

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Resolute Forest Products is a leading producer of a diverse range of wood, pulp, tissue and paper products, which are marketed in 60 countries. The company operates some 40 facilities, as well as power generation assets, in the United States and Canada and has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards. Pursuant to the merger of Resolute with a subsidiary of Domtar Corporation on March 1, 2023, Resolute became a privately owned company that is part of the Paper Excellence Group. For more info: <https://resolutefp.mediaroom.com/2023-03-01-Paper-Excellence-Welcomes-Resolute-Into-Its-Family-of-Companies>

We provide indispensable products for basic human necessities like shelter, personal care and education, and we contribute to the health and welfare of our society. Leveraging modern practices, we steward renewable, sustainable, fossil-free resources; seek resource maximization and waste minimization through integration and innovation; and play an important role in fighting climate change. Our fundamental goal is to generate value for the company while driving economic activity in a sustainable and responsible way. Our success supports community economic growth and prosperity, social well-being and advancement, as well as shared environmental benefit.

In recognition of its industry-leading sustainability performance, Resolute won 37 regional, North American and international awards and distinctions in 2022. We value this recognition because it provides tangible proof that our vision is not merely aspirational words; it is the driving force behind our improved performance and global success. The awards garnered in 2022 point directly to our core values of accountability, caring and trust. Our achievements in sustainable development as well as our business practices reflect the principled leadership of our management team, support received from company leadership, as well as the hard work and dedication of our employees.

Resolute's sustainability strategy, based on a balanced approach to environmental, social and economic performance, is designed to enhance our competitive position. Supported by public commitments in a number of key performance areas, we strive to:

- manage the resources in our care with the highest respect, differentiating the company as an environmental supplier of choice;
- operate our assets to the best of our ability and make the most of what we have, earning the right to be in business;
- position Resolute as an attractive employer, one where employees learn, grow and succeed; and
- engage and collaborate with our operating communities, contributing to their prosperity.

The overall responsibility for our sustainability performance resides with our president and chief executive officer, and we rely on our sustainability committee to support the delivery of our key commitments and implement related plans. The committee is a cross-functional group of senior managers from Operations, Sales, Human Resources, Procurement, Environment, Finance and Legal, among other departments. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs.

All of the initiatives and actions we undertake build upon our core commitment to protect, manage and renew the forest through responsible management. We remain committed to maintaining 100% of our forest management and chain of custody (CoC) certifications to internationally recognized standards, such as Sustainable Forestry Initiative® (SFI®), Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®). We are the largest holder of SFI and FSC forest management certificates globally. In addition, effective March 2022, all of our wood and fiber is sourced in accordance with SFI fiber sourcing, PEFC CoC due diligence or the FSC Controlled Wood requirements - and in some cases a combination of these standards. All of these require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our forest operations also have in place environmental management systems certified to the ISO 14001:2015 standard.

Our Wood and Fiber Sourcing Policy, applied in conjunction with our 100% COC-certified tracking systems, helps manufacturers and customers avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

| | Start Date | End Date |
|----------------|----------------|------------------|
| Reporting year | janvier 1 2022 | décembre 31 2022 |

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

Timber products

Commodity disclosure

Disclosing

Stage of the value chain

Production

Processing

Trading

Manufacturing

Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

Explanation if not disclosing

<Not Applicable>

Other - Rubber

Commodity disclosure

This commodity is not produced, sourced or used by our organization

Stage of the value chain

<Not Applicable>

Are you disclosing information on embedded commodities?

<Not Applicable>

Explanation if not disclosing

<Not Applicable>

F0.5

(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported

Financial control

F0.6

(F0.6) Select the countries/areas in which you operate.

Canada

United States of America

F0.7

(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

No

F0.8

(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|--|--------------------------------|
| Yes, a CUSIP code | 76117W |

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Growing/production of raw materials
Harvesting
Milling
Crushing
Refining & processing
Refining & fractionation
Exporting/trading
Using as input into manufacturing process for power generation
Using as input into product manufacturing

Form of commodity

Hardwood logs
Softwood logs
Sawn timber, veneer, chips
Unprocessed wood fiber
Pulp
Paper
Boards, plywood, engineered wood
Wood-based bioenergy

Source

Owned/managed land
Smallholders
Multiple contracted producers

Country/Area of origin

Canada
United States of America

% of procurement spend

51-60%

Comment

For Resolute, responsible environmental stewardship is an ethical obligation, a business imperative, and integral to our overall commitment to sustainability. We recognize that the long-term future of our company and the communities in which we operate depends on the responsible management of the natural resources in our care and the performance of our operations.

Our commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of forests entrusted to our care, careful tracking of wood fiber sources, and the use of recycled fiber. All of our wood and fiber is sourced in accordance with SFI fiber sourcing, PEFC chain of custody due diligence or the FSC Controlled Wood requirements, and in some cases a combination of these standards. These standards require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues, such as deforestation and land conversion, enabling us to confirm to our clients that they have avoided timber and timber products from unacceptable sources, including forests converted to non-forest uses.

The vast majority of the forests we manage are in Canada, where principles of sustainable forest management are used to balance environmental, social and economic objectives. Canadian forest products companies operate in a highly regulated environment with active enforcement by federal, provincial and local government partners. Most of the virgin fiber consumed by our operations in Canada is sourced from the forests Resolute manages directly and indirectly on Crown land in the provinces of Quebec and Ontario. For our U.S. operations, fiber is mostly sourced externally, from numerous small non-industrial private forest landowners. We also work through industry trade associations to encourage small landowners to certify their properties to forest management standards for small land owners, such as the American Tree Farm System®.

F1.2

(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

| | % of revenue dependent on commodity | Comment |
|-----------------|-------------------------------------|--|
| Timber products | 91-99% | <p>As a global industry leader, Resolute manufactures and markets a diverse range of products, including market pulp, tissue, wood products and papers. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada. Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards.</p> <p>We are fortunate that our primary input – wood – is a renewable resource that has been supplying our mills now for more than 200 years.</p> <p>The company also operates a 100% recycled pulp mill in Menominee (Michigan). In 2022, Resolute used over 140,000 metric tons of recovered paper to supply this mill, which represents a little more than 4% of the company's total fiber consumption for pulp, paper and tissue.</p> <p>In addition to selling our core primary products in 60 different countries, we sell green power produced from renewable sources and wood byproducts to customers located in Canada and the U.S. Sales of these other products are considered a recovery of the cost of manufacturing our primary products.</p> <p>We also have a 49% interest in Serres Toundra Inc., a joint venture that produces vegetables from 19 hectares of greenhouses adjacent to our Saint-Félicien (Quebec) pulp mill. The greenhouses source a portion of their heat from the pulp mill.</p> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

Forest risk commodity

Timber products

Type of control

Concession/lease

Country/Area

Canada

Land type

Managed natural forests

Area (Hectares)

4090475

% Area certified

100

Certification scheme

FSC Forest Management certification

SFI Forest Management Standard certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

Resolute manages 4.09 million hectares of publicly-owned land in Ontario. Ensuring the sustainability of these forests and collaborating on forest management planning drive Resolute’s approach to forestry on this land.

In 2022, we maintained certification of 100% of the forests we manage in Ontario, which are certified according to the Sustainable Forestry Initiative (SFI) Forest Management Standard. This includes the Black Spruce, Caribou, Dog-River Matawin and English River forest licences. The scope of our SFI forest management certificates also encompasses some private land in Tennessee and Quebec (see below for more information).

We also maintained certification of 100% of the forests certified according to the Forest Stewardship Council (FSC) Forest Management Standard, namely the Black Spruce and Dog River-Matawin forest licenses. In 2020, we successfully transitioned these certificates to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

In addition, we maintain internationally recognized chain of custody certification at 100% of our Ontario facilities, such as SFI, FSC and the Programme for the Endorsement of Forest Certification (PEFC).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements. External forest management audits

for SFI and FSC are conducted at our operations on a yearly basis.

Forest risk commodity

Timber products

Type of control

Own land

Country/Area

Canada

Land type

Managed natural forests

Area (Hectares)

11539

% Area certified

100

Certification scheme

SFI Forest Management Standard certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of the 11,539 hectares of forest we own in Quebec and Ontario. These lands are known as the Natisk forest in Quebec's Mauricie region (8,000 ha) and the Boundary Waters forest in Northwestern Ontario (3,539 ha).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements and ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services. Strict adherence to internationally recognized forest management and chain of custody standards provides our customers with the assurance that the wood fiber from our owned lands is sourced responsibly, avoiding illegal logging and other important sustainability issues, such as deforestation and land conversion.

In 2022, we maintained Sustainable Forestry Initiative (SFI) Forest Management (FM) certification at 100% of the forests we own. External FM audits are conducted according to SFI FM Standards at our operations on a yearly basis.

Forest risk commodity

Timber products

Type of control

Other type of control, please specify (Resolute indirectly manages 16.2 million ha of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013.)

Country/Area

Canada

Land type

Managed natural forests

Area (Hectares)

16234478

% Area certified

100

Certification scheme

FSC Forest Management certification

SFI Forest Management Standard certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

Resolute indirectly manages 16.2 million hectares of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013 when significant regulatory changes were made. While Resolute does not control or directly manage this land, Resolute has historically sourced its timber supply from this land, 100% of which is third-party certified according to internationally recognized forest management standards.

In 2022, we maintained 100% of our forest management certifications in Quebec that are certified according to the Sustainable Forestry Initiative (SFI) Forest Management (FM) Standard. This includes the following management units: 024-71, 025-71 and 027-51 in Lac-Saint-Jean; 042-51 and 043-52 in Mauricie; 071-51, 071-52, 073-51, 073-52 and 074-51 in Outaouais; 084-51, 084-62, 086-65, 086-66, 087-51, 087-62, 087-63 and 087-64 in Abitibi and Nord-du-Québec; and 093-51 in Côte-Nord. The scope of our SFI forest management certificates also encompasses some private land in Tennessee (see below for more information).

We also maintained certification of 100% of the forests certified according to the Forest Stewardship Council (FSC) FM Standard in the following management units: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. In 2020, we successfully transitioned these certificates to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

In addition, we maintain internationally recognized chain of custody certification at 100% of our Quebec facilities, such as SFI, FSC and the Programme for the Endorsement of Forest Certification (PEFC).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements. External FM audits are conducted according to FSC and SFI FM Standards at our operations on a yearly basis.

Forest risk commodity

Timber products

Type of control

Own land

Country/Area

United States of America

Land type

Managed natural forests

Area (Hectares)

6381

% Area certified

100

Certification scheme

SFI Forest Management Standard certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of the 6,381 hectares of forest we own in Tennessee.

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements and ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services. Strict adherence to internationally recognized forest management and chain of custody standards provides our customers with the assurance that the wood fiber from our owned lands is sourced responsibly, avoiding illegal logging and other important sustainability issues, such as deforestation and land conversion.

In 2022, we maintained Sustainable Forestry Initiative Forest Management (FM) certification at 100% of the forests we own. External FM audits are conducted according to SFI FM Standards at our operations on a yearly basis.

Forest risk commodity

Timber products

Type of control

Concession/lease

Country/Area

United States of America

Land type

Managed natural forests

Area (Hectares)

16355

% Area certified

100

Certification scheme

SFI Forest Management Standard certification

Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date

We have monitored conversion of natural ecosystems during the reporting year

We have monitored conversion of natural ecosystems during the last 5 years

Area of natural ecosystems converted during the reporting year (hectares)

0

Area of natural ecosystems converted since specified cutoff date (hectares)

<Not Applicable>

Area of natural ecosystems converted during the last 5 years (hectares)

0

Please explain

Resolute manages 16,355 hectares of land in Tennessee through a long-term lease. Ensuring the sustainability of these forests and collaborating on forest management planning and innovation drive Resolute's approach to forestry.

In 2022, we maintained certification of 100% of the forests we manage in Tennessee, which are certified according to the Sustainable Forestry Initiative (SFI) Forest Management (FM) Standard.

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements. External FM audits are conducted according to SFI FM Standards at our operations on a yearly basis.

F1.4**(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.****Forest risk commodity**

Timber products

Country/Area

Canada

Type of control

Other type of control, please specify (Resolute manages 4.09 million hectares of publicly-owned land in Ontario.)

Land type

Natural ecosystems with potential to be legally converted for forest risk commodity production

Area (hectares)

4070000

% covered by natural forests

100

Please explain

Forest management (FM) certification is in place on 100% of the woodlands Resolute owns or manages. In Ontario, we manage 4.09 million hectares of publicly-owned land, of which less than 0.5% is harvested annually. For the remaining 99.5% (4.07 million ha), FM certification helps ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services.

In addition to FM certification, as required by provincial laws and regulations, Resolute prepares 20- or 25-year FM plans that are updated every five years in collaboration with government and other stakeholders, as well as strategies to safeguard biodiversity. The latter includes identification of protected areas, implementation of selected management practices (such as partial or progressive cuts, retention of trees for nesting, buffering around eagle nests and leaving riparian green belts), and natural and planted forest regeneration. In coordination with provincial governments, Resolute seeks to identify critical habitat areas for species of interest, such as the woodland caribou. Our goal is to ensure that our forest management plans protect such areas and minimize disturbance to the populations in question.

