ROTHSCHILD MILL
ROTHSCHILD MILL
In a globalized economy, being part of an efficient and well-established network provides a great competitive advantage. Our mills do not stand alone— they are part of the Domtar family.

Each mill exists within a self-reinforcing system that provides access to a wide range of support services such as:

- Logistics and production planning
- Procurement
- Central engineering
- Technical services and quality control
- Papermaking optimization and best practices
- Research and development
- Environmental and regulatory expertise
- Financial and technological resources
- Other corporate functions
- Increased visibility domestically and internationally
ABOUT DOMTAR

With roots that trace back to mid-19th century England, today, Domtar Corporation is the largest manufacturer and marketer of uncoated freesheet paper in North America and the third largest in the world based on production capacity. The foundation of our business is a network of world-class wood fiber converting assets that produce papergrade, fluff, and specialty pulp. With more than 9,000 EMPLOYEES, Domtar operates in two business segments:

» Pulp and Paper, with 13 PULP AND PAPER MILLS
» Personal Care, a new and growing business segment formed in September 2011

Our ANNUAL SALES REACHED US$5.48 BILLION in 2012 and we sell our products and services to clients located in SOME 50 COUNTRIES.

KEY DATES

Dominion Tar & Chemical Company Ltd. established in Canada
1903

Dominion Tar & Chemical Company Ltd. becomes Domtar Ltd.
1965

Acquisition of 4 Georgia Pacific Paper mills
2001

Combination with Weyerhaeuser Fine Paper Division
Creation of Domtar Corporation
2007

1914
Head office established in Montreal, Quebec, Canada

2000
Acquisition of Ris Paper Company Inc.

2002
Forest Stewardship Council (FSC) certification achieved

2011–2012
Launching of the Fiber of Domtar

At Domtar, we want to grow and create value over time for our shareholders by developing new fiber-based products, and we will do so BECAUSE WE’RE NOT JUST A FIBER COMPANY, WE’RE A COMPANY OF FIBER.

For updated numbers, visit our website www.domtar.com
Our vision is to be the leader in innovating fiber-based products, technologies, and services, committed to a sustainable and better future.

As a world-class industry leader, our mission is to deliver the highest value to our customers, to empower our employees to excel, and to positively impact our communities.

To achieve our goals we will rely on the three core values that unite us, define us, and create our success together: Agility, Caring, and Innovation.

**Our Vision, Mission, and Values**

**IT’S IN OUR FIBER TO BE AGILE**

Our industry is changing and so are we. When we need to change course, we do it. We are doers, not talkers, but when we act, we act thoughtfully. We’re always looking for simpler, more efficient ways to work.

**IT’S IN OUR FIBER TO BE CARING**

We look out for each other’s safety as well as our own and we never forget that our company is woven into the fabric of our communities above all else.

**IT’S IN OUR FIBER TO BE INNOVATIVE**

We always look to the future beyond the horizon. We always want to make things better and we work together to do it. We bring our resourcefulness and creativity to bear for long-term success.

**THE FIBER of Domtar**
It's in our fiber to be agile and we know how to adapt to evolving market demand. But it is also in our fiber to be innovative, which is why we continually invest in our technologies and in Research and Development, in order to get the most out of wood fiber. From the paper of our present, to the limitless possibilities of our future, we aspire to be the leader in innovating fiber-based products, technologies, and services.

OUR BUSINESS SEGMENTS:

**Pulp and Paper**
which comprises the manufacturing, sale, and distribution of communication, specialty, and packaging paper as well as softwood, fluff, and hardwood market pulp. Our kraft pulp is used in office papers, magazines, food packaging papers, bathroom and facial tissue, industrial clean room wipes, medical gowns, baby diapers, and adult incontinence products.

**Personal Care**
formed in September 2011, which consists of the manufacturing, sale, and distribution of adult incontinence products.
SUSTAINABILITY IS IN DOMTAR’S FIBER

Each and every day in business, we face a wide array of social, environmental, and economic changes. How we choose to embrace these changes—as risks or as opportunities— influences how a company is perceived in its industry, how prospective workers view our company, how partnerships develop, and how customer relationships establish foundations built on trust and mutual benefit. In short, it’s our sustainability efforts that create our competitive advantage.

WE CARE FOR THE ENVIRONMENT

We believe the best way to ensure that our forests, manufacturing, and distribution operations are managed in a responsible, sustainable, and transparent manner is through certification by internationally recognized third-party organizations.

We are proud to have achieved the following certifications:

- Forest Stewardship Council™ (FSC®)
  Where available, Domtar has a preference for FSC Certification.
- Sustainable Forestry Initiative® (SFI®)
- Program for the Endorsement of Forest Certification™ (PEFC™)

We also collaborate with various stakeholders such as the Rainforest Alliance, World Wildlife Fund, GreenBlue, the Nature Conservancy, First Nations, the American Forest & Paper Association.

In addition to our certifications, we are proud to say that:

» We self-generate 68.6%* of our electricity
» The average Domtar facility uses 76.3%* of renewable energy

* In 2012

More information in our Sustainable Growth Report at domtar.com/sustainability

Domtar EarthChoice embodies Domtar’s belief that informed choices lead to better, more sustainable lives and a better world.

