DOMTAR'S ASHDOWN MILL AT A GLANCE

JC Allaire
Ashdown Mill Manager

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THE ASHDOWN MILL - HISTORY

- 1966 – Area residents voted in favor of $50 million bond to fund initial investment for construction of the Mill, including 61 PM
- 1968 – Mill construction completed; official start-up
- 1974 – $50 Million investment in installation of 62 PM
- 1978 – $250 Million investment in 63 PM, pulp mill, pulp dryer, recovery boiler and turbine generator
- 1990 – $500+ Million investment in 64PM, #3 RB, and 3&4 TG's

- 2001 – Domtar acquired Ashdown Mill from Georgia-Pacific
- 2011 – Domtar announced permanent closure of 61 PM
- 2014 – $200+ Million investment to convert 64 PM to fluff pulp machine and add new bale line
  - One of the largest capital projects in the new Domtar's history
  - One of the largest fluff-pulp machines in the world, positioning Domtar with nearly 1 mm tonnes (or admt) of fluff-pulp capacity
- 2016 – Official start-up of A1 fluff pulp machine

- **2019 – Domtar announced permanent closure of 63 PM**
- **2020 – Domtar announced permanent closure of 62 PM**
- **2021 – Paper Excellence announcement**
- **2021 – Domtar announced restart of 62 PM and the #19 sheeter**

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ASHDOWN MILL – HIGHLIGHTS

- Operational since 1968, the Domtar Ashdown Mill is located on a 2,553-acre site and is one of Domtar's 12 pulp and paper mills in North America.
- Domtar is one of the largest employers in Little River County – providing more than 600 local jobs ($50 million in payroll) and thousands of dollars in tax revenue.
- The mill includes a fluff pulp machine, one paper machine, one sheeter, 3 fiber lines, 2 power boilers and 2 recovery boilers.
- The mill is **capable of producing 578,000 tons per year of fluff/market pulp**. The annual **paper production capacity is 204,000 tons**, some of which can be converted into sheets in the mill's converting operation.