Resolute conducted a review to determine the operational sites owned, leased and managed in – or adjacent to – protected areas and areas of high biodiversity value outside protected areas. As the vast majority of the woodlands we own or manage are located in Canada, this review was limited to forest management units (FMUs) in Quebec and Ontario. When considering forest management units along with adjacent protected areas, 43% of the total area we manage (25.1 million acres or 10.1 million hectares) is under regulated or non-regulated protection. Regulated protection includes nature reserves, national parks, wilderness areas, protected areas and other designations classified under the International Union for Conservation of Nature (IUCN) system, and recognized by international bodies like the United Nations. Non-regulated protection covers other measures that contribute to the conservation of biodiversity, including reserves, candidate lands for protected areas, wetlands, species-at-risk deferrals, and less productive forest areas that are not classified under the IUCN system.

Forest risk commodity

Timber products

Country/Area

Canada

Type of control

Own land

Land type

Natural ecosystems with potential to be legally converted for forest risk commodity production

Area (hectares)

11539

% covered by natural forests

100

Please explain

Resolute owns 11,539 hectares of forest in Quebec and Ontario. These lands are known as the Natisk forest in Quebec's Mauricie region (8,000 ha) and the Boundary Waters forest in Northwestern Ontario (3,539 ha). These forests, while private property, are managed in the same way we manage public land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2022,

we maintained 100% certification of the forests we own in Canada, which are certified according to the Sustainable Forestry Initiative FM Standard.

Forest risk commodity

Timber products

Country/Area

United States of America

Type of control

Own land

Land type

Natural ecosystems with potential to be legally converted for forest risk commodity production

Area (hectares)

6381

% covered by natural forests

100

Please explain

Resolute owns 6,381 hectares of forest in Tennessee. These forests, while private property, are managed in the same way we manage public land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2022, we maintained 100% certification of the forests we own in Tennessee, which are certified according to the Sustainable Forestry Initiative FM Standard.

Forest risk commodity

Timber products

Country/Area

United States of America

Type of control

Concession/lease

Land type

Natural ecosystems with potential to be legally converted for forest risk commodity production

Area (hectares)

16355

% covered by natural forests

100

Please explain

Resolute manages 16,355 hectares of land in Tennessee through a long-term lease. We manage these lands the same way we manage public and owned land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2022, we maintained 100% certification of the forests we own in Tennessee, which are certified according to the Sustainable Forestry Initiative FM Standard.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

| | Data availability/Disclosure |
|-----------------|---|
| Timber products | Consumption and production data available, disclosing |
| Palm oil | <Not Applicable> |
| Cattle products | <Not Applicable> |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

3301132

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

This number represents the consumption of virgin wood fiber at our pulp, paper and tissue mills in 2022 (Alma, Calhoun, Clermont, Coosa Pines, Dolbeau, Gatineau, Grenada, Hialeah, Kénogami, Saint-Félicien, Sanford and Thunder Bay). Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

7808813

Metric for commodity production/ consumption volume

Cubic meters

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

This number represents the consumption of virgin wood fiber at our Canadian sawmills in 2022 (Atikokan, Girardville, La Doré, P.F. Mauricie, Mistassini, Opitciwan*, Outardes, Comtois, Maniwaki, Ignace, Senneterre, St-Félicien, St-Thomas and Thunder Bay sawmills).

*Société en Commandite Scierie Opitciwan, located in Obedjiwan, is considered as an equity method investment in which we have a 45% interest.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Consumption data

Commodity production/ consumption volume

1496165

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

Our U.S. sawmills (Cross City, El Dorado and Glenwood sawmills) completed their chain-of-custody certification audits in March 2022.

The volume represents the consumption of virgin wood fiber at the three facilities in 2022.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

2199000000

Metric for commodity production/ consumption volume

Other, please specify (Board feet)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

The following breaks down the portion of our wood products production measured in board feet by product segment in 2022:

- Wood Products: 2.142 billion board feet from our Atikokan, Girardville, La Doré, P.F. Mauricie, Mistassini, Outardes, Comtois, Maniwaki, Ignace, Senneterre, St-Félicien, St-Thomas and Thunder Bay sawmills
- Wood Products: 288 million board feet from our Cross City, El Dorado and Glenwood sawmills
- Remanufactured Wood Products: 57 million board feet from our Château-Richer mill

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

119000000

Metric for commodity production/ consumption volume

Other, please specify (Linear feet)

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

We manufactured 119 million linear feet of engineered wood products in 2022 at our facilities in Larouche and Saint-Prime Quebec. In March 2022, we acquired the remaining 50% equity interest in each entity.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

2378000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

The following breaks down 100% of our pulp, paper and tissue production by product segment in 2022:

- Market pulp - 1.035 million metric tons
- Paper - 1.342 million metric tons
- Tissue - 0.100 million metric tons

This includes our Alma, Calhoun, Clermont, Coosa Pines, Dolbeau, Gatineau, Grenada, Hialeah, Kénogami, Menominee, Saint-Félicien, Sanford and Thunder Bay mills.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

Forest risk commodity

Timber products

Data type

Production data

Commodity production/ consumption volume

40000

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

Yes

% of reported volume verified as deforestation- and/or conversion-free

100

Please explain

We manufactured 40,000 metric tons of wood pellets at our Thunder Bay (Ontario) pellet plant. Our ten-year agreement with Ontario Power Generation is to provide up to 45,000 metric tons of wood pellets each year for its power generating station in Atikokan, which is a one-unit, 207-megawatt station that helps Ontario meet its needs during peak power consumption periods.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

F1.5b

(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.

Timber products – DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

0

% of DCF production/consumption volume verified through monitoring systems

0

% of DCF production/consumption volume physically certified

100

% of non-DCF production/consumption volume from unknown origin

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as country level

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as sub-national area

<Not Applicable>

% of non-DCF production/consumption volume traceable only as far as processing facility level

<Not Applicable>

% of non-DCF production/consumption volume traceable to production unit level

<Not Applicable>

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

100

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

<Not Applicable>

Timber products – Non DCF

% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion

<Not Applicable>

% of DCF production/consumption volume verified through monitoring systems

<Not Applicable>

% of DCF production/consumption volume physically certified

<Not Applicable>

% of non-DCF production/consumption volume from unknown origin

0

% of non-DCF production/consumption volume traceable only as far as country level

0

% of non-DCF production/consumption volume traceable only as far as sub-national area

0

% of non-DCF production/consumption volume traceable only as far as processing facility level

0

% of non-DCF production/consumption volume traceable to production unit level

0

Total percentage of production/consumption volume reported (DCF) [auto-calculated]

<Not Applicable>

Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]

0

F1.5c

(F1.5c) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

100

Please explain

100% of the fiber sourced by Resolute is from Canada (provinces of Quebec and Ontario) and the United States (various southeastern states) as well as recycled fiber from Canada and the U.S.

100% of the fiber we source is consumed by our facilities in Canada and/or the United States for the production of lumber, pulp, paper, tissue and energy.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Regulatory

Primary impact driver

Regulatory uncertainty

Primary impact

Fines, penalties or enforcement orders

Description of impact

The vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills are subject to orders requiring payment of cash deposits to the U.S. for estimated countervailing and anti-dumping duties. These cash deposit requirements are the result of petitions filed by U.S. softwood lumber products producers and forest landowners with the U.S. Department of Commerce and the U.S. International Trade Commission.

We have been required to pay cash deposits for estimated countervailing duties and anti-dumping duties on the vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills since April 28, 2017, and June 30, 2017, respectively. In 2022, we made \$157 million in softwood lumber duty deposits for cumulative deposits of \$554 million through the end of 2022.

Primary response

Engagement with relevant governments/authorities on law and policy

Total financial impact

554000000

Description of response

We work closely through our Canadian industry associations - the Forest Products Association of Canada (FPAC), the Ontario Forest Industry Association (OFIA) and the Quebec Forest Industry Council (QFIC) - as well as the Canadian federal government to ensure that our industry from coast to coast is vigorously defended in the wake of the U.S. trade action against Canadian softwood lumber.

Canadian softwood lumber exports to the United States benefit the economies of both countries and we want to see an outcome that provides fair access for Canadian producers and American consumers alike.

As we work with the federal government to defend our industry, this is a reminder of the importance of the need to diversify our export markets and products.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Timber products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we estimate deforestation/conversion footprint based on sourcing area

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

During the last 5 years

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Less than half of one percent of Canada's boreal forest is harvested each year – far less than what is disturbed annually by natural causes such as forest fires, insects and disease, and 100% of the woodlands we harvest are regenerated through natural regeneration, aerial seeding and tree planting. The regeneration of harvested woodlands is 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. We monitor deforestation and conversion through the lens of internationally recognized forest management standards, which aim to protect biodiversity, water quality, wildlife habitat, species at risk and forests with exceptional conservation value. 100% of the woodlands managed by Resolute are third-party certified to at least one internationally recognized forest management standard: Sustainable Forestry Initiative® (SFI®) and/or Forest Stewardship Council® (FSC®).

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC chain of custody due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues, such as deforestation and land conversion. This enables us to confirm to manufacturers and traders that they have avoided timber and timber products from unacceptable sources, including forests converted to non-forest uses.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain
Other parts of the value chain

Coverage

Full

Risk assessment procedure

Assessed as a standalone issue

Frequency of assessment

More than once a year

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro
Preferred by Nature Sourcing Hub
Other, please specify (FSC Global Forest Registry, Provincial and Federal Industry Association (FPAC, AF&PA, QFIC, OFIA) monitoring tools and experts.)

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Impact on water security
Tariffs or price increases
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Other forest risk commodity users/producers at a local level
Regulators
Suppliers
Other, please specify (Indigenous Peoples)

Please explain

Resolute assesses forests-related risks on a continuous basis as part of operations management, from forest management planning to processing. Our certified systems (ISO 14001, SFI/FSC Forest Management and Chain of Custody), which have been in place for many years, are used to identify and control risk. Over the years, these systems have proven effective at maintaining adequate traceability of 100% of the fiber we consume, while ensuring fiber procurement and processing are done in compliance with the requirements set by said standards. External audits required to maintain certifications are completed annually, ensuring independent verification and providing us with information key to maintaining and improving our systems in the most efficient way. Preferred by Nature Sourcing Hub, FSC Global Forest Registry and Global Forest Watch are tools used frequently as part of our certified systems to assess potential risks related to our operations.

Resolute has in place a system of regular internal and external auditing systems that are intended to ensure we adhere to the standards and commitments of company policies and governance standards (Code of Business Conduct, Ethics Reporting Policy, Wood and Fiber Sourcing Policy, etc.). Through March 1, 2023, when Resolute became a privately owned company pursuant to the merger of Resolute with a subsidiary of Domtar Corporation, the board of directors' audit committee was responsible for overseeing general risk assessment and management, as well as reviewing contingent liabilities and risks that may be material to the company.

Our enterprise risk management process is a framework for identifying dangers and potential other hazards that may interfere with our operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. Our Internal Audit team coordinates the annual ERM exercise by asking senior management to identify the most important risks and related mitigation plans to inform the audit committee of the major risks with which the company is faced.

External experts from our industry associations, using a variety of tools, complete the information used to assess forests-related risks.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

| | Value chain mapping | Primary reason for not mapping your value chain | Explain why your organization does not map its value chain and outline any plans to introduce it |
|-----------------|--|---|--|
| Timber products | Yes, we have mapped the entire value chain | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> |

F2.2a

(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Timber products

Scope of value chain mapping

Own operations

Tier 1 suppliers

Smallholders

Customers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

At our operations in the United States and Canada, deliveries of recovered fiber, roundwood and chips are tracked at the operational, regional and corporate levels with sophisticated software systems that convert on-site readings from truck weighing scales into accounts payable information, reports and other internal data uses. These systems are necessary to keep track of the approximately 700 external suppliers and more than \$500 million in annual payments. Internal financial audits every two to three years maintain the continued robust reporting systems outlined in Resolute’s procurement policies.

In 2022, woodlands managed by the company provided approximately 68% of our required supply of wood fiber (chips and roundwood) for pulp and paper, with the remaining 32% purchased from external sources. Our Canadian sawmills source 100% of their wood from forests in Canada – mostly from Resolute’s managed forests (over 90%), and some from external suppliers. Fiber from our managed forests is harvested by employees and contractors in accordance with our carefully developed forest management plans and all applicable regulations. Virgin fiber harvested from other crown lands is also occasionally purchased from distributors. With respect to our U.S. sawmills, 100% of the fiber is sourced from American forests through a supplier network primarily composed of small, non-industrial private forest landowners.

A total of 70% of the fiber input for our pulp and paper mills consisted of sawmill by-products (wood chips) from Resolute’s own wood products operations and other facilities. An additional 4% of the total fiber used came from recovered paper collected and processed by external suppliers, as well as paper waste collected directly from commercial printing companies.

