissions and had at least \$1 billion in sales were included in assessments across 12 sustainability indicators.

This new annual ranking aims to capture the important role private companies are playing in setting the global sustainability pace, because although publicly-traded companies often dominate the headlines, private companies like Domtar represent a much larger part of the global economy.

"Companies are being held to ever-higher standards in terms of the ethics of their conduct and their capacity for innovation and collaboration. These practices aren't merely compliance check boxes or 'nice to haves.' They represent both the right thing to do and smart business decisions, as they enhance our long-term resilience," added Steve Henry, Domtar president, Paper & Packaging, and member of the Management Board.

Safeguarding Human Rights Across Our Value Chain

At Domtar, we are committed to safeguarding the people in our value chain by respecting human rights and labor standards, providing safe working conditions and prohibiting all forms of abuse, including child and forced labor.

As outlined in the 2024 report we prepared in accordance with the Canadian Fighting Against Forced and Child Labour in Supply Chains Act, we consider responsible value chain management essential to meeting our commitments and obligations.

To learn more
please refer to our
disclosure available
on our website



Comprehensive risk assessments conducted to date indicate that the likelihood of child and forced labor in our supply chains is low, with no material risks identified.

These findings were reaffirmed by our Double Materiality Assessment, completed in early 2025, which examined environmental and social risks across our value chain. Human rights did not emerge as a significant area of concern — reflecting the strength of our governance and responsible business practices.

Still, we recognize that protecting human rights requires ongoing vigilance. This is not a static goal

but a continuous responsibility. We remain dedicated to evaluating the effectiveness of our tools, policies and procedures to ensure that we and our suppliers uphold the highest standards globally.



By 2026, Domtar aims to develop a global human rights policy aligned with international standards, including the Universal Declaration of Human Rights. By 2030, we plan to conduct comprehensive human rights risk assessments across our value chain to ensure alignment with this policy and to mitigate any potential risks.

With clear targets and an eye on the future, we are working to ensure dignity, fairness and respect remain at the heart of everything we do — from our operations to our supply chain and beyond.

The Excellence Way: Our Path to Operational Excellence

At Domtar, we believe a safe, collaborative and engaging work environment is essential to performance and progress. *The Excellence Way* is our structured continuous improvement program that empowers teams to work cohesively, understand their roles and drive operational excellence within two of our business units: Pulp & Tissue and Wood Products.

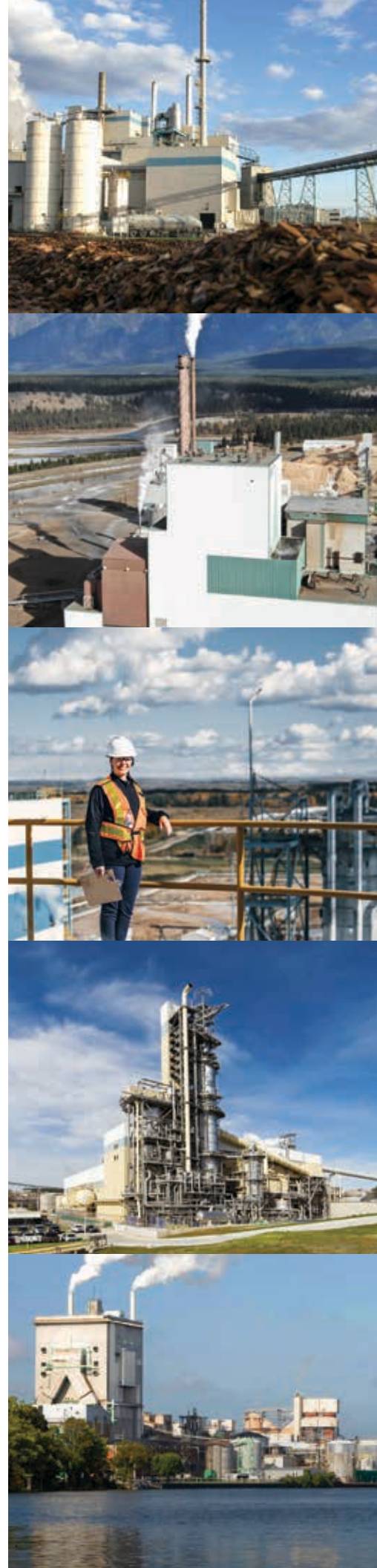
This proven framework provides a common language and describes a uniform way of working across all our mills, including a consistent problem-solving system. By investing in people and processes, *The Excellence Way* enables progress sustained through systems — and less reliant on individuals — capturing best practices across our network of facilities along the way.