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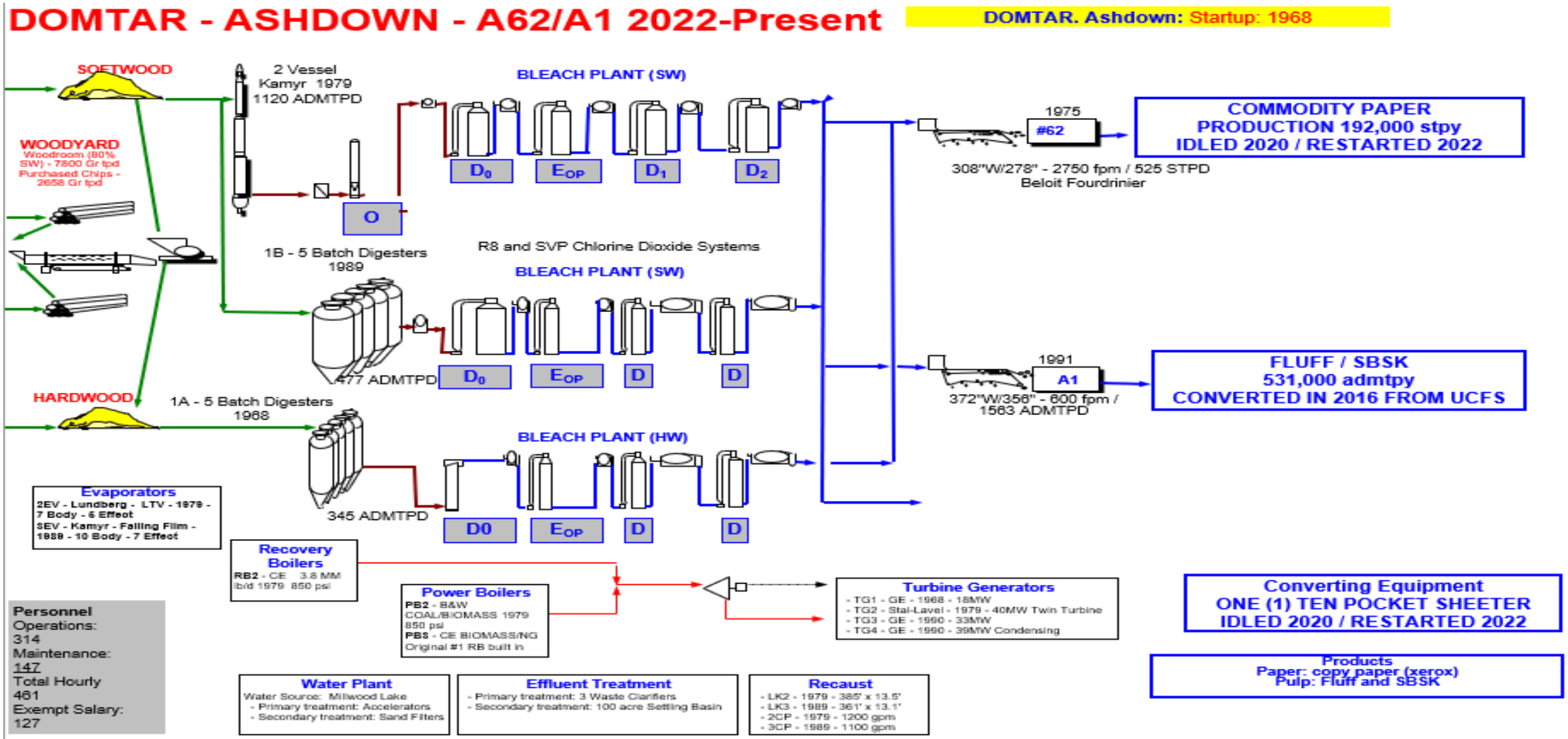
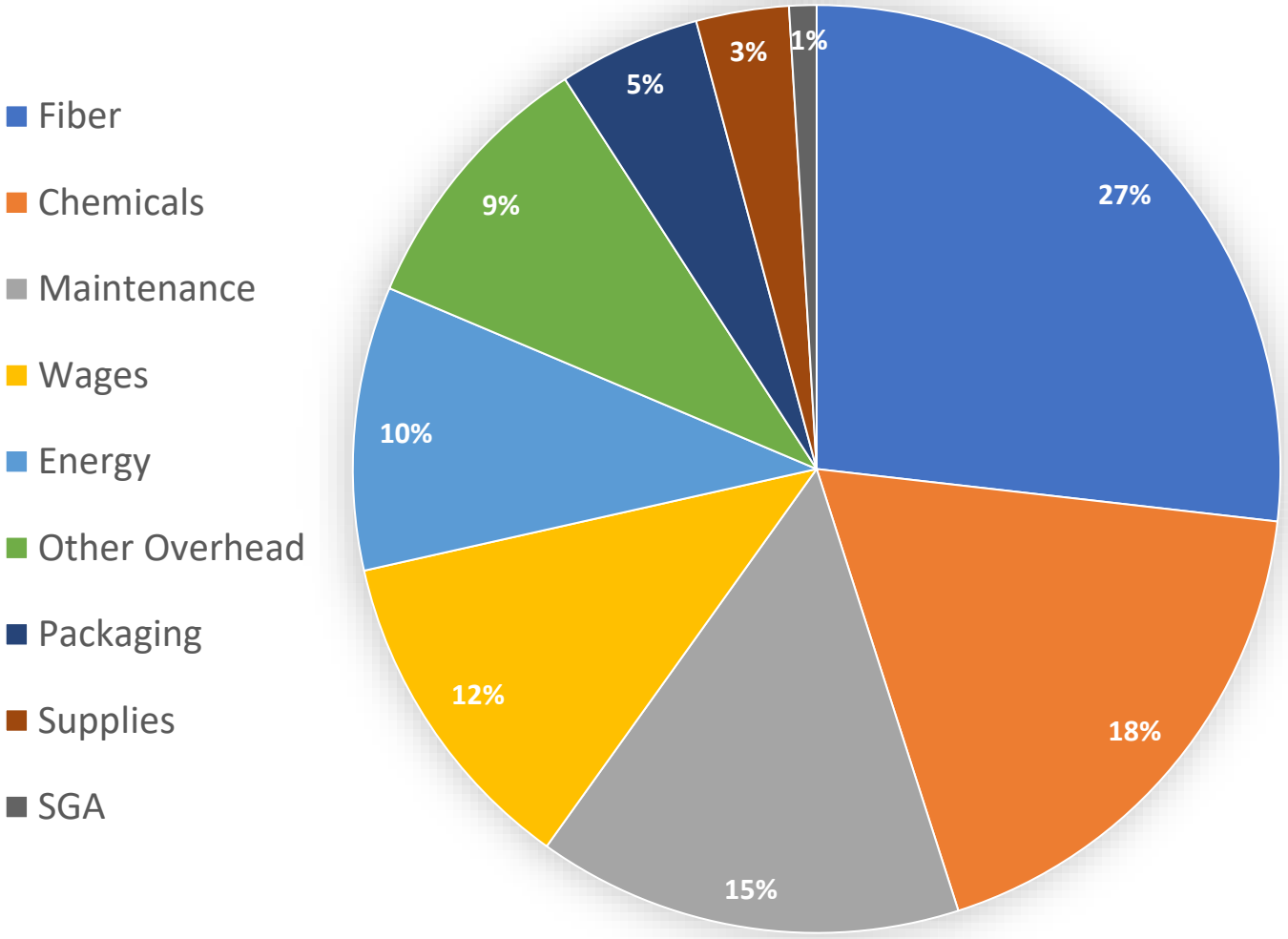
ACTUAL MILL CONFIGURATION