100% of the woodlands managed by Resolute are third-party certified to at least one internationally recognized forest management standard: Sustainable Forestry Initiative® (SFI®) and/or Forest Stewardship Council® (FSC®). More than 60% of our externally sourced fiber is also certified to one of these standards, or to the American Tree Farm System® (ATFS) standard.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

1

Operations.pdf

Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)

1

Suppliers.pdf

F2.3

(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?

| | Use of a classification system to determine deforestation and/or conversion risk of sourcing areas | Methodology used for classifying levels of risk | Use of risk classification | Attachment indicating risk classification for each sourcing area (optional) |
|---|--|--|--|--|
| 1 | Yes, we use a classification system | Resolute relies on the following items to classify risk, and details for each item are set forth in the attached due diligence documents: 1. Legal and regulatory framework 2. Company record, reputation, and policies 3. Company third-party certifications 4. Nature of the wood fiber supply and third-party certified traceability mechanisms | Demonstration of risk from negligible to low, medium or high. Only fiber from negligible or low-risk sources can be sourced. | 1 RFP Canada Inc. - Paper - Due Diligence for EUTR Compliance - June 2023.pdf RFP US Inc. - Pulp - Due Diligence for EUTR Compliance - V1.13 - June 2023.pdf RFP Canada Inc. - Pulp - Due Diligence for EUTR Compliance - June 2023.pdf |

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

| | Risk identified? |
|-----------------|------------------|
| Timber products | Yes |
| Palm oil | <Not Applicable> |
| Cattle products | <Not Applicable> |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Resolute defines substantive financial and strategic impact as factors materially affecting direct operations, leading for instance to an impact on the company's financial condition or financial results, or the inability to operate one of our facilities. Impacts like these may affect our capacity to meet financial obligations and mitigate exposure to broad risks.

Our enterprise risk management (ERM) process is the framework for identifying dangers and potential other hazards that may interfere with our operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. A substantive financial or strategic impact on our business is generally defined in our ERM process to include risks and opportunities - including identifying or assessing forest-related risks and opportunities - with a potential financial impact of more than \$50 million and the probability of occurrence above 50%; or a potential financial impact between \$10-50 million and the probability of occurrence above 75%. The magnitude of the impact can be influenced by the proportion of mills affected by the risk, and the dependency of the organization on those mills.

Substantive impacts may also include the inability to operate one of our facilities due to flooding, drought, inability to meet environmental regulations, unacceptable compliance costs, or significant changes to fiber supply. The total metric tons/cubic meters of wood available for harvest and transformation is a metric used to evaluate potential impacts on overall production at many of our facilities. Substantive strategic impacts may also relate to our future business plans and strategies, including the risks associated with the global macro-environment in which we operate, trends in our industry, demand for our products, competitive threats, product innovation, public policy developments, changes to consumption habits, resource allocation, and strategic initiatives, including mergers and acquisitions, dispositions, and restructuring activity.

A related example includes the cash deposits we are required to pay for estimated countervailing duties and anti-dumping duties on the vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills since April 28, 2017, and June 30, 2017, respectively. In 2022, we made \$147 million in softwood lumber duty deposits for cumulative deposits of \$544 million through the end of 2022. These cash deposit requirements to the U.S. for estimated countervailing and anti-dumping duties are the result of petitions filed by U.S. softwood lumber products producers and forest landowners with the U.S. Department of Commerce and the U.S. International Trade Commission.

Our Internal Audit team coordinates the annual ERM exercise by asking senior management to identify the most important risks and related mitigation plans facing the company. Risks identified by management are taken into account in the development of the annual audit plan.

Through March 1, 2023, the board's audit committee was responsible for overseeing general risk assessment and management, as well as reviewing contingent liabilities and risks that may be material to the company. The committee also considered major legislative and regulatory developments that could materially impact contingent liabilities. The environmental, health, safety and sustainability (EHSS) committee assisted the board in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters. It provided overall guidance on our sustainability strategy, reviewing and assessing sustainability-related risks brought to its attention by management, including water-related risks.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Acute physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Direct operation
Supply chain
Other parts of the value chain

Primary risk driver

Wildfires

Primary potential impact

Supply chain disruption

Company-specific description

Our operations and suppliers in Canada and the United States are subject to climate variations, which impact the frequency and severity of wildfires, affecting adversely or positively timber production and fiber sourcing. Changes in precipitation resulting in droughts could make wildfires more frequent or more severe, and could adversely affect Resolute's timber supply or hydroelectric production.

In our Canadian operations, access to woodlands can be difficult and forest fires can go undetected due to low population density in forested areas. Many of Resolute's operations are located in remote areas. On top of the protection costs, the real impact for Resolute is a reduction in the annual allowable harvest resulting from forest fires, as well as the extra costs the company may incur to salvage burnt wood, such as road construction, sorting poorer wood quality and displacing woodland operations. Productivity and efficiency of harvest teams and the sawmills operations may also be affected.

In 2022, 2,860 hectares (approx 7,000 acres) of forest were affected by fires in Resolute's supply zone in Canada where our sawmills source mostly from Resolute's managed forests (82%). The area was much larger in 2021 (800,000 ha), and we expect a much larger impact in 2023, as the area burned is significantly higher (over 1.5M ha), impacting our operations over the long term.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

1115400

Potential financial impact figure - maximum (currency)

51490000

Explanation of financial impact

One method for estimating the potential financial impact of forest fires is described in "The Costs and Losses of Wildfires A Literature Review" (available online: <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1215.pdf>). Costs are estimated to be about \$390/ha. With 2,860 hectares of owned or managed land affected by forest fires based on 2022, the cost to Resolute would have been in the range of \$1,15 million - the minimum financial impact we identified above. That said, as woodlands under our stewardship are primarily located in Canada where 94% of forests are publicly owned, a significant portion of this risk, including immediate direct costs, belongs to Canadian public authorities, which are passed on to Resolute and other stakeholders indirectly.

For comparison, in Canada, the total area that burns annually varies widely from year to year, but averages about 2.5 million hectares; fire suppression costs over the last decade have ranged from about C\$500 million to C\$1 billion a year (source: <http://www.nrcan.gc.ca/forests/fire-insects-disturbances/fire/13143>). Using the industry's annual 2020 gross domestic product of C\$25.2 billion (Natural Resources Canada, 2022) to assume Resolute's share of the risk at around 7% (based on our 2022 economic impact in Canada of C\$1.7 B), the potential, hypothetical financial impact to Resolute in Canada is estimated to be no more than C\$70 million (US\$51.5 million), the maximum impact above.

Primary response to risk

Engagement in multi-stakeholder initiatives

Description of response

In Quebec, SOPFEU is responsible for optimizing forest fire protection to ensure the sustainability of the forest environment and surrounding communities. The organization is supported by the provincial government and was chaired by Resolute's vice president, Woodland Operations, between 2018 and 2021.

In Ontario, the ministry of Natural Resources and Forestry (MNRF) maintains a system of firefighting resources to allow appropriate responses to wildfire. This system includes a number of fire bases and response centers as well as aircraft and equipment. The Wildland Fire Management Strategy (2014) provides direction for how the MNRF manages wildland fire across Ontario.

The Intergovernmental Panel on Climate Change has confirmed harvesting mature trees actually limits the impact of fire, as does the rapid regeneration that follows under sustainable forest management. In addition to implementing sustainable forest management, Resolute promotes sustainable forestry practices and responsible fiber sourcing, and engages in salvage logging, harvesting in fire affected areas to promote regeneration and minimize greenhouse gas emissions associated with decomposing burned vegetation. These salvage logging operations also promote best use of forest resources. For our operations in or near affected areas, we utilize careful logging techniques to minimize soil disturbance and take care to protect natural regeneration.

Cost of response

100000

Explanation of cost of response

Fire suppression costs over the last decade in Canada have ranged from about \$500 million to \$1 billion a year (source: <http://www.nrcan.gc.ca/forests/fire-insects-disturbances/fire/13143>). A significant portion of these costs are assumed by Canadian public authorities. Woodlands under our stewardship are primarily located in Canada where 94% of forests are publicly owned. Immediate direct costs to Resolute are therefore minimal despite the significant potential financial impact.

In Quebec, SOPFEU is responsible for optimizing forest fire protection to ensure the sustainability of the forest environment and surrounding communities. Resolute's VP, Forestry and Woodland Operations, chaired SOPFEU's board of directors between 2018 and 2021. We estimate Resolute's contributions through his involvement at around \$90,000. We continued to participate proactively in SOPFEU throughout 2022, in particular via our participation on the board.

In Ontario, the ministry of Natural Resources and Forestry (MNRF) maintains a system of firefighting resources to allow appropriate responses to wildfire. This system includes a number of fire bases and response centers as well as aircraft and equipment. The Wildland Fire Management Strategy provides direction for how the MNRF manages wildland fire. Direct costs to Resolute are minimal, but we have added \$10,000 to the \$90,000 mentioned above for the involvement of our personnel in collaborating with the MNRF on forest fire-related issues in 2022.

Forest risk commodity

Timber products

Type of risk

Acute physical

Geographical scale

Country

Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Other parts of the value chain

Primary risk driver

Other acute physical driver, please specify (Bug infestations)

Primary potential impact

Supply chain disruption

Company-specific description

Our operations and suppliers are subject to the spread of disease or insect epidemics, which in turn may adversely or positively affect timber production. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters such as the spread of disease and insect infestations. Weather in winter is often no longer cold enough to reduce populations of insects such as the spruce budworm, which can decimate large tracts of forestland. This may result in fiber access issues as well as higher transportation costs for the delivery of suitable wood to our facilities.

The last extensive outbreak of spruce budworm in Canada reached its peak in the 1970s, damaging more than 50 million hectares. While it is too early to measure the economic impact, it is estimated that the most recent budworm outbreak, which began in 2006 and continues, has already affected some three million hectares of boreal forest in Quebec and Ontario, in addition to causing losses in wood supply equivalent to 20 years worth of harvest. Resolute manages forests in areas that were hit significantly.

According to Natural Resources Canada, outbreaks of spruce budworm will likely increase in extent, affecting large areas of forest from Ontario east. The jack pine budworm outbreak in Ontario is also expected to continue for the next few years.

Timeframe

>6 years

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

978000000

Potential financial impact figure - maximum (currency)

1653000000

Explanation of financial impact

According to Natural Resources Canada, losses resulting from the last spruce budworm outbreak, in Quebec alone, are estimated at about 2.6 million hectares of spruce and fir, for an estimated commercial value of C\$12.5 billion, or C\$4,808 per hectare. In Ontario, the infestation was relatively small—covering 850,000 hectares—peaking in 2007. It has now declined to around 300,000 hectares, the equivalent of C\$1.4 billion in commercial value. In addition, another two million hectares in Northwestern Ontario are affected by the jack pine budworm.

On top of the protection costs, the impact on Resolute could be a reduction in the annual allowable harvest. Using the Canadian forest products industry's annual 2020 gross domestic product of C\$25.2 billion (Natural Resources Canada, 2022) to assume Resolute's share of the market/risk at approximately 7% (based on the company's economic impact in Canada of C\$1.7 B in 2022), the potential financial impact to Resolute could be as high as C\$2.1 billion (approximately US\$1.7 billion) based on 4.9 million hectares (spruce and jack pine budworm combined). This is the maximum financial impact we identified above. Not counting the jack pine budworm, less impactful, the minimum impact above was estimated based on 2.9 million hectares, or \$978 million.

However, potential impact does not account for wood that can be salvaged, infestations that have been mitigated, and rising temperatures that could precipitate a change in forest composition.

Primary response to risk

Promotion of sustainable forest management, including financial incentives

Description of response

The Côte-Nord region of Quebec was hit most recently, affecting our fiber supply, particularly at our Outardes (Quebec) sawmill. Resolute engaged in salvage logging, harvesting in affected areas to promote regeneration. We utilize careful logging techniques to minimize soil disturbance and to protect natural regeneration.

In addition to supporting salvage logging, Resolute implements and promotes sustainable forestry practices and responsible fiber sourcing, such as chain of custody certification and forest regeneration. In 2022, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with them to better assess their forest management practices and the feasibility of implementing certification. We met 421 smallholders who supply Resolute with

roundwood, as well as the 34 external chips suppliers with whom we did business in 2021, discussing forest-related policies and best practices.

We also donated C\$1 million over five years toward the creation of an industrial research Chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi, focusing on forest management and the spruce budworm. In 2021, we also renewed a five-year, C\$175,000 commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

Cost of response

1650000

Explanation of cost of response

Resolute donated C\$1 million (approximately US\$750,000) over five years toward the creation of an industrial research chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi (UQAC), focusing on the spruce budworm. Since this chair program ended, Resolute concluded a new agreement in 2022 with UQAC to contribute 350 000\$ a year over five years (total C\$1.7M/approximately US\$1.5M) to sustain a research consortium dedicated to forest resiliency in relation with natural perturbation and climate changes.

In 2021, we also renewed a five-year (until 2026), C\$175,000 (approximately US\$150,000) commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

The costs associated with the salvage logging undertaken in the Côte-Nord region and third-party certifications are not included in our cost of response.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

| | Have you identified opportunities? |
|-----------------|------------------------------------|
| Timber products | Yes |
| Palm oil | <Not Applicable> |
| Cattle products | <Not Applicable> |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description

Trees are one of the most versatile and renewable resources. Not only is wood the most sustainable building material, it is energy-efficient and cost-effective. Wood products, as well as books, magazines and other durable paper products, store the carbon that began in the forest, and the recycling of paper avoids the methane emissions that occur at landfills.