Our Calhoun tissue operation in Tennessee exemplifies this approach. Despite challenges, the team embraced the program and, with the unwavering support of our leadership, achieved significant productivity and profitability gains over the past years.



The Excellence Way uses a maturity model — Qualified, Bronze, Silver and Gold — in which each level reflects deeper engagement and stronger results. Like a championship team committed to its playbook, our success depends on everyone embracing, believing in and executing the system — together.

Watch the video
to learn more





The Excellence Way enables us to capture best practices across our network of facilities.

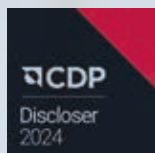


Transparency Through Key Frameworks

As a newly unified company, Domtar relies on global frameworks and third-party certifications to guide its actions, validate progress and enhance the transparent communication of the company's sustainability-related risks, impacts and opportunities.

CDP

On September 17, 2025, Domtar submitted an integrated disclosure to CDP for Climate Change, Water Security and Forests. Building on the disclosures of its legacy companies, this marks a key step in further enhancing transparency and tracking progress on emissions, water stewardship and responsible wood sourcing across the company's value chain.



EcoVadis

We use the EcoVadis assessment to benchmark our ESG performance and strengthen the robustness of our procurement practices. In 2024, Domtar received a Bronze medal, ranking in the 66th percentile overall and the top 35% of our industry.



United Nations Sustainable Development Goals

Our 2030 Sustainability Strategy aligns with the following United Nations Sustainable Development Goals (UNSDGs) to address global environmental and social challenges:



United Nations

Watch
our video
on UNSDGs



Environmental Stewardship



Our People and Communities



Responsible Business



Global Reporting Initiative

Domtar applies the Global Reporting Initiative (GRI) framework to identify ESG topics most relevant to our operations and stakeholders. The GRI standards support a broad assessment of our economic, environmental and social impacts, based on materiality and stakeholder priorities.

Sustainability Accounting Standards Board

Our sustainability report applies the Sustainability Accounting Standards Board (SASB) standards for Forestry Management and Pulp and Paper Products to guide disclosures on financially material ESG topics and enhance transparency in sustainability reporting. We will continue to evolve our reporting program in conjunction with the rollout of the International Sustainability Standards Board requirements.

Book Chain Project

We participate in the Book Chain Project, a disclosure platform for publishers and paper customers, where we disclose key ESG indicators for select Domtar mills to enhance responsible sourcing and supply chain transparency.



Corporate Knights

Domtar was named one of the “Private 25 Most Sustainable Corporations in the World” by Corporate Knights in 2025. The ranking, based on 12 sustainability indicators, recognizes our transparency, climate performance and leadership in responsible forest product manufacturing.

Corporate Knights



Corporate Sustainability Reporting Directive

In light of the Corporate Sustainability Reporting Directive (CSRD), we commenced a double materiality assessment in 2024, identifying material sustainability-related impacts, risks and opportunities across our value chain. We are drawing on the European Sustainability Reporting Standards (ESRS) to build out the disclosure program related to our 2030 sustainability strategy.

Environmental Paper Assessment Tool

Domtar shares ESG disclosures for select mills through the Environmental Paper Assessment Tool (EPAT), helping customers assess the environmental and social performance of our pulp and paper products.



Sustainability Performance Indicators

Domtar's sustainability performance indicators provide consolidated ESG metrics from operations across our three business units. This appendix presents ESG performance for both 2023 and 2024, covering the period from January 1 to December 31. It complements the narrative of our inaugural Sustainability Report by offering a quantitative view of our progress and enabling performance tracking over time, with the goal of demonstrating transparency and continuous improvement as a newly integrated company.