ECONOMIC IMPACT



Mill Annual spending
> $500 million

Domtar Ashdown Mill has an economic impact of $1.1 billion

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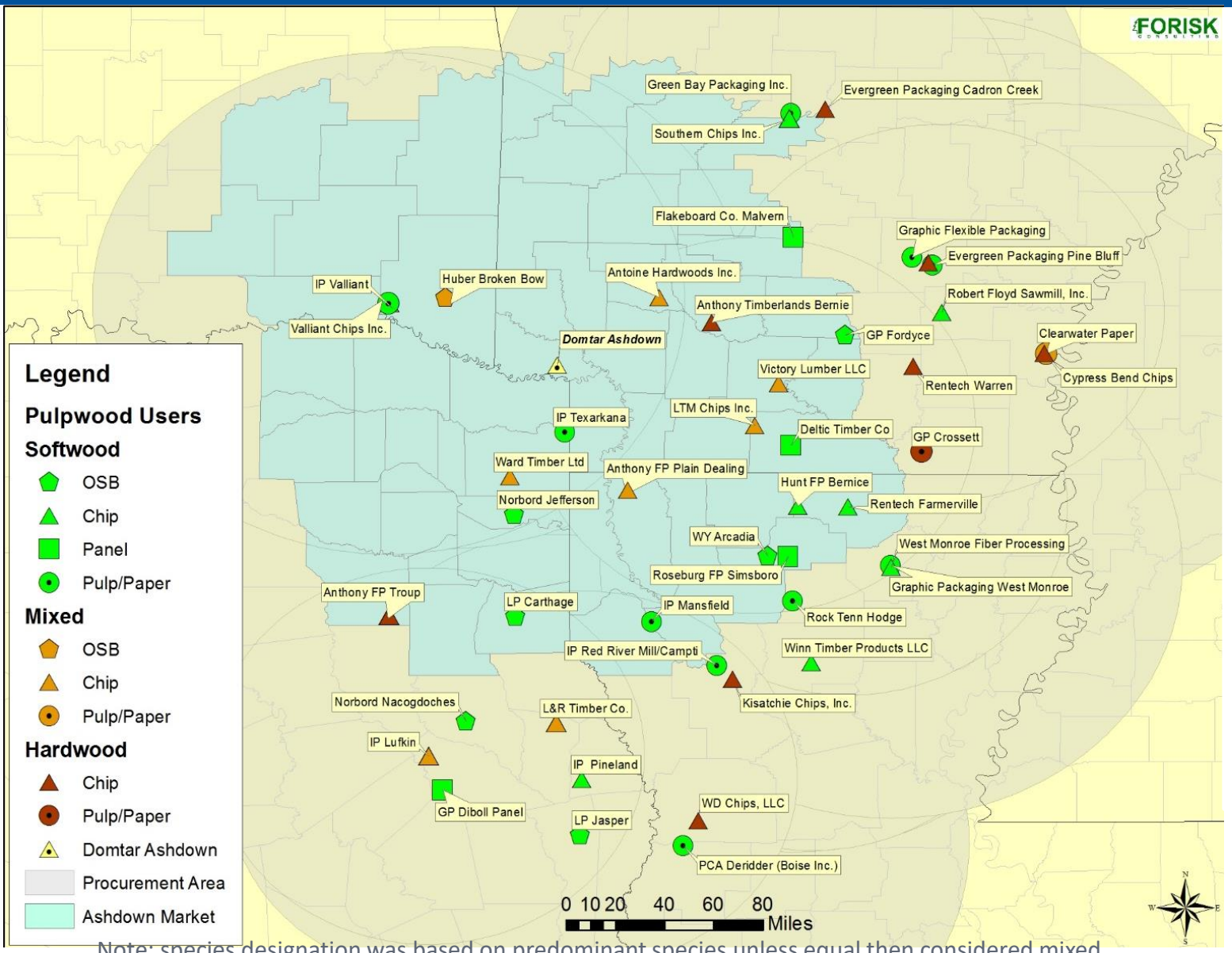
FIBER SUPPLY