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. Forest certification and fiber tracking help to ensure the sustainability of our fiber supply and other forest values, including biodiversity and ecosystem conservation. Strict adherence to internationally recognized forest management and chain of custody (CoC) standards provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. Third-party-verified forest certification standards provide us with a competitive edge by providing our customers with the assurance that our forests are managed responsibly according to rigorous standards. We are among the largest holders of SFI and FSC certificates in North America.

In 2022, 100% of the forests we manage were certified to the SFI Forest Management Standard. In addition, we maintain FSC Forest Management certification for the Black Spruce and Dog River-Matawin forest licenses in Ontario, and for the following management units located in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. Overall, without double-counting the area certified to the two forest management standards, this represents just over 20 million hectares (50 million acres) of certified land.

Effective March 2022, 100% of our manufacturing facilities were third-party certified to at least one of three internationally recognized chain of custody standards. All of our operations are certified or in the process of being certified to the ISO 14001:2015 Standards for our environmental management systems, with the two remaining sawmills set for certification in 2023. Our Hialeah (Florida) tissue mill, which manufactures Green Heritage® products that feature recycled and/or virgin fiber content, is certified to third-party standards EcoLogo® and Green Seal®.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

High

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2492044000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The figure comprises an estimate of our 2022 revenue from sale of pulp, paper, tissue, lumber and other wood products certified to chain of custody standards (SFI, FSC and PEFC), Green Seal certification, or sourced from woodlands with SFI or FSC forest management certification. Figures are based on sales in dollars and in weight using numbers and averages from 2022.

Cost to realize opportunity

5000000

Strategy to realize opportunity

Strict adherence to internationally recognized forest management and chain of custody (CoC) standards provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. This approach is deeply embedded throughout the company and our operations, rendering the cost of response a difficult one to evaluate monetarily. Developing fiber tracking systems, implementing certification, undertaking audits and monitoring best practices are not tracked specifically, but together exceed \$5 million annually.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description

Over the past decade, Resolute has significantly invested in green energy (we operate six cogeneration facilities and seven hydroelectric dams). We have long sold green energy credits and electricity generated from renewable sources back to the grid and since 2016 continued to ramp up production of biomass wood pellets used to produce electricity in place of coal at the Atikokan Generating Station in Ontario.

The industrial wood pellet plant at our Thunder Bay (Ontario) sawmill converts sawdust, a by-product of our adjacent sawmill into wood pellets, a reliable source of renewable energy. Our ten-year agreement with Ontario Power Generation is to provide up to 45,000 metric tons of wood pellets each year for the power generating station in Atikokan, which is a one-unit, 207-megawatt station that helps Ontario meet its needs during peak power consumption periods.

At one time, this state-of-the-art facility burned coal, but a \$170 million retrofit enabled it to burn wood pellets. Unlike coal or natural gas, energy generated from wood pellets is fully replaceable and produces power that is considered carbon-neutral. The greenhouse gas emissions from our wood pellets are considered carbon-neutral because they are made from the residual products of our manufacturing process. The Atikokan generating station is currently the largest electrical power plant in North America fueled by 100% biomass.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Medium-high

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

70000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Total annual sales of biomass pellets produced at the Thunder Bay (Ontario) pellet plant in 2022 were C\$9 million generated from 40,031 mt of pellets. As a ten-year agreement, the financial impact is estimated to be approximately C\$90 million, or US\$70 million.

Cost to realize opportunity

6500000

Strategy to realize opportunity

The cost in US dollars of establishing the wood pellet plant at our Thunder Bay sawmill.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

| Position of individual or committee | Responsibilities for forest-related issues |
|-------------------------------------|--|
| Board Chair | <p>Through March 1, 2023, when Resolute became a privately owned company pursuant to the merger of Resolute with a subsidiary of Domtar Corporation: the chair led the board of directors, which together with its environmental, health, safety and sustainability (EHSS) committee and its human resources and compensation/nominating and governance committee, were responsible for overseeing the company's sustainability plans and strategies as well as the company's ESG performance.</p> <p>The board chair had extensive experience in sustainability and forest products, having previously been CEO of another important forest products company.</p> <p>In addition to leading the board in its oversight of ESG plans, strategy and performance, the chair commissioned the sustainability committee to provide third-party ESG training for all directors, officers and members of the sustainability committee. Trainings were completed in early 2022.</p> <p>The board held 8 regular meetings in addition to special meetings in 2022.</p> |
| Board-level committee | <p>Through March 1, 2023, the environmental, health, safety and sustainability (EHSS) committee assisted the board of directors in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters. It provided overall guidance on our sustainability strategy and results by reviewing established key performance indicators, incidents, audits, liabilities, stakeholder relations, public policy issues and other developments. The committee reviewed our annual sustainability targets, including our 2022 target to strive to record no more than five forest management incidents leading to an infraction.</p> <p>The EHSS committee met four times in 2022 and was composed of five board members. The president & CEO, executive managers (senior vice presidents of Operations, HR, Legal and Corporate Affairs) and four senior managers participated in meetings.</p> |
| Chief Executive Officer (CEO) | <p>Our president & CEO was a member of the board of directors and leads the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies, which are reviewed by our board of directors. The overall responsibility for our performance resides with the president & CEO, with oversight from the board.</p> <p>The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including adopting annual and long-term targets related to forest certification and forestry-related regulatory infractions, reports to the president & CEO.</p> <p>The president & CEO authorized proceeding with the chain of custody certification at Resolute's three U.S. sawmills purchased in 2020, a process completed in March 2022.</p> |
| Board-level committee | <p>Through March 1, 2023 the audit committee assisted the board in fulfilling its oversight responsibilities, including the committee's primary duties and responsibilities of reviewing senior management's plans to manage Resolute's exposure to risk. The committee discussed and considered the company's policies with respect to general risk assessment and risk management, and reviewed contingent liabilities and risks that may be material to the company as well as major legislative and regulatory developments that could materially impact the Company's contingent liabilities.</p> <p>In 2022, as part of the enterprise risk management process, the committee reviewed forests-related risks and related mitigation plans, including the impact of the spruce budworm in the Côte-Nord region of Quebec. The committee met five times in 2022 and was composed of four board members. Four members of the executive team (president & CEO, CFO, CAO, CLO) and the vice president, Internal Audit, also attended meetings.</p> |

F4.1b

(F4.1b) Provide further details on the board’s oversight of forests-related issues.

| | Frequency that forests-related issues are a scheduled agenda item | Governance mechanisms into which forests-related issues are integrated | Please explain |
|-------|---|--|--|
| Row 1 | Scheduled - all meetings | Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives | Through March 1, 2023, when Resolute became a privately owned company pursuant to the merger of Resolute with a subsidiary of Domtar Corporation: the board of directors executed its oversight responsibility for risk assessment and risk management through its committees, including the audit committee and the environmental, health, safety and sustainability committee, to which the president & CEO reported. Risks were considered through risk-based methods and processes integrating concepts of internal control, transparency and strategic planning, which are intended to allow the board to identify and assess environment, social and governance risks, namely regulatory changes, strategic capital investments, consumer preference changes, reputation, and weather-related challenges. Resolute is guided by its core values, which help to ensure the company’s continued growth and success, while reinforcing our vision. Sustainability drives the organization’s activities, including its approach to health and safety, community relations and environmental impacts. Tone from the top plays a vital role: the president & CEO and executive team actively promote the sustainability strategy, and company policies are signed by the president & CEO (ex. Environmental Policy, Health & Safety Policy, Indigenous Peoples Policy). |

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Past experience in the forest sector is the main criteria used to assess competence on forests-related issues. The chairman of the board was president and chief executive officer and a director of Interfor Corporation (TSX) for nearly 20 years until he stepped down in 2019. Interfor is one of the world’s largest forest products companies with operations across North America and customers around the globe.

Four members of the board had experience with sustainability and ESG issues, including our president & CEO who was a member of Resolute’s sustainability committee prior to becoming the general manager of our Thunder Bay (Ontario) pulp and paper mill where he was responsible for the mill’s fiber sourcing and processing, among other things, in addition to working proactively with our Ontario woodlands operations.

As a former executive in the forest products industry, the chair of the environmental, health, safety and sustainability (EHSS) committee had extensive experience in environmental sustainability, including fiber and water management at pulp, paper and tissue mills. She was instrumental in enhancing board oversight of our sustainability strategy, and our environmental, social and governance (ESG) performance since 2019. Her 30-plus years of experience in the forest products sector – including leadership positions with companies, industry associations and a government committee tasked with establishing 2030 greenhouse gas emission reduction targets – proved beneficial to Resolute as we establish and deliver on our sustainability commitments.

In addition, the chair of the board was experienced in sustainability and forest products, having previously been CEO of another important forest products company, while a fourth director brought general knowledge on sustainability/ESG to the table.

Primary reason for no board-level competence on forests-related issues

<Not Applicable>

Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future

<Not Applicable>

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

| Name of the position(s) and/or committee(s) | Forests-related responsibilities of this position | Frequency of reporting to the board on forests-related issues | Please explain |
|---|---|---|---|
| Chief Executive Officer (CEO) | <p>Managing annual budgets relating to the implementation of forest-related policies and commitments</p> <p>Managing major capital and/or operational expenditures, related to low-impact forest products or services (including R&D)</p> <p>Managing forests-related acquisitions, mergers, and divestitures</p> <p>Integrating forests-related issues into business strategy</p> <p>Setting forests-related corporate targets</p> <p>Monitoring progress against forests-related corporate targets</p> <p>Managing public policy engagement that may impact forests</p> | More frequently than quarterly | <p>Our president & CEO was a member of the board of directors and led the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies. The overall responsibility for our performance resides with the president & CEO. Company results are reported monthly to our senior managers and the executive team (including the president & CEO), who made quarterly reports on sustainability and forests-related issues to the board of directors' environment, health, safety and sustainability committee or the full board through March 1, 2023. The president & CEO also signs our Wood and Fiber Sourcing Policy.</p> <p>The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including adopting annual and long-term targets related to forest certification and forestry-related regulatory infractions, reports to the president & CEO. Our president, Wood Products - who oversees all forestry and wood products-related activities, as well as our vice president, Forestry & Woodland Operations - who assesses and manages forest-related risks and opportunities in our woodland operations - also report to the president & CEO.</p> <p>In 2021, the president & CEO authorized proceeding with chain of custody certification at Resolute's three U.S. sawmills purchased in 2020, a process completed in March 2022.</p> |
| Chief Financial Officer (CFO) | <p>Managing annual budgets relating to the implementation of forest-related policies and commitments</p> <p>Managing major capital and/or operational expenditures, related to low-impact forest products or services (including R&D)</p> <p>Managing forests-related acquisitions, mergers, and divestitures</p> | More frequently than quarterly | <p>The CFO reports directly to the company's president & CEO, overseeing Resolute's financial reporting. Resolute complies with applicable financial reporting requirements, which include consideration of forest-related risks due to the associated potential significant business impacts.</p> <p>Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management for inclusion in Resolute's financial reporting. Risks identified by management (including the president & CEO, CFO, executive team and senior managers) are also raised.</p> <p>Examples of forests-related risks disclosed in the company's Form 10-K annual report filed in March 2022 include forest fires and bug infestations.</p> |
| Sustainability committee | <p>Integrating forests-related issues into business strategy</p> <p>Setting forests-related corporate targets</p> <p>Monitoring progress against forests-related corporate targets</p> <p>Managing public policy engagement that may impact forests</p> | Quarterly | <p>We rely on our sustainability committee - a management committee - to support the delivery of our key commitments and implement related plans. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs, who reported to the board of directors' environmental, health, safety and sustainability committee on a quarterly basis through March 1, 2023.</p> <p>The committee is a cross-functional group of senior managers whose mandate is to recommend strategies, set goals and measure results, oversee reporting, ensure continuous improvement, and assess stakeholder expectations. Meeting quarterly - a total of four times in 2022 - the committee oversees the company's key sustainability commitments, including adopting, reviewing and reporting on annual targets related to forest and fiber management. In 2022, for instance, the committee committed to maintain 100% forest management and chain of custody certification through 2026. In addition, the committee sets the annual target for forest management regulatory infractions: for 2022, no more than five forest management incidents leading to a regulatory infraction in Canada, excluding incidents of a purely administrative nature, with a long-term aspirational goal of zero infractions.</p> |
| Risk manager | <p>Managing annual budgets relating to the implementation of forest-related policies and commitments</p> <p>Integrating forests-related issues into business strategy</p> <p>Monitoring progress against forests-related corporate targets</p> <p>Managing public policy engagement that may impact forests</p> | More frequently than quarterly | <p>The vice president, Forestry & Woodland Operations, assesses and manages forest-related risks and opportunities, which are reported to the president & CEO and members of the executive team on an ongoing basis, as well as to the sustainability committee on a quarterly basis via the involvement of the vice president's direct report, the senior director, Forestry. Together, the vice president and senior director monitor progress on our targets.</p> <p>The vice president, Forestry & Woodland Operations, reports to the president, Wood Products, who reports directly to the president & CEO of the company.</p> <p>The position is responsible for our Wood and Fiber Sourcing Policy, which applied in conjunction with our 100% chain-of-custody-certified tracking systems, helps manufacturers and traders avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses.</p> <p>For Resolute, responsible environmental stewardship is an ethical obligation and a business imperative, and integral to our overall commitment to sustainability. We recognize that the long-term future of our company and the communities in which we operate depends on responsible management of the natural resources in our care. That is why we are deeply committed to managing the forest responsibly for future generations, and to engaging with stakeholders, partners and public authorities. The vice president is responsible for leading this engagement as it relates to the woodlands we manage.</p> |