Key Performance Indicator (KPI)	Units	2024 Performance - Absolute	2023 Performance - Absolute	Units	2024 Performance - Intensity	2023 Performance - Intensity
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Energy						
Total electricity use	thousands of megawatt hour (MWh)	10,310	10,454	MWh/metric tons (mt)	1.16	1.20
Purchased electricity	thousands of MWh	6,743	7,064	MWh/mt	0.76	0.81
Self generated electricity	thousands of MWh	4,782	4,925	MWh/mt	0.54	0.56
Electricity Sales	thousands of MWh	1,215	1,535	MWh/mt	0.14	0.18
Purchased renewable electricity use	%	42	56	-	-	-
Total fuel use (fossil, liquor, hog and sludges)	Gigajoule (GJ)	187,056,357	195,244,400	GJ/mt	20.97	22.32
Fossil fuels	GJ	44,665,435	45,626,224	GJ/mt	5.01	5.22
Biomass fuels	GJ	142,802,953	150,061,735	GJ/mt	16.01	17.16
Renewable fuel content	%	76	77	-	-	-
Total energy use (power and fuels)	GJ	226,086,196	231,104,298	GJ/mt	25.35	26.42
Total renewable energy use (power and fuels as GJ)	GJ	162,583,685	167,874,243	GJ/mt	18.23	26.42
Renewable energy	%	72	73	-	-	-

Carbon						
Greenhouse gas (GHG) emissions - scope 1	metric tons of carbon dioxide equivalent (mt CO ₂ e)	2,771,302	2,627,307	kilogram (kg) CO ₂ e/mt	311.52	307.75
GHG emissions - scope 2 (market based)	mt CO ₂ e	1,506,496	1,554,133	kg CO ₂ e/mt	169.35	182.04
GHG emissions - scope 2 (location based)	mt CO ₂ e	1,396,975	1,359,570	kg CO ₂ e/mt	157.03	158.25
GHG emissions - scope 1 + 2 (market based) reduction from 2015 baseline ¹	%	39	39	-	-	-
GHG emissions - scope 3 (2023)	mt CO ₂ e	Forthcoming	11,353,166	-	-	-

KPI	Units	2024 Performance - Absolute	2023 Performance - Absolute	Units	2024 Performance - Intensity	2023 Performance - Intensity
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Environment						
Total particulate (TP) emissions	mt	2,235	3,559	kg/mt	0.25	0.41
Nitrogen oxide (NO ₂) emissions	mt	16,169	12,867	kg/mt	1.81	1.47
Sulfur dioxide (SO ₂) emissions	mt	5,559	6,275	kg/mt	0.62	0.72
Total reduced sulphur (TRS)	mt	354	526	kg/mt	0.04	0.06
Volatile organic compounds (VOC)	mt	5,783	7,791	kg/mt	0.65	0.89
Water withdrawn	cubic meter (m ³)	509,828,021	506,406,271	m ³ /mt	57.16	57.90
Water used	m ³	40,503,831	28,054,722	m ³ /mt	4.54	3.21
Water treated and discharged ²	m ³	469,324,190	478,351,549	m ³ /mt	52.62	54.69
Adsorbable organic halides (AOx)	mt	633	777	kg/mt	0.07	0.09
Biochemical oxygen demand (BOD ₅)	mt	9,159	10,813	kg/mt	1.03	1.24
Total suspended solids (TSS)	mt	12,623	14,369	kg/mt	1.42	1.64
Waste to landfill or disposal						
Solid waste - landfill	bone dried tons (bdt)	312,404	456,775	kg/mt	35.03	52.22
Incineration (Canadian sites only)	bdt	112,573	15,319	kg/mt	12.62	1.75
Waste to beneficial reuse						
Fuel diversion	bdt	913,996	991,364	kg/mt	102.48	113.34
Recycling diversion	bdt	1,919,880	2,623,184	kg/mt	215.26	299.90
Beneficial use ³	bdt	344,426	308,165	-	-	-
Repurposed waste	%	88	92	-	-	-
Class 1 and 2 environmental incidents ⁴	#	41	58	-	-	-
Manufacturing facilities	#	58	60	-	-	-
Woodlands operations	#	6	6	-	-	-
ISO 14001-certified sites (Manufacturing facilities and woodlands operations)	#	46	45	-	-	-

1 The reported reductions are approximations for 2023 and 2024 and are measured against a 2015 baseline. While 2015 consolidated data reflect the combined emissions of our three legacy companies, methodologies for quantifying GHG emissions have evolved since that time. As such, the baseline should be considered an estimate intended to provide a consistent reference point for tracking progress. Reported figures cover Scope 1 and Scope 2 emissions only.