Note: species designation was based on predominant species unless equal then considered mixed.

Sources: Forisk Consulting, UGA Forest Industry Shapefiles

Ashdown General Information

- Arkansas has more forested acres now than in the last 40 years.
- Fiber needs supported thru direct purchase, sawmill residuals and satellite woodyards.
- Ashdown Mill holds three forest certifications
  - Sustainable Forestry Initiative (SFI)
  - Forest Stewardship Council (FSC)
  - Program for the Endorsement of Forest Certification (PEFC)
- We manage the Four States Timberland Owners Association (FSTOA) a FSC Certified group.
  - 630,000+ acres
  - 258 members
  - Certified since Nov 2012
- Purchase roughly 3.7 million tons of fiber annually.
  - 375 loads/day of Pine Treelength
  - 80 loads/day of Pine Chips
  - 75 loads/day of Hardwood Treelength
  - 15 loads/day of Hardwood Chips

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POWER GENERATION

The Domtar Ashdown Paper Mill generates 1,992,000 kWh per day on average. We produce enough power for:

All 14,148 Households in Texarkana 5 Times Over
(415,331 kWh/day)

All 1,219 Businesses in Texarkana 9 Times Over
(222,306 kWh/day)

The Entire City of Texarkana More Than 3 Times Over
(637,637 kWh/day)

13% of Houses in Dallas
(15,397,250 kWh/day)

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OTHER BY-PRODUCTS

Soap 49,000/tons annually

- Used in – biofuel (diesel), resin, adhesives.

Turpentine 440,000/gallons annually

- Used in – Flavor (food, beverages, snacks/chips, baby food , pet food) and Fragrance (perfume, cosmetics) Industry

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DOMTAR VALUES

SAFETY

◊At Domtar Ashdown Safety is a value

◊The mill has received numerous awards and recognition for its safety efforts

◊Well-established and active safety committees focused on improving safety performance at the facility

COMMUNITY INVOLVEMENT

The Mill prides itself on being a strong corporate citizen. There are numerous local volunteer opportunities with well-respected organizations and organizations for employees to participate in:

- Ashdown Community Foundation
- Literacy Council
- Harvest Regional Food Bank
- United Way
- Texarkana Regional Arts & Humanities Council
- And many more!

In 2003, the mill formed the Domtar Community Advisory Team made of up of city and county officials, local business owners, and other community leaders. The team was formed to maintain positive working partnerships within the local community and to be a strong corporate citizen. The catalyst event for the group is the annual community auction. Since 2012, the team has raised over **$669,000** to help improve the local downtown and City Park.

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HAWKS
Domtar

LIVE UNITED
United Way
of Greater Texarkana

ASHDOWN
ELEMENTARY

The organizers of the 11th Annual Ashdown Community Auction would like to say
to everyone who donated
and attended the event!
It was a great success!
Thank you!
We raised over
$115,000!

$$ $
Anything Helps
BAIL $ NEEDED

LIVE UNITED
United Way
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ELEMENTARY

WE CARE ABOUT THE ENVIRONMENT

Beneficial Use/Recycling Rate

81%

Of our Pulp & Paper Mill Residuals (2022)

Renewable Energy Used

70%

In our Pulp & Paper Mills (2022)

Certified Fiber Used

33%

In our Pulp & Paper Mills (2022)