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

| | Provide incentives for management of forests-related issues | Comment |
|-------|---|--|
| Row 1 | Yes | <p>Our executive compensation program is designed to meet the following objectives:</p> <ul style="list-style-type: none"> -Attract and retain team members with superior management ability, insight and judgment who will pursue the repositioning of the company for long-term growth, with a focus on operational excellence and the creation of a sustainable and diversified portfolio of products; -Motivate and reward the named executive officers for their contributions to the company's growth and profitability on a short- and long-term basis by linking a significant portion of the compensation package to the achievement of specific financial measures and other company goals and objectives, including our sustainability commitments and annual targets; -Encourage superior individual performance by recognizing individual performance in the short-term incentive plan and rewarding, through limited discretionary cash awards, demonstrated effectiveness and remarkable initiatives, namely behaviors that enhance overall corporate performance; and -Ensure a strong alignment between named executive officers and all stockholder interests. <p>"Superior management ability, insight and judgment" must be forest-issue focused for several members of the executive team, including the president & CEO, CFO and president, Wood Products, as described in section 4.2. In addition, our senior vice president, Human Resources is responsible for our wood product facilities and woodland operations' health and safety targets/incidents.</p> <p>Resolute's short-term incentive plan (STIP) - the bonus payouts for all eligible employees calculated using economic key performance indicators, such as income from operations - includes environmental and social performance criteria. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident and severity rates, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents occurring in woodlands operations, such as spills, gas or liquid release, as well as fish or wildlife kill.</p> |

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

| | Role(s) entitled to incentive? | Performance indicator | Contribution of incentives to the achievement of your organization's forests-related commitments | Please explain |
|---------------------|---|---|---|--|
| Monetary reward | Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer Other, please specify (All salaried employees) | Improvements in commodity production efficiency – direct operations Other, please specify (Achievement of commitments and targets) | The company's short-term incentive plan (STIP) is in part tied to the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents occurring in the forest lands we manage, such as spills or fire. The STIP payout is adjusted according to the achievement of targets, negatively if not reached and positively if surpassed. | <p>Resolute's short-term incentive plan (STIP) - bonus payouts for all eligible employees calculated using economic key performance indicators, such as income from operations - includes environmental and social performance criteria. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident and severity rates, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents occurring in woodlands operations, such as spills, gas or liquid release, and fish or wildlife kill. The STIP payout is adjusted according to the achievement of targets, negatively if not reached and positively if surpassed.</p> <p>The president & CEO and senior vice presidents' compensation is in part based on these same sustainability metrics, specifically, twenty-five percent (25%).</p> <p>Working to grow our sustainable forestry business in light of market opportunities presents an income-generating opportunity for the company, which can benefit senior managers, including the president & CEO. Effectively managing forests-related risks and opportunities increases the business' profitability, ultimately translating to higher bonus payouts for affected employees.</p> |
| Non-monetary reward | Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer Other, please specify (All employees who demonstrate a deserving performance) | Other, please specify (Value chain engagement, community engagement) | Resolute is committed to building solid relationships with a broad range of stakeholders by maintaining ongoing outreach and developing strategic partnerships through a variety of formal and informal channels. Recognizing individual employees for their contributions in this regard provides our team with an additional incentive to build these relationships. | <p>In recognition of our industry-leading sustainability, environmental and safety performance, Resolute won 37 regional, North American and global awards and distinctions in 2022 alone. We value this recognition because it provides tangible proof that our vision and values are not merely aspirational words; they are the driving force behind our improved performance and global success. The awards garnered in 2022 point directly to our core values of accountability, caring and trust. Our achievements in sustainable development as well as our business practices reflect the principled leadership of our management team and the hard work and dedication of our employees.</p> <p>In 2022, several individual Resolute employees were recognized for their ongoing commitment to the forest products industry. Tom Ratz, manager, Forestry, and Christa Campbell, coordinator, Forestry, at our Ontario woodlands, received the Outstanding Member of the Year and a Rising Star awards, respectively, from the Forest Products Association of Canada.</p> <p>The full list available online: http://www.resolutefp.com/Awards_and_Recognition/</p> |

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

Row 1

Scope

Company-wide

Commodity coverage

Timber products

Content

- Commitment to eliminate conversion of natural ecosystems
- Commitment to eliminate deforestation
- Adoption of the UN International Labour Organization principles
- Commitment to take action beyond own supply chain to tackle environmental issues
- Commitment to protect rights and livelihoods of local communities
- Commitments beyond regulatory compliance
- Recognition of the overall importance of forests and other natural ecosystems
- Description of business dependency on forests
- Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy
- Description of forests-related performance standards for direct operations
- Description of forests-related standards for procurement

Document attachment

Y
Resolute-Wood-and-Fiber-Sourcing-Policy.pdf

Please explain

We recognize that the long-term future of our company and the communities in which we operate depends on sustainable management of the natural resources in our care and the performance of our operations. That is why we are deeply committed to managing the forest responsibly for future generations. We value wood as a renewable, high-quality, reliable and environmentally friendly raw material for our paper, pulp and wood products. Our Wood and Fiber Sourcing Policy, applied in conjunction with our 100% chain-of-custody-certified tracking systems helps manufacturers and traders avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses.

Currently, 100% of the forest lands under our management are third-party certified and audited annually by independent certification bodies. These forest lands are located primarily in Canada and are 98% publicly owned. Located in Quebec and Ontario, these public lands are governed by forest management or timber supply agreements that include public consultation processes and regular audits by the government.

Public consultation is an essential step in the sustainable forest management planning process on public lands. In Quebec, the primary responsibility for forest management planning lies with the provincial government, which is also responsible for the public participation process. As such, Resolute has long collaborated with Quebec’s Ministry of Forests, Wildlife and Parks, recently divided into two new ministries: Environment, the Fight Against Climate Change, Wildlife and Parks; and Natural Resources and Forests.

In Ontario, there are different forest tenure models. Resolute directly manages forests under one of these models, the Sustainable Forest License (SFL), which is granted for a period of up to 20 years and subject to a five-year review. Resolute is also a board member and shareholder of two entities it does not manage directly – an SFL and a forest management corporation – both of which provide the company fiber from Crown Land. In addition, we work proactively with our partners, including mayors and chiefs from northern and Indigenous communities, to provide provincial governments with important feedback on forest-related matters, such as recreational uses and species-at-risk management.

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

| Forest risk commodity | Public commitments made |
|-----------------------|-------------------------|
| Timber products | Yes |

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (Ensuring 100% of the woodlands we manage and 100% of our manufacturing facilities are third-party certified to internationally recognized certification standards (FSC/SFI/PEFC/ISO 14001).)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No conversion of natural ecosystems
Zero net deforestation
Restoration and compensation to address past deforestation and conversion
Avoidance of negative impacts on threatened and protected species and habitats
No trade of CITES listed species
No conversion of High Conservation Value areas
No conversion of High Carbon Stock forests
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Remediate any adverse impacts on indigenous people and local communities
Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2007

Forest risk countries/areas that the cutoff date applies to

Any other countries/areas

Reason for selecting cutoff date

Compliance with initiative, please specify (In relation with our Forest Management and Chain of Custody certification starting point.)

Commitment target date

2021-25

Please explain

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. Forest certification and fiber tracking help to ensure the sustainability of our fiber supply and other forest values, including biodiversity and ecosystem conservation. Strict adherence to internationally recognized forest management and chain of custody (CoC) standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources.

We are committed to ensuring 100% of the woodlands we manage are third-party certified to at least one internationally recognized certification standard: Sustainable Forestry Initiative® (SFI) or the Forest Stewardship Council® (FSC). In 2021, we successfully maintained our SFI and FSC Forest Management certificates while transitioning to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01) in 2020. These certificates cover the following management units in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie in Quebec. In Ontario, the Black Spruce and Dog River-Matawin forest licenses are covered. This significant transition shows we have successfully met the criteria related to Free, Prior and Informed Consent (FPIC), among the many other requirements of the Standard. As we outline in our Indigenous Peoples Policy, Resolute respects the constitutional, legal and treaty rights of Indigenous peoples:

[https://www.resolutefp.com/uploadedFiles/Sustainability/Stakeholder_Engagement\(1\)/Indigenous-Peoples-Policy.pdf?v=1](https://www.resolutefp.com/uploadedFiles/Sustainability/Stakeholder_Engagement(1)/Indigenous-Peoples-Policy.pdf?v=1)

We have ongoing consultative relationships and business partnerships with close to 40 Indigenous communities and organizations.

We are also committed to certifying 100% of our manufacturing facilities to internationally recognized CoC tracking systems compliant with SF, FSC or the Programme for the Endorsement of Forest Certification (PEFC). CoC tracking systems require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. By March 2022, we met this commitment for all our mills, including our three U.S. sawmills and the Hagerstown (Maryland) tissue converting facility we acquired in 2020. By achieving this goal, we ensure 100% of the fiber used in our mills' production is compliant with the standards' requirements related to unacceptable sources: "Wood from forests converted to plantations or non-forest use".

The regeneration of harvested woodlands is an essential component of sustainable forest management. We rely on various forest management techniques and best practices, including the planting of seedlings. On top of the legal requirements to ensure 100% regeneration of the forest under harvest management, Resolute is active in helping restore areas that were previously deforested. In fact, Resolute was successful in securing funding for 2021 through the Canadian government's 2 Billion Trees commitment. We are planting approximately 300,000 trees to revegetate roads and gravel pits in former operation sectors in Northwestern Ontario.

Resolute makes an annual commitment to disclose information pertaining to forest management regulatory infractions in each of the Canadian provinces where we manage woodlands: Ontario and Quebec. In 2022, our target was to record no more than five forest management incidents leading to a regulatory infraction in Canada, excluding those of a strictly administrative nature. We received three notices of infraction for forest management incidents recorded in Ontario between 2018 and 2021 – total penalties of C\$16,000. Our long-term aspirational goal is zero infractions, and in 2023, our target remains no more than five incidents.

Forest risk commodity

Timber products

Criteria

Resolution of complaints and conflicts through an open, transparent and consultative process
Facilitate the inclusion of smallholders into the supply chain
Build community capacity and incentivize engagement in multi-stakeholder processes
No sourcing of illegally produced and/or traded forest risk commodities
No sourcing of forest risk commodities from unknown/controversial sources
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
Recognition of legal and customary land tenure rights

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2021

Forest risk countries/areas that the cutoff date applies to

Any other countries/areas

Reason for selecting cutoff date

Compliance with initiative, please specify (In relation with our Forest Management and Chain of Custody certification starting point.)

Commitment target date

2026-2030

Please explain

Resolute has set a series of value-generating, longer-term environmental, social and governance (ESG) targets for 2026 to complement our long-standing practice of establishing annual targets and other ongoing public commitments. In addition to renewing our commitment to maintain internationally recognized forest management certification at 100% of our managed woodlands and chain-of-custody certification at 100% of our manufacturing facilities, we intend to increase the portion of externally sourced fiber that is third-party certified to 75% from the 2021 baseline of 59%.