2 As pulp and paper making is a water-intensive process, we reuse water as much as possible, returning approximately 94% to the environment after primary and secondary treatment; the remaining 6% is captured in the end product or evaporated during the manufacturing process.

3 Includes agricultural and forestry landspreading, site rehabilitation through mining sites and composting.

4 Includes only environmental incidents that are categorized internally as Class 1 and Class 2 incidents.

Sustainability Performance Indicators

KPI	Units	2024 Performance	2023 Performance
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Production

Total production capacity			
Paper & packaging	short tons (st)	4,277,000	4,277,000
Tissue	st	128,000	128,000
Trade pulp	air dried metric tons (admt)	3,244,000	3,256,000
Wood products	million board feet (mbf)	2,791,000	2,860,000
Total production			
Paper & packaging	st	3,717,000	3,449,000
Tissue	st	112,000	87,000
Trade pulp	admt	2,915,000	2,977,000
Wood products	mbf	2,150,000	2,647,983

Forest management

Total managed forests	hectares (ha)	21,756,777	21,756,777
Certified forests	ha	21,756,777	21,756,777
FSC certified	%	35	35
ATF, PEFC, SFI Certified	%	100	100
Public forests	ha	21,722,502	21,722,502
Owned forests	ha	348,980	348,980
Leased forests	ha	16,355	16,355
Areas of forest conservation	ha	47,171	47,171
Standing timber inventory	m ³	1,273,937,091	1,277,938,058
Forest fiber harvested	m ³	8,188,335	9,371,189
Certified forest fiber harvested	m ³	7,049,489	9,318,161
Certified fiber harvested	%	87	99

Fiber sourcing

Total fiber to pulp/paper mills	bdm	8,303,110	7,653,258
Total chain of custody (CoC) certified fiber	bdm	3,304,110	3,991,777
FSC controlled wood (CW)	%	100	100
SFI fiber sourcing (FS)	%	100	100
FSC CoC certified	%	18	18
ATF, PEFC, SFI CoC certified ⁵	%	22	25
Total purchase of sawmill residue chips	bdm	4,649,200	-
Purchased certified recycled fiber	bdm	87,458	74,546
Pre-consumer fiber	mt	132,737	110,766
Post-consumer fiber	mt	418,036	269,619
Certified facilities⁶	%	100	100

5 ATF: American Tree Farm System; PEFC: Programme for the Endorsement of Forest Certification.

6 All of our manufacturing facilities have a CoC tracking system that complies with one or more certifications, including SFI®, FSC® and/or PEFC, all of which require that 100% of the fiber processed meets minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.

KPI	Units	2024 Performance	2023 Performance
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Employees			
Total employees	#	13,946	14,009
Total non-unionized employees	#	5,172	5,182
Full-time equivalent	#	5,112	5,154
Part-time employees	#	60	28
Total unionized employees	#	8,774	8,827
Full-time equivalent	#	8,771	8,823
Part-time employees	#	3	4
Unionization rate	%	63	63
Women in workforce - full time equivalent	#	2,038	2,112
Women in management roles - full time equivalent	#	355	365
Employees with retirement programs - full time equivalent	#	12,625	13,011
Employee turnover	%	16	23
Retirement payments	US\$ millions	145	114
Indirect employment - multiple of direct @3.25	#	45,325	45,529