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SUSTAINABILITY PRIORITIES 2030 AND BEYOND

Verified Fiber Sourcing

Net Zero Emissions by 2050

Water Stewardship Goal by 2030

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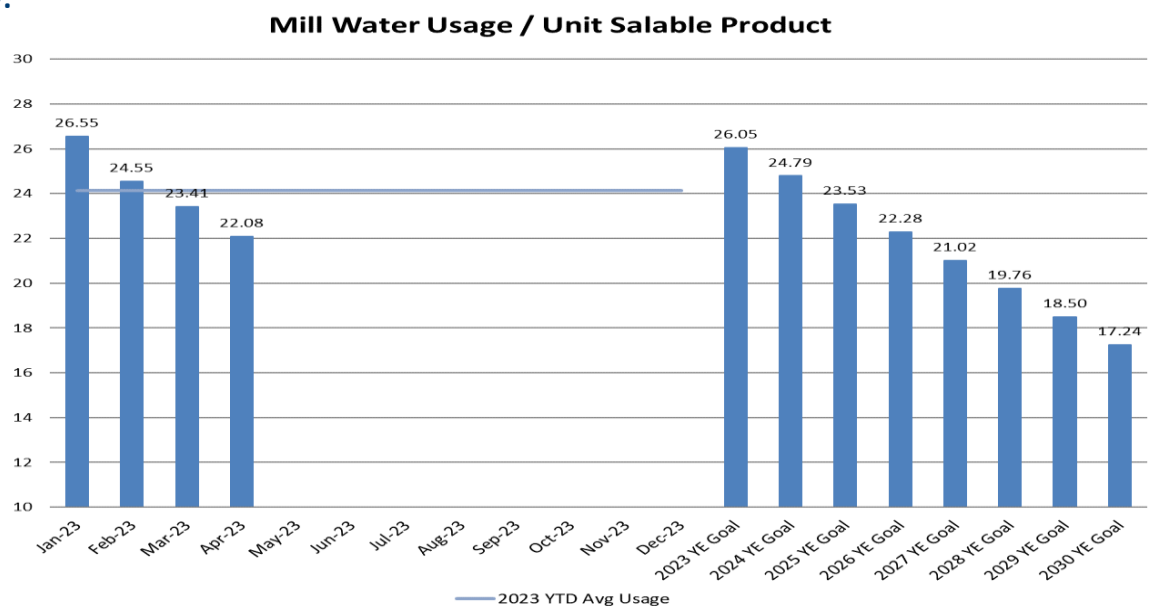
Employee Safety

Community Engagement

Diversity and Inclusion

SUSTAINABILITY : WATER USE

- Raw water intake from Millwood Lake ~53.6 MGD
- Mill water effluent to Red River ~52.0 MGD
- 97% return to the Red River Basin
- Mill Effluent Treatment – 785-acre footprint; Effluent treated through primary screening, primary clarification, stabilization basin, aeration ponds, and retention basin. Biological treatment with no chemical addition.
- Continuous monitoring for flow and pH; daily monitoring of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS); bi-monthly Absorbable Organic Halogens (AOX); quarterly Sulfates, Total Dissolved Solids (TDS), Fecal Coliform, and Toxicity.



- Water Stewardship Initiative: Reduce water use 20% per unit of product by 2030 from 2019 levels
- 2023YTD average water usage on track to achieve strategic goals.
- Recently awarded ~$600K in corporate capital for 2023 water reduction projects to reduce water usage by additional 350 Million gal/yr.