These forest certifications include conflict resolution processes, initiatives to engage smallholders, capacity building measures in multi-stakeholder initiatives, respect and recognition of the constitutional, legal and treaty rights of Indigenous peoples, as well as the assurance that our fiber is sourced from responsible sources.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

| | Are forests-related issues integrated? | Long-term time horizon (years) | Please explain |
|-----------------------------------|--|--------------------------------|---|
| Long-term business objectives | Yes, forests-related issues are integrated | >30 | <p>At Resolute, we recognize and value wood as a renewable and environmentally friendly raw material for manufacturing paper, market pulp, tissue, lumber and other wood-based products. To make these products, we utilize virgin wood in diverse forms but mainly as pulpwood, sawlogs and wood chips. For some of these products, we also utilize recycled fiber such as old newspapers, magazines and office papers. The wood we use is sourced both from the forestland operations that are under our control and from what we procure on the open market from independent suppliers. None of our products can be produced without wood.</p> <p>Our allowable cuts correspond, for a given management unit or local forest, to the maximum volume of annual timber harvests, by species or group of species, that can be harvested while ensuring the renewal and the evolution of the forest on the basis of the applicable sustainable forest management objectives, including: the sustainability of the forest environment; the impact of climate change on forests; the natural dynamics of forests, including their composition, age structure and spatial distribution; maintaining and improving the productive capacity of forests; and diversified use of the forest environment.</p> <p>Our long-term business objective is to produce the same amount of wood corresponding to the current allowable cuts on up to two thirds less land. The results of this long-term objective will be slowly perceivable over time with an achievement of it during the 2050-2080 period. This long-term business objective is designed to preserve the same amount of wood as allowable cuts, or a greater volume over time, while preserving and enhancing the environmental and social values of the forests we manage.</p> |
| Strategy for long-term objectives | Yes, forests-related issues are integrated | 5-10 | <p>At Resolute, our business and sustainability strategies have been expressly developed to align our efforts in environmental stewardship and social responsibility with our business objectives.</p> <p>Our corporate strategy is focused on value creation by growing in wood products and pulp, maintaining a disciplined approach to capital allocation and maximizing cash generation from our paper assets, while investing in product innovation. The company is transitioning away from mature product markets, expanding its presence in long-term growth markets, operating a competitive portfolio of manufacturing assets and enhancing financial performance in a sustainable way over the long run.</p> <p>Our sustainability strategy, based on a balanced approach of environmental, social and economic performance, is designed to enhance our competitive position. It is supported by public commitments in a number of key performance areas, including managing the resources in our care with the highest respect to differentiate the company as an environmental supplier of choice.</p> <p>The implementation of these strategies can be demonstrated by two announcements made by Resolute in 2022:</p> <ol style="list-style-type: none"> 1. In February 2022, Resolute reached an agreement with Louisiana-Pacific Corporation to acquire the latter's 50% equity interest in two joint ventures that produce I-joists for \$50 million. By acquiring the other 50% of the I-joist partnership, we are solidifying our presence in the growing and attractive engineered wood products segment in addition to locking in the downstream integration of over 60 million board feet of lumber capacity, the transaction allows us to consolidate the full value of the business. 2. In 2022, Resolute finalized its investment in cellulose filaments production at its Kénogami (Quebec) paper mill, which represents an opportunity to enter into non-traditional growth markets. The \$20 million project was launched in November 2022, with ramp-up of production planned in 2023. |
| Financial planning | Yes, forests-related issues are integrated | 16-20 | <p>Resolute is guided by our vision and values, focusing on accountability, caring and trust. We believe our approach to financial planning can be distinguished by the following competitive strengths:</p> <p>Competitive cost structure combined with a diversified and integrated asset base:</p> <ul style="list-style-type: none"> -large-scale and cost-effective operations, including significant internal energy production from cogeneration and hydroelectric facilities, which support our value proposition; -control over fiber transformation chain from standing timber to end-product for the majority of our offering; -nearly 100% of our products sourced from high-quality virgin fiber; -harvesting rights for the majority of fiber needs in Canada (five years and more); and -sophisticated logistics capabilities to meet demanding customer expectations. <p>A seasoned management team:</p> <ul style="list-style-type: none"> -deep industry expertise, with influential leaders in forestry, operations, environmental risk management and public policy; -culture of accountability, encouraging transparency and straightforwardness; and -core identity tied to renewable resources we harvest in a truly sustainable manner. <p>Deep-seated commitment to fundamental principles of sustainability:</p> <ul style="list-style-type: none"> -ambitious targets and governance to back it up; -unwavering focus on safety; and -transparent communications. <p>As examples, this approach was implemented in relation with two announcements made by Resolute in 2022:</p> <ol style="list-style-type: none"> 1. The purchase of a 34.5-megawatt cogeneration facility, adjacent to our Senneterre sawmill, that builds on our significant investments in the region, including a new planer and associated equipment, as well as operational improvements recently completed at our Comtois sawmill in the same region. The acquisition allows us to maximize the use of biomass from our regional operations, generating green power, cost savings and potential revenue streams, providing a platform for future growth and enhanced competitiveness in the region. 2. In 2022, Resolute finalized its investment in a new woodlands operations camp in the Côte Nord region of Quebec. In addition to the investment related to the camp, 12 off-road trucks were acquired to ensure a stable supply of fiber to the Outardes sawmill while reducing the greenhouse gas emissions related to transporting wood material (off-road trucking transports 125 m3 of wood compared to 40 m3 for standard truck). |

F6. Implementation

F6.1

(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Year target was set

2020

Target coverage

Company-wide

Target category

Third-party certification

Metric

Other, please specify (Number of certified facilities)

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Chain of Custody

FSC Controlled Wood

PEFC Chain of Custody

SFI Chain of Custody

SFI Fiber Sourcing certification

Base year

2020

Base year figure

42

Target year

2022

Target year figure

45

Reporting year figure

45

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target linked to a commitment?

Other environmental commitments

Please explain

Ensuring the traceability of 100% of the fiber supply is of paramount importance in the marketplace – and to Resolute. The quality of fiber, conservation priorities and sound environmental management of the forests in our care are all important components of chain of custody. Through our tracking systems, we closely monitor issues such as risks of illegal logging, conflict logging and illegal harvesting that could negatively impact endangered species or Indigenous communities. We are committed to maintaining certified tracking systems at all of Resolute's pulp, paper and tissue mills as well as wood products facilities, and in 2020, we set out to implement internationally recognized chain of custody standards at the three U.S. sawmills we acquired that year. For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards.

Target reference number

Target 2

Forest risk commodity

Timber products

Year target was set

2021

Target coverage

Company-wide

Target category

Third-party certification

Metric

% of volume third-party certified

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Forest Management certification

PEFC Sustainable Forest Management certification

SFI Forest Management standard

Base year

2021

Base year figure

58

Target year

2026

Target year figure

75

Reporting year figure

59

% of target achieved relative to base year [auto-calculated]

5.88235294117647

Target status in reporting year

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

Our long-term commitments include maintaining internationally recognized forest management standards at 100% of Resolute-managed woodlands, as well as chain of custody certification at 100% of our manufacturing facilities. We have also set a 2026 target to increase externally sourced fiber that is third-party certified to 75%.

Target reference number

Target 3

Forest risk commodity

Timber products

Year target was set

2021

Target coverage

Company-wide

Target category

Third-party certification

Metric

Other, please specify (% of certified woodlands operations)

Traceability point

<Not Applicable>

Third-party certification scheme

FSC Forest Management certification

SFI Forest Management standard

Base year

2021

Base year figure

100

Target year

2026

Target year figure

100

Reporting year figure

100

% of target achieved relative to base year [auto-calculated]

<Calculated field>

Target status in reporting year

Underway

Is this target linked to a commitment?

No conversion of natural ecosystems

Please explain

100% of the woodlands we manage are third-party certified to internationally recognized independent certification standards: Sustainable Forestry Initiative® (SFI®) and/or the Forest Stewardship Council® (FSC®), and we are committed to maintaining these certifications at 100% our woodlands operations.

In 2022, we maintained certification on 100% of the forests we manage to the Sustainable Forestry Initiative® (SFI®) Forest Management Standard. This includes certification for the Black Spruce, Caribou, Dog-River Matawin and English River forest licenses in Northwestern Ontario, and the following management units in Quebec: 024-71, 025-71 and 027-51 in Lac-Saint-Jean; 042-51 and 043-52 in Mauricie; 071-51, 071-52, 073-51, 073-52 and 074-51 in Outaouais; 084-51, 084-62, 086-65, 086-66, 087-51, 087-62, 087-63 and 087-64 in Abitibi and Nord-du-Québec; and 093-51 in Côte-Nord. The scope of our SFI Forest Management certification also encompasses some small private land in Tennessee, Ontario and Quebec.

In addition, we maintained the Forest Stewardship Council® (FSC®) Forest Management certification for the Black Spruce and Dog River-Matawin forest licenses in Northwestern Ontario, and the following management units in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. In 2020, we also successfully transitioned to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

This is an ongoing target and commitment that is renewed and reported on annually and publicly.

Target reference number

Target 4

Forest risk commodity

Timber products

Year target was set

2021

Target coverage

Business division

Target category

Other, please specify (Compliance with forestry regulations)

Metric

Other, please specify (Forest management incidents, not including strictly administrative incidents, that lead to an infraction)

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Base year

2021

Base year figure

5

Target year

2022

Target year figure

0

Reporting year figure

3

% of target achieved relative to base year [auto-calculated]

40

Target status in reporting year

Achieved

Is this target linked to a commitment?

Other environmental commitments

Please explain

As part of our public commitments, we began publicly reporting our compliance progress in our 2014 Annual Report. For 2022, our objective was a maximum of five forest management incidents leading to a regulatory infraction in Canada, with a long-term goal of zero infractions, not including administrative infractions. We received three notices of infraction for forest management incidents recorded in Ontario between 2018 and 2021, for a total of \$16,000 in fines. For 2023, we remain committed to recording no more than five forest management incidents leading to a regulatory infraction in Canada.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

| | Do you have system(s) in place? | Supply chain coverage | Description of traceability system | Exclusions | Description of exclusion |
|-----------------|---------------------------------|---|---|------------------|--------------------------|
| Timber products | Yes | Volume from direct and indirect suppliers | Effective March 2022, 100% of Resolute's manufacturing facilities have a chain of custody tracking system compliant with the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council® (FSC®), 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. A combination of electronic systems allows us to trace the origin of the wood we procure to the management unit of harvest. These systems are also used to control 100% of the volume delivery to our mills and to determine accounts payable to forest contractors harvesting the wood. | Not applicable | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

| Forest risk commodity | Point to which commodity is traceable | Countries/areas to which this traceability point applies | % of total production/consumption volume traceable |
|-----------------------|---------------------------------------|--|--|
| Timber products | Forest management unit | Canada United States of America | 100 |

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

| | Third-party certification scheme adopted? | % of total production and/or consumption volume certified |
|-----------------|---|---|
| Timber products | Yes | 100 |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Fiber Sourcing certification

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

100

Form of commodity

Hardwood logs
Softwood logs
Sawn timber, veneer, chips
Unprocessed wood fiber
Pulp
Paper

Volume of production/ consumption certified

3301132

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. This enables us to confirm to manufacturers and traders that they have avoided timber and timber products from unacceptable sources. Depending on the tracking system, additional requirements may apply that relate to high conservation values, conversion of forests to non-forest uses, propagation or use of genetically modified trees, corruption, Indigenous rights and/or workers' rights. The number above represents 100% of the fiber we procure for our pulp, paper and tissue mills.

Our long-term commitments include maintaining internationally recognized forest management standards at 100% of Resolute-managed woodlands, as well as Coc certification at 100% of our manufacturing facilities. We have also set a 2026 target to increase externally sourced fiber that is third-party certified to 75%. External forest management audits for SFI and FSC are conducted at our operations on a yearly basis.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

100

Form of commodity

Hardwood logs

Softwood logs

Sawn timber, veneer, chips

Boards, plywood, engineered wood

Volume of production/ consumption certified

9304978

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. This enables us to confirm to manufacturers and traders that they have avoided timber and timber products from unacceptable sources. Depending on the tracking system, additional requirements may apply that relate to high conservation values, conversion of forests to non-forest uses, propagation or use of genetically modified trees, corruption, indigenous rights and/or workers' rights. The number above represents 100% of the fiber we procure for our wood products facilities.

Our long-term commitments include maintaining internationally recognized forest management standards at 100% of Resolute-managed woodlands, as well as Coc certification at 100% of our manufacturing facilities. We have also set a 2026 target to increase externally sourced fiber that is third-party certified to 75%. External forest management audits for SFI and FSC are conducted at our operations on a yearly basis.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Forest Management certification

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

24

Form of commodity

Boards, plywood, engineered wood

Volume of production/ consumption certified

1897320

Metric for volume

Cubic meters

Is this certified by more than one scheme?

Yes

Is embedded soy certified through this scheme?

<Not Applicable>

Please explain

100% of the woodlands we manage are third-party certified to at least one internationally recognized independent certification standards: Sustainable Forestry Initiative® (SFI®) and/or the Forest Stewardship Council® (FSC®). The number above represents 24.3% of the fiber we procure for our Canadian wood products facilities.

Our long-term commitments include maintaining internationally recognized forest management standards at 100% of Resolute-managed woodlands, as well as Coc certification at 100% of our manufacturing facilities. We have also set a 2026 target to increase externally sourced fiber that is third-party certified to 75%. External forest management audits for SFI and FSC are conducted at our operations on a yearly basis.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

| | A system to control, monitor or verify compliance | Comment |
|-----------------|---|------------------|
| Timber products | Yes, we have a system in place for our no conversion and/or deforestation commitments | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations

Supply chain

Description of control systems

100% of our mills are chain of custody (CoC) certified to SFI®, PEFC and FSC®. All CoC systems require that 100% of the fiber processed meet due diligence requirements related to risks of forest conversion or deforestation and are third party verified annually. Governmental organizations conduct second-party verification of our operations yearly to verify legal compliance and to ensure 100% of harvest areas are regenerated in a timely manner. Our foremen monitor our ongoing on-the-ground operations to ensure compliance with legal requirements, including any possible non-conformity with respect to forest conversion or deforestation. We also have a communication and complaints procedure in place to receive complaints from stakeholders. All our operations are geospatially monitored for tracking and reporting purposes, and to ensure follow-up for regeneration. All harvested wood is georeferenced to a precise forest operations sector.