EarthChoice represents the perpetual dialogue that Domtar has with its customers and stakeholders and is a reminder that sustainability is a process, not a destination. EarthChoice means increasing responsibility for the entire lifecycle—from the forest, through responsible production and usage, and recycling.
WE CARE FOR OUR COMMUNITIES

We believe that caring for others helps make us stronger. Our Community Investment Policy breaks down Domtar’s own giving into the three main areas of support:

» **Social development**
  promoting education, culture, and literacy

» **Health and environment**
  a commitment to sustainability

» **Development of our communities**
  supporting development and quality of life

Each year Domtar supports this commitment with the objective of investing up to 1% of its average before-tax profits from the previous four years, subject to budget considerations.

WE CARE FOR OUR EMPLOYEES

Our people are first and foremost, one of our key success factors. As such, we treat each other with compassion and respect. In addition to providing a great work environment, we make sure health and safety are our ongoing priority and we are proud of our achievements over the past few years:

» **53%*** reduction in TFR (Total Frequency Rate of recordable incidents per 200,000 man-hours worked)

» **37%*** reduction in the lost time frequency rate

* From 2007 to 2012
OUR MILL, PART OF A GLOBAL NETWORK

GENERAL PAPERMAKING PROCESS

WOODYARD AND WOODROOM
- Logs are passed through a debarking drum. The bark is collected and burned in a boiler to produce steam.
- The debarked logs are conveyed to a chipper which reduces them into small wood chips for better processing in the digester.
- Softwood and hardwood chips are kept separate.
- Chips are loaded into digesters.

PULPING
- The chips and a balanced mix of chemicals are loaded into the digester and cooked under pressure with steam.
- The resulting pulp is removed from the digester so the cellulose fibers can be separated from the dissolved chemicals.
- The pulp is washed to remove the chemicals and dissolve the lignin producing a weak black liquor.
- The weak black liquor is concentrated and burned in a recovery boiler to produce the steam that will be used in the manufacturing process or paper drying. The chemicals resulting from the combustion are recovered to regenerate the caustic required for the cooking.

BLEACHING
- In a series of steps, the brown stock is bleached until the desired brightness is achieved.

PAPERMAKING
- The bleached pulp is treated then sent to the paper machine. The water in the pulp drains out through forming screens and the fibers intermix to form a wet paper sheet.
- The wet paper is pressed between water-absorbing fabrics and wound through dryers for the initial drying.
- The paper sheet is then surface treated on the sizing press to improve its physical qualities for printing, then is run through a second set of dryers.
- The paper goes through a calendering process that provides a smooth finish by ironing the sheet between polished rollers.
- The paper is wound onto a spool to form a machine reel.
- The paper is wound and rewound onto spools and slit into smaller rolls to customer specifications.

FINISHING AND SHIPPING
- The rolls will either be sent for sheeting and packing or wrapped for shipment to customers.
FIBER SOURCING STARTS WITH SUSTAINABLE FOREST MANAGEMENT. AT DOMTAR, WE MAKE SURE THAT TIMBER SUPPLIES ARE HARVESTED WITH RESPECT AND ARE REGENERATED OVER TIME. WHETHER ON OUR OWN OR OTHER FOREST LANDS. WHERE AVAILABLE, DOMTAR HAS A PREFERENCE FOR FSC CERTIFICATION.
Located on the Wisconsin River, the Rothschild Mill is an integrated pulp and paper mill that employs some 400 people. It has been the leading employer of the village for over 100 years.

**THE ROTHSCHILD MILL AT A GLANCE**

- Annual paper production capacity of **138,000 SHORT TONS**
- Annual pulp production capacity of **66,000 AIR DRY METRIC TONS**
- 1 pulp line and 1 paper machine
- Complete converting operation for cut size office papers and sheets
- Estimated annual economic impact: US$171 million

**KEY DATES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1909</td>
<td>New mill construction begins as part of the Marathon Paper Mills Company</td>
</tr>
<tr>
<td>1957</td>
<td>Mill acquired by the American Can Company</td>
</tr>
<tr>
<td>2007</td>
<td>Mill receives FSC chain of custody certification</td>
</tr>
<tr>
<td>2009</td>
<td>$255 million invested in the construction of a biomass-fueled power plant as the result of a partnership with We Energies</td>
</tr>
<tr>
<td>2010</td>
<td>Celebrated 100 years of paper making</td>
</tr>
<tr>
<td>2013</td>
<td>Commissioning and start-up of the biomass-fueled cogeneration plant</td>
</tr>
</tbody>
</table>

1910
New mill begins operations

1973
Mill acquired by Weyerhaeuser
PULP PRODUCTION
The pulp produced at the Rothschild Mill comes from dense hardwood logs (mostly maple) and is produced utilizing a Totally Chlorine Free (TCF) bleaching process. On a daily basis, we produce about 180 metric tons of calcium-based sulfite pulp, fully used in the mill’s paper machine.