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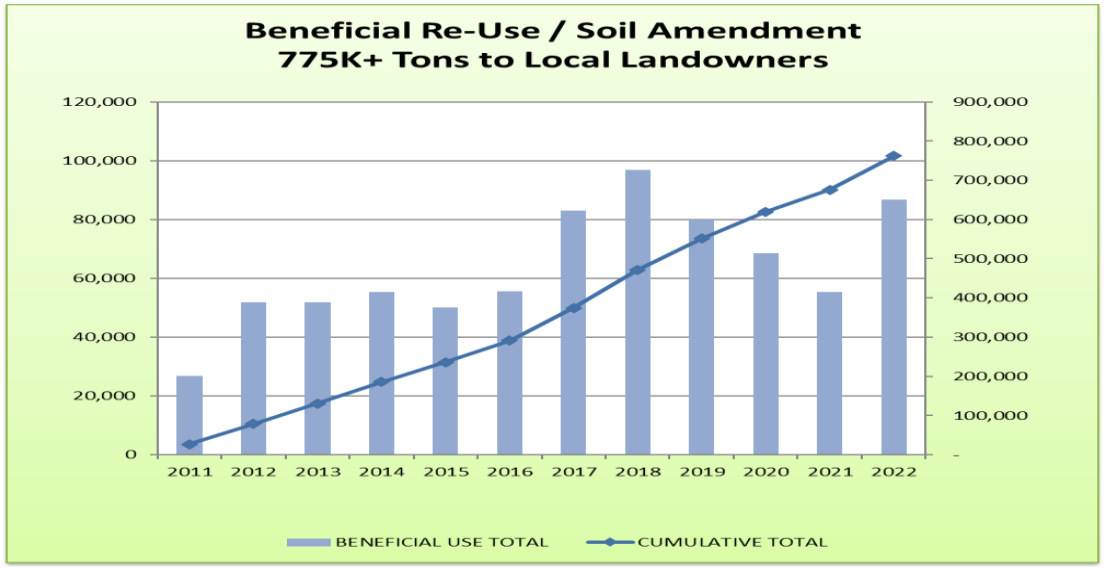
SUSTAINABILITY

LITERACY | HEALTH AND WELLNESS | SUSTAINABILITY

Mill Environmental and Sustainability goals:

- Reduce Raw Material and Product Losses to Sewer8
- 80% of energy used in the manufacturing process is from renewable energy sources
- Beneficial Reuse of Mill Byproducts / Landfill Reduction
- Roadmap to Net Zero GHG Emissions by End of 2050
- Maintain 3rd Party Stewardship Certifications



ISO 9001:2015 | ISO 14001:2015 | FSC www.fsc.org FSC® C001844 The mark of responsible forestry | SUSTAINABLE FORESTRY INITIATIVE Certified Chain of Custody 30% Certified Forest Content and 70% Certified Sourcing www.sfiprogram.org | POWERFUL PAGES

Domtar's EarthChoice Ambassadors are committed to promoting sustainable practices focusing on our customers, employees, company and community.

- Annual Ashdown Community Auction
- Community Seedling Giveaway – 1000+ seedlings annually
- Support Harvest Regional Foodbank; Backpack Adoptions; Angel Tree
- SW Arkansas Special Olympics
- First Book Reading Events and Book Donations