Monitoring and verification approach

Geospatial monitoring tool

Ground-based monitoring system

Community-based monitoring

First-party verification

Second-party verification

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Retain & engage

Suspend & engage

Exclude

% of non-compliant suppliers engaged

<Not Applicable>

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

No notices of non-compliance were issued in 2022 with respect to Resolute's operations on forests conversion or deforestation, including first, second and third-party verification.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

| | Are you working with smallholders? | Type of smallholder engagement approach | Smallholder engagement approach | Number of smallholders engaged | Please explain |
|-----------------|------------------------------------|---|---|--------------------------------|---|
| Timber products | Yes, working with smallholders | Supply chain mapping Capacity building | Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Disseminating technical materials Organizing capacity building events | 421 | <p>In Quebec, we purchase virgin fiber from private woodlot owners through brokers who maintain chain of custody tracking.</p> <p>In Ontario, virgin fiber purchases are made directly from private woodlot owners, while in the U.S., third-party suppliers work with private owners to harvest and deliver most of the fiber used at our operations.</p> <p>For both our internal and external wood and fiber, 100% is sourced in accordance with SFI Fiber Sourcing requirements, PEFC chain-of-custody due diligence requirements, or the FSC Controlled Wood Standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.</p> <p>Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.</p> <p>In addition, Resolute is actively engaged in SFI implementation committees in all regions where we operate mills. These SFI implementation committees promote the certification of the land base as well as the use of best management practices, among other things.</p> <p>In 2021, the Quebec SFI Implementation Committee developed a monitoring process based on the findings of a visit to smallholders in order to facilitate improving training procedures. This is an ongoing joint effort between 16 large companies in Quebec, covering most of the smallholders in the province, and we continued to work on the initiative in 2022.</p> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

F6.8

(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working with direct suppliers?

Yes, working with direct suppliers

Action(s) on forests-related issues driven by engagement

Ending deforestation and/or conversion of other ecosystems

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Supplier questionnaires on environmental and social indicators

Developing or distributing supply chain mapping tool

Offering on-site training and technical assistance

Disseminating technical materials

Description of engagement

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI Fiber Sourcing requirements, PEFC chain-of-custody due diligence requirements, or the FSC Controlled Wood Standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.

As an example, in 2022, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with some of them to better assess their forest management practices and the feasibility of implementing certification. 421 smallholders that supply Resolute with roundwood were met in 2022, and out of the 34 external chips suppliers we had in 2022, all were met to discuss forest-related policies. We are positioning ourselves to maintain and reinforce our position as a worldwide distributor of wood-based products from sustainable sources.

Deforestation and conversion were regularly addressed in these meetings in 2022, and specific training was provided to smallholders to insist on the importance of keeping forests as forests, and on ensuring regeneration success to avoid unintended consequences.

% of suppliers engaged by procurement spend covered by engagement

100

Explain the impact of your engagement on the selected action

Ensuring the traceability of 100% of the fiber supply is of paramount importance to our customers and stakeholders. The quality of fiber, conservation priorities and sound environmental management of the forests in our care are positive impacts that come out of this engagement. We are careful stewards of the forestlands we manage, and we hope to pass this commitment on to the many hundreds of suppliers we deal with on fiber procurement. Through our tracking systems, we also closely monitor issues such as risks of illegal logging, conflict logging and illegal harvesting that could negatively impact endangered species or Indigenous communities.

Is this engagement helping your suppliers engage with their suppliers on the selected action?

Yes

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Maintaining our sourcing certification)

F6.9

(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.

Forest risk commodity

Timber products

Are you working beyond first tier?

Yes, working beyond first tier

Action(s) on forest-related issues driven by engagement

Other, please specify

Type of engagement

Supply chain mapping

Capacity building

Details of engagement

Developing or distributing supply chain mapping tool

Supplier questionnaires on environmental and social indicators

Supplier audits

Disseminating technical materials

Participating in workshops

Investing in pilot projects

Description of engagement

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI Fiber Sourcing requirements, PEFC chain-of-custody due diligence requirements, or the FSC Controlled Wood Standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.

As an example, in 2022, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with specific suppliers to better assess their forest management practices and the feasibility of implementing certification. Meetings were also held with provincial associations and implementation committees to discuss forest-related commitments.

Through academic and research partnerships, we are also influencing second and third tier suppliers. We recently announced a C\$1.75 million commitment over five years (2023 and 2028) to University of Quebec in Chicoutimi to support a boreal forest research consortium, and in 2022, pledged C\$35,000 over five years (2023 to 2027) toward a C\$6 million initiative led by University of Quebec in Outaouais (UQO) and supported by National Council for Air and Stream Improvement (NCASI). The team from UQO, led by Dr. Christian Messier, is field-testing a new approach to forest management based on the natural strengths of forest ecosystems.

Explain the impact of your engagement on the selected action

Engagement with second and third tier suppliers helps address environmental concerns, such as protection of water quality, soil and endangered species, even though non-industrial private forest landowners may not themselves be certified. Meetings with suppliers and other stakeholders, such as government and Indigenous communities, helps to position the industry as a worldwide distributor of products from sustainable sources. Research partnerships are leading the way to leverage the natural strengths of forest ecosystems to positively shift the public's perception of forestry while improving the resilience and adaptability of our forests.

Does this engagement contribute to achieving a reported target?

Yes, please specify target ID(s) (Establishing strategic partnerships)

F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

| | Do you engage in landscape/jurisdictional approaches? | Primary reason for not engaging in landscape and/or jurisdictional approaches | Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future |
|-------|---|---|--|
| Row 1 | Yes, we engage in landscape/jurisdictional approaches | <Not Applicable> | <Not Applicable> |

F6.10a

(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

| | Criteria for prioritizing landscapes/jurisdictions for engagement | Explain your process for prioritizing landscapes/jurisdictions for engagement |
|-------|--|--|
| Row 1 | Ability to contribute to/ build on existing landscape and/or jurisdictional approaches Company has operational presence in area Opportunity to protect and restore natural ecosystems Response to regulation Risk of fires | <p>The example shared here is based on Resolute operations in the Canadian province of Quebec where over 90% of our forest management is done on public land. Government is responsible for planning the forest management strategy and to consult stakeholders, while Resolute executes the management plan and manages woodlands operations.</p> <p>Ecosystem-based management is an ecological approach applied to the sustainable development of the forests we manage directly and indirectly in Quebec. Its implementation aims to ensure the biodiversity and viability of ecosystems by reducing the gaps between the managed forest and forestland deemed natural. The approach aims, at the same time, to meet socio-economic objectives, while respecting social values linked to the forest environment.</p> <p>This management approach seeks to replicate natural disturbances by establishing a level of harvest equivalent to what is typically disturbed by fires or insects outbreaks at the landscape level. Similarly, unharvested areas remain part of the landscape in order to mimic natural disturbances. These areas are left primarily for ecological reasons but also serve to meet the different social uses of the forest. This approach is also used to partly ensure the protection of forests against large-scale fires. Indeed, forest management strategy aims to harvest wood before it reaches its end-of-life where it becomes a source of fuel for wild fires.</p> <p>In addition to the active management of its forests, Quebec also has an objective to protect 25% of its territory by 2025 and 30% by 2030.</p> <p>With responsibility for woodland operations under Quebec's forest management plans, Resolute is an important stakeholder involved in all stages of the development of the strategy and works closely with all relevant stakeholders on the ground.</p> |

F6.10b

(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.

Landscape/Jurisdiction ID

LJ1

Country/Area

Canada

Name of landscape or jurisdiction area

Provinces of Ontario and Quebec

Types of partners engaged in the initiative design and implementation

Subnational government
Local civil society organization(s)
Indigenous peoples

Type of engagement

Convener: High level of engagement in set-up, design, management and implementation
Partner: Shared responsibility in the implementation of multiple goals
Supporter: Implement activities to support at least one goal
Funder: Provides full or partial financial support

Goals supported by engagement

Forest fires monitored and prevented
Increased and/or maintained protected areas
Natural ecosystems conserved and/or restored
Biodiversity protected and/or restored
Ecosystem services maintained and/or enhanced

Company actions supporting approach

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
Collaborate on management/land use planning in the landscape/jurisdiction
Collaborate on landscape sustainability assessments through participatory mapping
Collaborate on establishing and managing monitoring system(s) for biodiversity, habitat fragmentation and/or threats to IUCN Red List species in priority areas

Description of engagement

As the company responsible for implementing the forest management strategies on the ground in the provinces of Ontario and Quebec, Resolute plays an important role in facilitating discussions with local and regional stakeholders while driving the implementation process, from design to management and execution.

As a partner, we share our knowledge of the land and maintain engaged discussions with stakeholders related to forest management plans led by government. Through our environmental management certifications (ISO 14001) and sustainable forest management certifications (SFI and FSC), we are also committed to monitoring our operations and the implementation of the forest management strategy.

By using the latest technologies (drones, LIDAR, etc.), we ensure precise and detailed information is collected in order to effectively carry out the implementation process, while ensuring biodiversity objectives are achieved.

Via the Quebec Forest Industry Council, we are also supporting Laval University's educational leadership chair in Indigenous forestry with a five-year, C\$175,000 (approximately US\$150,000) financial commitment. In 2022, we also announced a C\$1.75 million commitment over five years (2023 and 2028) to University of Quebec in Chicoutimi to support boreal forest research consortium and pledged C\$35,000 over five years (2022 to 2027) toward a C\$6 million initiative led by University of Quebec in Outaouais and supported by National Council for Air and Stream Improvement (NCASI)

In 2022, in addition to respecting the laws and regulations that apply during the implementation of forest management plans, Resolute maintained its existing forest management certificates (SFI and FSC) for 100% of the woodlands we manage directly and indirectly in Quebec.

In terms of protected areas, currently, 18% of the Quebec's landmass is protected, while Ontario has permanently protected over 11% of its total area.

Engagement start year

2013

Engagement end year

Not defined

Estimated investment over the project period (currency)

1782500

Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify (Technical and financial activity report submitted to the government. For more info, see below.)

State the achievements of your engagement so far, and how progress is monitored

Every year, we produce a technical and financial activity report for the government. The report presents the results of implementing the government's management plan and is used to document the progress made on objectives defined by the TGIRT partners and to provide the government feedback.

On a broader scale, five-year follow-ups of management objectives are undertaken to ensure objectives are achieved at the landscape level. This process also ensures the state of the forest and its resources are regularly reassessed in order to plan and define management objectives for the following five-year period.

2022 marks the last year of the current five-year cycle. We are in the process of working with government and stakeholders to establish targets for the next five years, and we will contribute to the next five-year review in early 2023.

F6.10c

(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.

| Indicate landscape/jurisdiction ID | Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume? | Commodity | % of total production/consumption volume from this landscape/jurisdiction |
|------------------------------------|---|------------------|---|
| LJ1 | Yes, we do produce/consume from this landscape/jurisdiction, but we are not able/willing to disclose volume data | <Not Applicable> | <Not Applicable> |

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Canada

Subnational area

Not applicable

Initiatives

Forest Stewardship Council (FSC)

Programme for the Endorsement of Forest Certification (PEFC)

Sustainable Forestry Initiative (SFI)

Other, please specify (Environmental Paper Assessment Tool, Two Sides, FPAC's 30 by 30 Climate Change Challenge, AF&PA, Canada Clean 50, Book Chain Project, Working Forests Initiative, Forestry for the Future, etc.)

Please explain

We engage with stakeholders in a variety of ways in order to better understand their interests, concerns and goals, including townhall meetings, public consultations, and surveys for customers/operations.

Resolute is actively engaged in Sustainable Forestry Initiative® (SFI®) implementation committees in all regions where we operate mills. These SFI implementation committees promote the certification of the land base as well as the use of best management practices, among other things. In 2021, the Quebec SFI Implementation Committee developed a monitoring process based on the findings of a visit to smallholders in order to facilitate training procedures. This is an ongoing joint effort between 16 large companies in Quebec, covering most of the smallholders in the province, and we continued to participate in 2022.

Resolute's senior director, Forestry is also a member of the board of directors of Forest Stewardship Council® Canada.

In addition, Resolute participates in the Environmental Paper Assessment Tool (EPAT) and Book Chain Project, membership-based online comparison tools that allow paper buyers to compare the eco-performance of their suppliers. Our rankings assure customers that the wood fiber we use comes from responsible sources.

Resolute is a member of Two Sides, alongside members from the print and paper value chain, including forestry, inks, chemicals, and others.

In 2022, we joined the in development of Working Forests Initiative, a partnership supported by U.S. companies and trade associations that seeks to promote broad range of benefits generated by working forests.

We also continued to engage in Forestry for the Future, an initiative led by the Forest Products Association of Canada (FPAC) that highlights how Canadian forestry supports a more sustainable future

We are also involved in Canada's Clean 50 initiative, through which several members of our team have been recognized for their leadership on climate change and the National Council for Air and Stream Improvement, Inc. (NCASI), a scientific association organized to serve the forest products industry as a center of excellence providing unbiased, scientific research and technical information necessary to achieve the industry's environmental and sustainability goals.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Country/Area

Canada

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

FPIInnovations is a private not-for-profit organization that specializes in the creation of solutions in support of the Canadian forest sector's global competitiveness. Resolute is a member.