PAPER PRODUCTION
The Rothschild Mill produces approximately 400 tons per day of uncoated commercial printing and business papers in a wide range of basis weights and grades. Paper made at the mill is shipped throughout North America to distribution centers that deliver paper to the customer.

Rothschild is home to Cougar®, a premium, uncoated printing paper valued for its stellar brightness and balanced white shade as well as for its smooth, uniform print surface and high opacity.

Cougar paper, exclusively manufactured at the Rothschild Mill, is honored to be the premier member of the Domtar EarthChoice® family of products. All Cougar paper is FSC® Certified, SFI® Certified Sourcing, and Rainforest Alliance Certified™. Featuring 10% post-consumer recycled content and certified fiber, it’s the optimal environmental choice.
At Rothschild, we never forget that our mill is woven into the fabric of our community and our employees pride themselves in giving back.

The mill has helped produce and support a wide variety of projects and events benefitting the quality of life in the community, strengthening educational and training opportunities, and increasing public understanding of issues relevant to the industry.

**EDUCATION, ONE OF THE MILL’S MAIN AREAS OF FOCUS**

The Rothschild Mill has provided numerous scholarships to enable people of all ages to further their knowledge. Products and funds have been provided to support a wide variety of educational and sporting activities in all the local school districts.

As an example, each year a classroom is sponsored to attend an environmental workshop at Trees for Tomorrow in Eagle River. This is an accredited specialty school providing natural resources education to students, teachers, and adults in the heart of Wisconsin’s Northwoods.

**JUNIOR ACHIEVEMENT (JA)**

Many Rothschild Mill employees also give their time to Junior Achievement (JA), a program that helps prepare students for the world of commerce through sharing first-hand knowledge and experiences from the real world.

**RIVER CLEAN-UP**

Since the year 2000, we have been participating in the Wisconsin River Cleanup Project, along with approximately 250 students from local middle and high schools. The purpose of the event is to beautify the Wisconsin River around Lake Wausau and the surrounding areas, while educating the students and inspiring them to take responsibility for keeping our natural resources clean. Approximately 2.5 to 4 tons of garbage and various metals are collected each year.
ENVIRONMENTAL LEADERSHIP

Domtar has been long committed to sustainable business practices and has implemented energy efficiency programs at all of its facilities to help reduce the impact of its operations on the environment. Since 2002, Domtar’s increased reliance on lower-emitting biomass as a fuel source has resulted in a 20% reduction in greenhouse gas emissions intensity.

In 2009, Domtar’s partnership with We Energies led to a $255 million investment to build a biomass-fueled power plant at the Rothschild mill. The plant will produce up to 50 megawatts of electricity which is enough to supply 40,000 homes, and provide steam to the Rothschild Mill using forest residue, mill-generated wood waste, and millwork sawdust/shavings as its main fuel sources.

We are proud to have achieved the following certifications:

<table>
<thead>
<tr>
<th>MILL FORESTRY CERTIFICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSC chain of custody certified</td>
</tr>
<tr>
<td>SFI wood procurement certified</td>
</tr>
</tbody>
</table>

OUR EMPLOYEES, OUR MOST VALUABLE ASSET

Domtar recognizes that employees are our most valuable asset and no ton of paper is worth risking their well-being. Employee health and safety is a company core value.

At Rothschild, our commitment to safety is demonstrated through focused leadership at all levels of the organization and employee involvement. Trained and qualified teams like the Hazardous Materials Response Team, the First Responders, the Confined Space Vessel Rescue Team, and the Ergonomics Team are shining examples of employee commitment and involvement. Safety processes like risk assessments, behavior-based observations, and incident analysis help maintain our focus to manage risks and eliminate exposures in the workplace.

1 We Energies is the trade name of Wisconsin Electric Power Company and Wisconsin Gas LLC, the principal utility subsidiaries of Wisconsin Energy Corporation (NYSE: WEC).
**DID YOU KNOW?**

» The mill’s first manager, David Clark Everest, was such a prominent figure in the community that the local school district was named after him. Many mill employees reside in the D.C. Everest school district.

---

**PAPER APPLICATIONS**

<table>
<thead>
<tr>
<th>Paper categories</th>
<th>Communication Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Uncoated Freesheet</td>
</tr>
<tr>
<td>Grades</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Premium</td>
</tr>
<tr>
<td></td>
<td>Digital imaging</td>
</tr>
<tr>
<td></td>
<td>Technology papers</td>
</tr>
<tr>
<td></td>
<td>Opaques</td>
</tr>
<tr>
<td></td>
<td>Premium</td>
</tr>
<tr>
<td></td>
<td>opaques</td>
</tr>
<tr>
<td>Applications</td>
<td>Stationery</td>
</tr>
<tr>
<td></td>
<td>Brochures</td>
</tr>
<tr>
<td></td>
<td>Annual reports</td>
</tr>
<tr>
<td></td>
<td>Commercial printing</td>
</tr>
</tbody>
</table>
Domtar is pleased to make an annual contribution of $350,000 to WWF from the sale of EarthChoice® products.

® WWF Registered Trademark, Panda Symbol © 1986 WWF.
® “WWF” is a WWF Registered Trademark.