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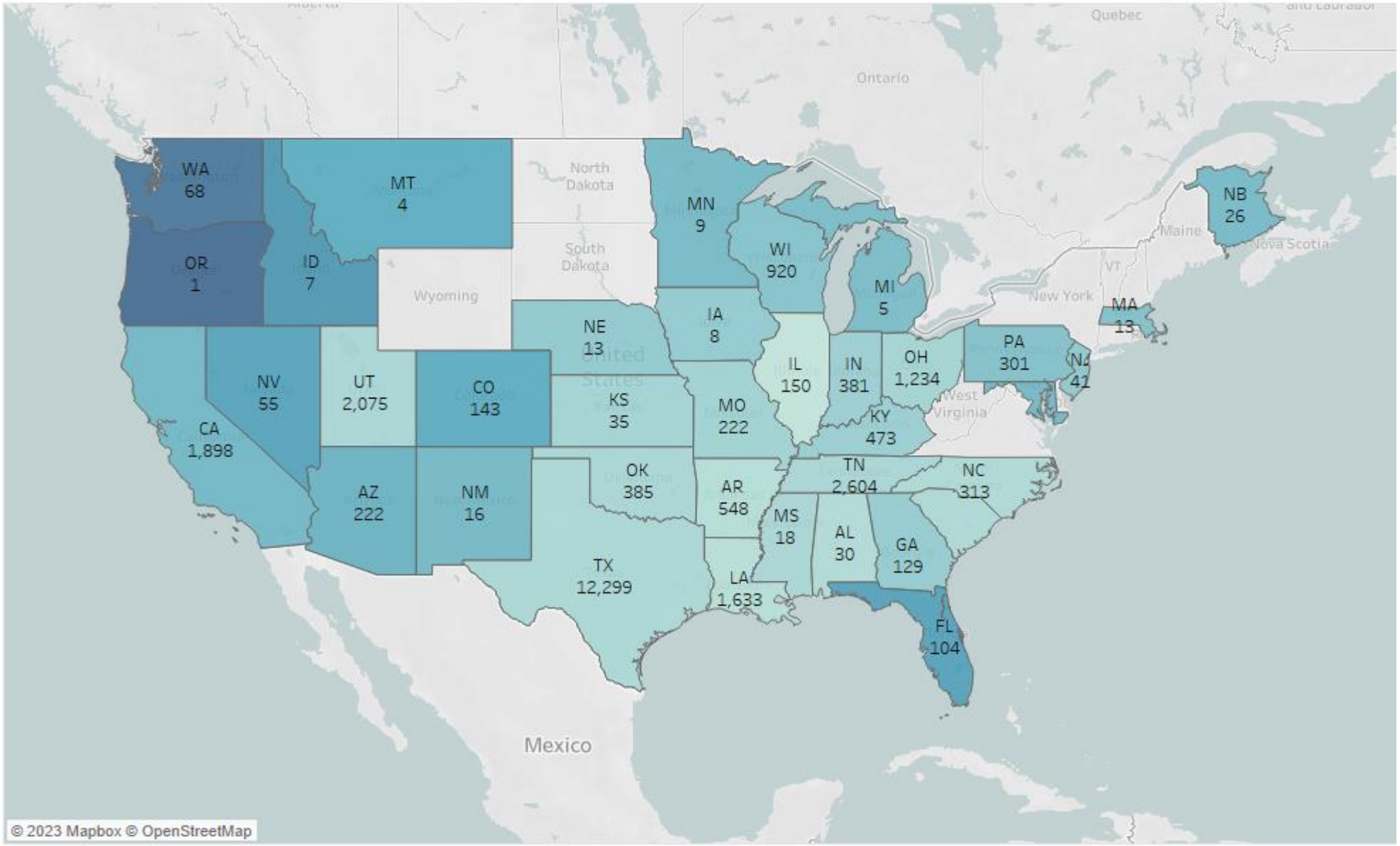
ASHDOWN DOMESTIC SHIPMENTS BY STATE



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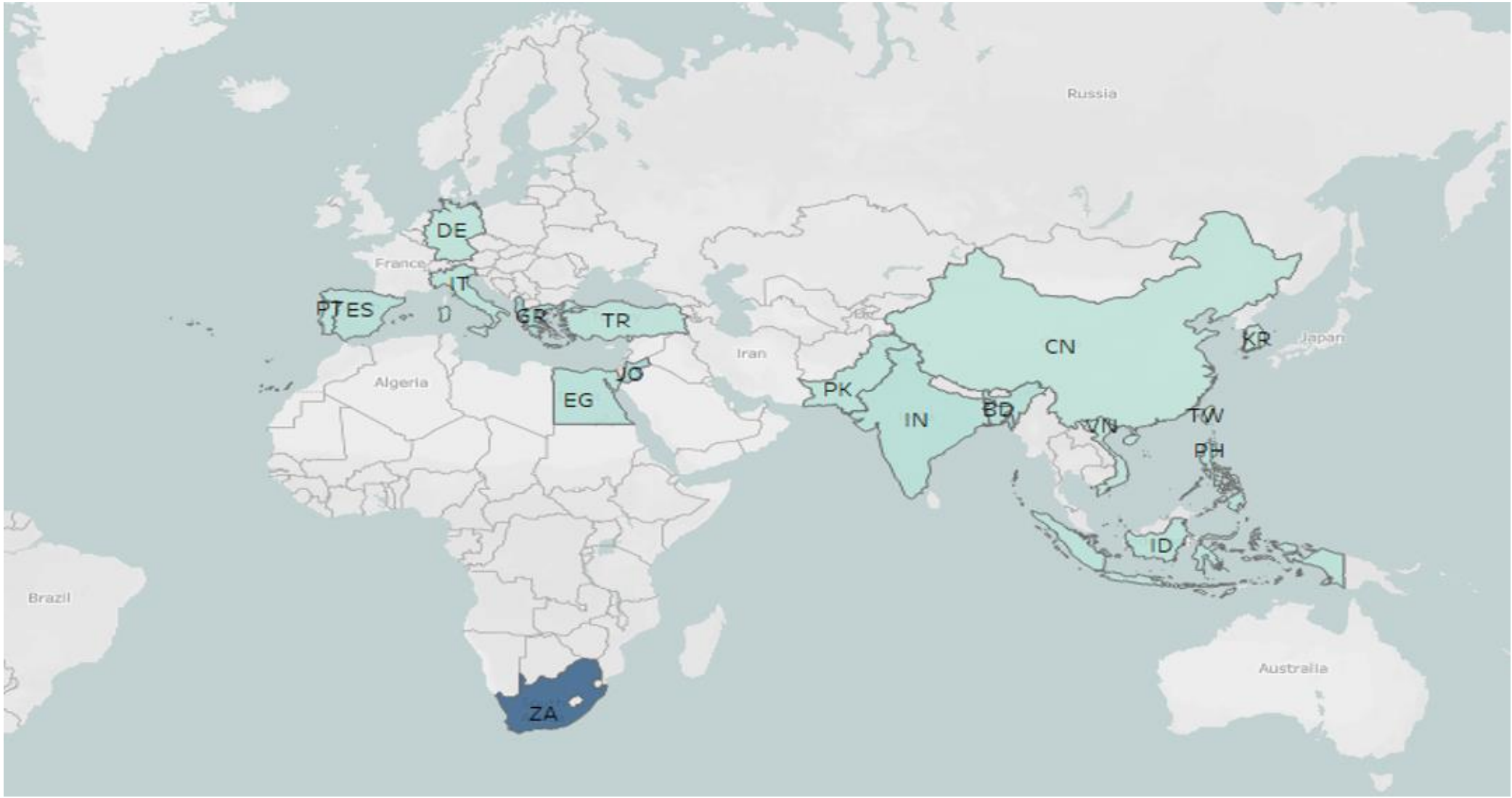
ASHDOWN EXPORT SHIPMENTS