Socio-economic			
Revenue	US\$ millions	7,640	7,749
Direct economic value distributed	US\$ millions	7,711	8,006
Materials and services purchased	\$	5,534	5,520
Capital investments in our facilities	\$	342	397
Research & development	\$	199	213
Salaries, wages and benefits paid	\$	1,405	1,523
Interest paid to debtholders	\$	247	269
Taxes paid ⁷	\$	(18)	82
Philanthropic giving	US\$ million	2.82	4.34

KPI	2024			2023		
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Safety performance ⁸	Paper & Packaging	Pulp & Tissue	Wood Products	Paper & Packaging	Pulp & Tissue	Wood Products
Lost time frequency rate	0.46	0.21	0.07	0.48	0.25	0.29
OSHA total frequency rate	1.09	0.60	0.58	1.20	0.45	0.83
OSHA severity rate ⁹	23.63	19.42	4.67	30.17	17.87	31.27
Fatalities	0			0		
Total employee hours worked	25,318,144			24,487,977		

7 Excludes payroll taxes and countervailing and antidumping duties.

8 Health and safety indicators are reported on a business unit basis rather than expressed as company-wide figures. Metrics such as the Lost Time Frequency Rate, OSHA Total Frequency Rate, and OSHA Severity Rate are incidence-based ratios and therefore cannot be aggregated meaningfully at the company level. Reporting them by business unit ensures accuracy and comparability.

9 OSHA Severity Rate does not include the Crofton and Port Alberni, British Columbia, mills for 2023.

Embracing Sustainability From the Ground Up

The report you just have read represents a key outcome of our integration efforts over the past 18 months. It also marks the beginning of a new journey.

Sustainability, to me, means thinking, deciding and acting with a long-term vision. Our 2030 Sustainability Strategy builds on the achievements of our legacy companies and provides us with a robust roadmap to continue growing responsibly as the fiber for the future.

I would like to acknowledge the hard work of all those who have helped chart this path. I could not be prouder of my team and all the Domtar experts across the company who weighed in to develop a strategy that is at once ambitious, rigorous and transparent. It was a challenge, but at the same time, it was a perfect challenge because we learned a lot from each other. I also couldn't be prouder to work for an organization where senior leadership puts sustainability at the heart of everything we do.

Throughout this process, I was humbled by how committed our external stakeholders proved to be, from customers to partners and communities. I want to express my deepest gratitude for your engagement and feedback.

As I take stock, it is also clear that our employees did not wait for this strategy to spring into action. From our corporate offices to our forestry operations and mills, our people have embraced efforts to reduce the use of natural resources and fossil fuels, support Indigenous-led conservation projects and create new solutions for sustainable packaging, while we take care of talent development so we can all grow together. There is a long list of wonderful, meaningful initiatives Domtar legacy companies have put into place, many of which are featured in this report.

Today, the entire organization is mobilized to go further, transforming our manufacturing processes and designing products that meet stringent third-party standards. We believe innovation and sustainability go hand in hand, helping secure our long-term competitiveness and relevance.

The launch of our sustainability strategy, culminating in the publication of our first report as a unified Domtar, is a major milestone. Even though there is still much work left to do, our integration work leading to this point positions us well for the future. With the right structure now in place, we have the tools and the buy-in to accelerate our efforts.



Sustainability at Domtar is a shared responsibility: The sustainability team (pictured) works closely with employees across departments to drive meaningful progress toward our 2030 goals

Our leaders are fully behind our commitments, and we can count on highly skilled teams to implement our strategy. A robust governance structure is in place to monitor progress and ensure that objectives and targets are met. We remain attentive to new legislation, regulatory changes and international standards that will continue to shape the future of corporate sustainability.

Climate challenges and global economic uncertainties make it more urgent than ever to ensure our resilience. With strong values and a clear strategy, Domtar has a compass to navigate complex times and contribute to a sustainable future for the communities in which we live, work and grow.

I hope our commitment that resonates through the stories in this report inspires our partners and stakeholders to join us in our sustainability efforts. Our business and our planet depend on it.

In partnership,

Sabrina de Branco
Global Chief Sustainability Officer

Comments or questions about our sustainability efforts?

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

Paper

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

Printing

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



Cougar® paper contains 10% post-consumer fiber



The mark of responsible forestry



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