

# CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT DISCLOSURE



Domtar's relationships with its suppliers are based on lawful, efficient and fair practices. Domtar expects its suppliers to obey the laws that require them to treat workers fairly, provide a safe and healthy work environment, and protect environmental quality. Domtar is committed to ensuring that our supply chain reflects our values and respect for human rights. Domtar expects its suppliers to operate in a socially responsible way. This includes the expectations, codified in Domtar's Code of Business Conduct, that our suppliers:

- Do not use any form of compulsion, coercion, forced labor or involuntary prison labor in any form, including any human trafficking and slavery.
- Do not employ underage employees as defined by applicable child labor laws.
- Comply with applicable minimum wage, overtime and maximum hour laws, as well as other wage and hour regulations.
- Comply with applicable laws related to an employee's choice to join, or not join, any legally sanctioned organization or association.

To monitor our suppliers' compliance with our expectations, Domtar periodically assesses a selected number of our suppliers. Suppliers are selected for this assessment based on Management's best judgment of potential risk. Supplier participation in this assessment is mandatory. Domtar also requires certification from our direct suppliers that are periodically assessed that their materials incorporated into their products comply with the laws regarding slavery and human trafficking of the country in which they are doing business.

The assessment process is initiated with a written self-assessment survey. If Domtar's review of a supplier's self-assessment raises any concerns or issues which require clarification, Domtar will require a telephone conference or meeting with the supplier. If the supplier fails to adequately address Domtar's concerns or questions during the telephone conference or meeting, Domtar may conduct a supplier site audit.

Depending on the nature of the questions or concerns, these site audits may be unannounced. They may also be conducted by a third party contracted by Domtar. Such an audit will be considered "closed" only when we receive confirmation from our direct suppliers that they are in compliance with the laws regarding slavery and human trafficking of the country in which they are doing business. Failure to meet the expectations of Domtar may result in discontinuation of the supplier relationship.

Domtar's Code of Business Conduct is critical in maintaining internal and external social compliance accountability standards and procedures for suppliers, employees or contractors in regard to combating slavery and trafficking.

Domtar provides training to its supply chain and procurement groups on how they can assist Domtar in mitigating risks within Domtar's supply chain. Managerial responsibility

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for the execution of this program rests with our Vice President, Supply Chain – Pulp & Paper, and our Vice President, Supply Chain – Personal Care.