Destination	Percent of Tons
CN	37.30%
IN	18.40%
ID	12.50%
IT	10.16%
DE	8.64%
PH	4.57%
TR	3.77%
EG	1.28%
GR	0.94%
PK	0.90%
TW	0.55%
ES	0.48%
KR	0.15%
BD	0.14%
VN	0.13%
JO	0.07%
AA	0.01%
PT	0.01%
ZA	0.01%

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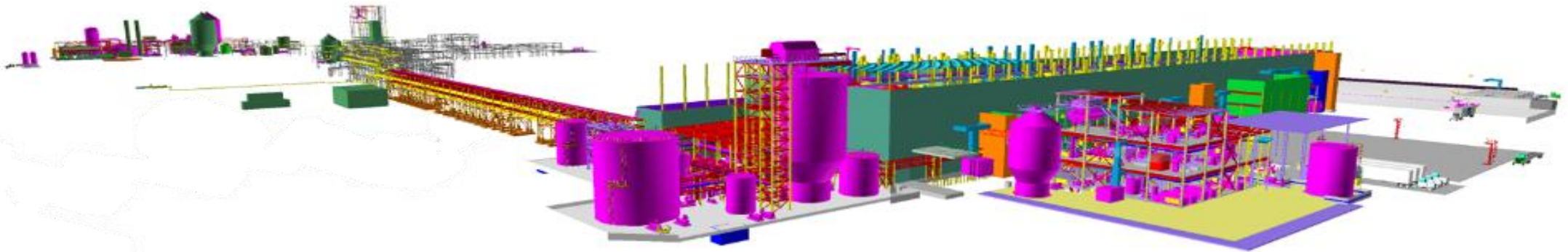
NEXT SIGNIFICANT MILESTONE

- Domtar is considering adding an additional product line to the company - Kraft linerboard - to align with the company strategic focus toward linerboard.
- The new machine will be designed to manufacture approximately 700,000 tons per year of virgin liner board and potentially heavy weight bag products.
  - This is based on manufacturing selected grades of linerboard using a mixture of virgin furnish and OCC (Old Corrugated Containers).
  - Virgin component may range from 70 to 100%, while the OCC component will range from 0 to 30% per customer requirements.
- Project will require approximately 40 additional trucks per day of softwood treelength/chips and approximately 10 trucks per day of OCC.



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LOOK AHEAD

COMING SOON TO ASHDOWN!

THE FIBER *of* Domtar

AGILE | CARING | INNOVATIVE