

Northwestern Ontario Operations



KEY STATISTICS (AS AT DECEMBER 31, 2020)

Workforce

Number of employees	850
Indirect jobs*	2,762

Annual capacity

527,000 metric tons of market pulp and newsprint
475 million board feet of lumber
45,000 metric tons of wood pellets

Economic impact (M C\$)

Payroll and benefits	\$ 79
All other operating costs	117.1
Total cost of wood and recycled fibre	205.9
Amount spent to purchase energy**	50.2
Amount paid in taxes	3

TOTAL

Northern Ontario region	\$ 455.2
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* Research by the Economic Policy Institute indicates that for every 100 jobs in the paper industry, 325 additional jobs are supported in supplier industries and in local communities due to the re-spending of wages.

** Does not take into account the power supply from the cogeneration plant at Thunder Bay.

OPERATIONS

- Atikokan sawmill
- Ignace sawmill
- Ontario woodlands
- Thunder Bay pellet plant
- Thunder Bay pulp and paper mill
- Thunder Bay sawmill
- Thunder Bay TMP-Bio plant

Resolute Forest Products' pulp and paper mill, three sawmills, wood pellet plant, TMP biorefinery and woodlands operations make it the largest forest products company operating in Ontario.

Thunder Bay is one of the company's most significant pulp and paper operations. The mill is a landmark, operating since 1919. While name and ownership of the facility have changed over the years, its importance to the local community as an employer, taxpayer, community supporter and engaged neighbour has been ongoing.

In 2020, Resolute continued to build on the successful integration of its Atikokan, Ignace and Thunder Bay network of Northwestern Ontario sawmills. Significant investments in sustainable development were also made at our Thunder Bay operations, and to further strengthen our commitment to Indigenous peoples, we continued to implement our Indigenous Procurement Policy.

In 2020, the Thunder Bay pulp and paper mill placed second in Pulp & Paper Canada's 2019 Safest Mills in Canada contest for its outstanding safety record in category C: more than 80,000 worker hours per month.

Supporting Sustainability

Our Northwestern Ontario operations are committed to sustainability and have undertaken multiple initiatives:

- As part of our company-wide success in reducing absolute direct and indirect (scope 1 and 2) greenhouse gas (GHG) emissions by 83% over 2000 levels, our Thunder Bay pulp and paper mill has achieved a 71% reduction in scope 1 and 2 GHG emissions.
- Our Thunder Bay pulp and paper mill responsibly sources wood fibre through certification to the Sustainable Forestry Initiative® (SFI®) standard as well as the Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®) chain-of-custody standards.
- 100% of the forests we manage in the region are certified to at least one internationally recognized forest management standard: SFI and FSC.
- All operations in Northwestern Ontario maintain certification to the ISO 14001 environmental management standard.

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Supporting Sustainability (cont'd)

In 2020, the Atikokan sawmill achieved the 500,000-hour milestone without a recordable injury, while the pulp and paper mill, Thunder Bay sawmill and Ontario woodlands each reached 250,000 hours. For every 250,000 hours injury-free, we reward our employees with an amount to donate to local organizations. Since 2010, over \$400,000 has been given to Ontario-based organizations on behalf of employees.

We have made significant investments in sustainable development at our Thunder Bay operations including:

- A clean energy project at the pulp and paper mill to improve pulp capacity as well as energy efficiency, reducing the use of natural gas by recovering waste heat. The \$29 million project is expected to provide annual natural gas cost savings of more than 35%, while lowering the mill's annual GHG emissions by over 20% – or approximately 43,000 metric tons of CO₂ equivalents per year.
- An \$11 million investment to modernize the Thunder Bay sawmill's planer line and optimize the regions' three sawmill operations: Atikokan, Ignace and Thunder Bay.
- We also invested \$3.5 million in a strategic R&D partnership to establish a TMP biorefinery at our Thunder Bay mill. Inaugurated on May 27, 2019, the plant focuses on developing new ways to efficiently produce and commercialize innovative biochemicals derived from wood. The \$23 million initiative has the support of the municipal, Ontario and Canadian governments.

Confederation College and Community Engagement

Resolute has committed \$150,000 to Confederation College's Technology, Education and Collaboration (TEC) Hub over the next five years. The partnership will help create new and meaningful opportunities for youth in the region. Resolute also contributes to the College's mechanical engineering training program, and in collaboration with the College, we are currently spearheading a consortium of forest sector companies to address workforce shortages and identify industry needs.

Collaborations with Indigenous Peoples

In 2020, we continued to implement our Indigenous Procurement Policy Guidelines to further strengthen our commitment to Indigenous peoples. Our goal is to provide equitable access to commercial opportunities and to promote the economic participation of Indigenous peoples and businesses in the forest products sector. Partnerships and business ventures include:

- Our Thunder Bay sawmill, located on Fort William First Nation land, which employs approximately 200 workers, many from this First Nation community. The mill was the first in Canada to work under regulations created by the First Nations Commercial and Industrial Development Act, which facilitates industrial development with First Nations on their land.
- Memorandums of agreement, including significant contracts for construction and transportation, which have resulted in \$100 million in economic opportunities for First Nations in the region, namely the Nigigoonsiminikaaning, Kiashke Zaaging Anishinaabek, Lac des Mille Lacs, Seine River, Couchiching and Mitaanjigamiing.
- Memorandums of agreement have also been signed with the Métis Nation of Ontario in 2019 as well as Whitesand First Nation in 2020 to establish a structure for ongoing cooperation.
- Launched youth employment and training program in partnership with Wabigoon First Nation, including a \$24,978 contribution.