In 2019, FPInnovations and Resolute confirmed the commissioning of a new TMP-Bio plant in Thunder Bay (Ontario). With the capacity to treat 100 metric tons of biomass annually, the bio-refinery pilot plant produces lignin and sugars for use in the development of innovative bio-products, such as wood adhesives, animal feed and composites. Resolute joined forces with the non-government organization in order to build the plant at Resolute's Thunder Bay pulp and paper mill, focusing on developing new ways to efficiently manufacture and market innovative wood-based biochemical products. The \$20 million project is part of an initiative to renew and transform the forest products industry, building on investments by Resolute, the Ontario Centre for Research and Innovation in the Bio-Economy (CRIBE), and Natural Resources Canada. The project also has the support of the Northern Ontario Heritage Fund Corporation, FedNor, the Thunder Bay Community Economic Development Commission and the Ontario Ministry of Natural Resources and Forestry, in addition to contributions in research and applications from the Québec Ministry of Natural Resources and Forests and the Nova Scotia Innovation Hub.

In 2020, with FPInnovations, we announced the construction of a facility specializing in production of cellulose filaments at our Kénogami (Quebec) paper mill. We launched the initial startup in November 2022 and are striving to reach target production levels in 2023. Cellulose filaments are a biomaterial derived from wood fiber, which can be integrated into a wide variety of commercial or consumer products from many industries, including transportation, construction and energy, increasing the resistance and durability of those products.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Funding research organizations

Country/Area

Canada

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We support many research organizations and initiatives that promote the use of the wood products we manufacture, as well as public awareness programs that inform the general public about the impact of our operations, including forestry's relatively small carbon footprint. The organization we work with include FPInnovations, American Forest & Paper Association (AFPA), Forest Products Association of Canada (FPAC), Ontario Forest Industries Association (OFIA), National Council for Air and Stream Improvement (NCASI) and Québec Forest Industry Council (QFIC).

Resolute also proudly supports the research carried out at Lakehead University and the Centre for Research and Innovation in the Bio-Economy (CRIBE) in Thunder Bay (Ontario). Our support for academic research at Lakehead University has focused on: investigations into the environmental impacts of biomass harvest and wastewater treatment processes; assessing climate change impacts on timber resources; the production of water soluble products from tall oil lignin; and benchmarking and modeling caribou and multi-species adaptive management in Northwestern Ontario. In 2022, we contributed over C\$240,000 to three different research chairs at the university, as well as close to \$20,000 in in-kind donations and \$11,300 in student scholarships.

Resolute's annual C\$60,000 research grant to the FORAC Research Consortium in Quebec City (Quebec) helps explore ways to improve and align product capacity with short-term product needs, including developing tools to permit the joint planning and operation of wood supply systems. FORAC is a partnership between forest products industry stakeholders and Laval University that brings together specialists.

In 2021, we renewed a five-year, C\$175,000 commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

In 2018, Resolute announced a C\$150,000 contribution over five years to Confederation College's Technology, Education and Collaboration (TEC) Hub Campaign. The partnership helps support a state-of-the-art training center for Thunder Bay, best-in-class training opportunities for the region's youth, and the development of a growing pool of highly educated talent ready to begin careers in the forest products sector.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Country/Area

Canada

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

Resolute is committed to ensuring a voice in public policy discussions that impact company operations, employees, communities and partners. In 2022, we continued efforts to oppose softwood lumber duties and support consensus-based, pragmatic discussions with the goal of reaching a long-term settlement to the softwood lumber dispute between the U.S. and Canada. We also continue to work with forest industry associations and a range of stakeholders in the U.S. and Canada in an effort to provide stakeholder awareness on facts related to the boreal forest and to address anti-boreal legislation in the U.S. Generally, our focus is on ensuring Canadian public policy is focused on harmonizing federal and provincial regulatory and legal frameworks – as well as interministerial collaboration within governments – with respect to land and threatened species management.

In 2022, Resolute continued to collaborate with Quebec's Ministry of Natural Resources and Forests as a member of the Table of Partners for the Implementation of the Management of Woodland Caribou Habitat Action Plan, as well as the Caribou Commission.

In Ontario, we continue to support a coalition of mayors from northern and Indigenous communities to provide the provincial government with feedback on the management of species at risk. In 2022, we also collaborated regularly with government officials on implementing the province's new forests strategy, Sustainable Growth.

At the federal level in Canada, we continue to work with Environment and Climate Change Canada on its proposed action plan to protect and contribute to the recovery of the woodland caribou, as well as Natural Resources Canada.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with policymakers or governments

Country/Area

United States of America

Subnational area

Not applicable

Initiatives

<Not Applicable>

Please explain

We are also engaged in U.S. public affairs affecting our industry. In 2022, we continued our efforts to oppose U.S. softwood lumber duties and support consensus-based, pragmatic discussions with the goal of reaching a long-term settlement to the softwood lumber dispute between the U.S. and Canada. We also continue to work with forest industry associations and a range of stakeholders in the U.S. and Canada in an effort to provide stakeholder awareness on facts related to the boreal forest and to address anti-boreal legislation in the U.S. We are also focused on maintaining our best-in-class participation in the Resolute political action committee (PAC) at the U.S. operations level by communicating regularly with PAC participants. Our PAC promotes free trade, sustainable forest management and boreal-sourced products, among other things. In 2022, we made special solicitation efforts at our Arkansas, Florida and Tennessee operations, making \$60,500 in contributions to 29 political campaigns, and raising \$51,939 via employee PAC contributions.

F6.12**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**

Yes

F6.12a**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).****Project reference**

Project 1

Project type

Reforestation

Expected benefits of project

Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

Resolute's Ontario woodlands conduct forest renewal activities in accordance with the requirements of long-term Sustainable Forest Licences (SFLs) granted by the province for up to 20 years each. The SFL for a Crown forest provides the right to harvest as well as requirements SFL holders must meet, such as the responsibility for renewal. A specific forest renewal requirement of the SFL is "to carry out renewal and maintenance activities in the Licence Area, on behalf of the Minister, which are necessary to provide for the sustainability of the Crown forest". In Northwestern Ontario, the company manages four SFLs covering the Black Spruce, Dog River-Matawin, English River and Caribou Forests.

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2021

Target year

Indefinitely

Project area to date (Hectares)

3700

Project area in the target year (Hectares)

3700

Country/Area

Canada

Latitude

49.412323

Longitude

-91.6553

Monitoring frequency

Annually

Total investment over the project period (currency)

4100000

For which of your expected benefits are you monitoring progress?

Net gain in biodiversity and ecosystem integrity

Restoration of natural ecosystem(s)

Other, please specify (Cone collection, seed extraction and seed storage, site preparation, seeding and tending)

Please explain

Many types of activities occur annually in the Ontario woodlands we manage, but the most recognized is tree planting. In 2022, 9,123,613 seedlings were planted across the four SFLs the company manages. Examples of other activities include cone collection, seed extraction and seed storage, site preparation, seeding and tending. As well, a site visit of each area to be renewed occurs and a Registered Professional Forester assigns the renewal prescription. Annually, an investment of over \$10 million in forest renewal supports the sustainability of Ontario's Crown forests, with \$4.1 spent on treeplanting alone in 2022.

As a service provider, Resolute also planted 3,408,048 trees in the Boundary Waters Forest at a cost of roughly \$1 million.

Note: the project area, 3,700 hectares, is an estimate based on 2500 trees/hectare.

Project reference

Project 2

Project type

Forest ecosystem restoration

Expected benefits of project

Restoration of natural ecosystem(s)

Is this project originating any carbon credits?

No

Description of project

Resolute's bark mulch beneficial use project in Northwestern Ontario is a byproduct diversion project enabled through an environmental compliance approval issued by the Ministry of Environment, Conservation and Parks. Bark is a byproduct of lumber production and in Ontario is classified as waste under environmental legislation. However, bark has many beneficial use options that require exploration to support diversion from landfills. For example, landscape work across North America routinely involves the use of bark or wood chips for mulch in gardens. Mulch benefits plant growth as the topical soil application enables moisture retention in the soil, and regulates soil temperature, keeping the roots cooler in the growing season.

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2020

Target year

2022

Project area to date (Hectares)

14.5

Project area in the target year (Hectares)

9.5

Country/Area

Canada

Latitude

49.412323

Longitude

-91.6553

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

250000

For which of your expected benefits are you monitoring progress?

Net gain in biodiversity and ecosystem integrity

Restoration of natural ecosystem(s)

Other, please specify (Tree growth and forest regeneration)

Please explain

The beneficial use project aims to capture the benefits mulch provides to enhance survival of planted trees on former forest roads. The work is occurring in the Ignace, Ontario area, using well-weathered historic bark from Resolute's Ignace sawmill. Road treated with mulch and planted with seedlings to date covers 10 km, as well 14 km of planted road with no mulch for comparison.

An ecologist from the Ministry of Natural Resources and Forestry's Centre for Northern Ecosystem Science and Research is assisting the project by studying the mulch benefits through soil climate station deployment and soil analysis, comparing area planted with mulch treatment and without mulch treatment.

Indigenous businesses are assisting with the application of the mulch to the roads and this fall will assist with seedling growth measurements in the study areas. Enhancing forest renewal efforts as well as directing beneficial material away from landfills supports sustainability of the forest, our business and for byproduct management.

Project reference

Project 3

Project type

Threatened and protected species

Expected benefits of project

Net gain in biodiversity and ecosystem integrity
Reduce/halt biodiversity loss

Is this project originating any carbon credits?

No

Description of project

The Nature Conservancy of Canada's (NCC) Carapace Project focuses on preventing declines in turtle populations by protecting adult turtles and reducing risks of road collisions. In 2021, Resolute committed C\$60,000 over four years to support the Carapace Project and to help educate the public about turtle conservation.

The forests in which we operate contain various concentrations of biodiversity, and turtles are an important part of these ecosystems. Turtles eat plants and insects, scavenge dead fish while also serving as a source of food for predators. Moreover, they occupy several types of habitats through the year, dispersing seeds in their waste.

When they nest, they prefer sand or loose gravel, both of which can be found in abundance along rural roads. Female turtles travel more frequently to find a good spot to lay their eggs. According to Carapace, if there is an increase of more than 5% in annual mortality, a long-term population decline of most turtle species is possible. This is where individual action can make a difference.

Resolute is a partner in the deployment of the project in the Mauricie region of Quebec where our FP Mauricie sawmill and Mauricie woodlands operations are located. A part of the project deployment zone includes private lands that belong to Resolute. Our employees and other stakeholders - including users of the forests we manage, such as cottagers, sight seers and anglers - are encouraged to report turtle sightings on the Carapace website, and if turtles are in immediate danger, help the turtles cross the road!

Where is the project taking place in relation to your value chain?

Project based in area with direct operations

Start year

2021

Target year

2022

Project area to date (Hectares)**Project area in the target year (Hectares)****Country/Area**

Canada

Latitude

47.213508

Longitude

-72.888622

Monitoring frequency

Six-monthly or more frequently

Total investment over the project period (currency)

45000

For which of your expected benefits are you monitoring progress?

Net gain in biodiversity and ecosystem integrity
Reduce/halt biodiversity loss
Other, please specify (Increased public awareness)

Please explain

Monitoring is based on the goal of reducing declines in turtle populations. Identifying the locations of adult turtles, and female populations in particular, is at the center of monitoring, in addition to tracking engagement with the public and reducing risks of road collisions. According to Carapace, if there is an increase of more than 5% in annual mortality, a long-term population decline of most turtle species is possible. This is monitoring can make a difference.

The forests in which we operate contain various concentrations of biodiversity, and turtles are an important part of these ecosystems. Turtles eat plants and insects, scavenge dead fish while also serving as a source of food for predators. Moreover, they occupy several types of habitats through the year, dispersing seeds in their waste.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

Yes

F7.1a

(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module

F6. Implementation

Data points verified

General information provided in the company's sustainability reporting, including information on forest management, chain of custody, fiber sourcing (consumption), fiber processing (production).

Verification standard

The Center for Sustainability and Excellence (CSE) was retained by Resolute to provide verification of the application of the Global Reporting Initiative's GRI Standards to its sustainability reporting and to verify that the disclosures meet the minimum requirements of the in-accordance Core option of the Standards. The scope of work involved a review of Resolute's sustainability reporting activities, including:

- 1) Statements, information and performance data; and
- 2) Data and information as per the requirements of the GRI Standards Sustainability Reporting Guidelines, as indicated in the GRI content index.

Please explain

The GRI standards are some of the world's most broadly accepted guidelines for comprehensive sustainability reporting, providing a robust framework to support clear reporting processes, linking the indicators we measure to shared priority issues identified by stakeholders, and targeting our outputs to address the concerns and interests of all interested parties, as well as our strategic partners. As of July 2023, the compliance of our 2022 sustainability reporting was being verified, including our GRI Content Index, which outlines the management disclosures and data on specific indicators relating to forest management and related performance metrics, such as fiber consumption, forest infractions, waste disposal, etc. For more information, visit:

https://www.resolutefp.com/Sustainability/Our_Approach_to_Sustainability/GRI_Content_Index/

Disclosure module

F2. Procedures

Data points verified

Company risk assessment procedures

Verification standard

ISO 14001:2015 standard

Please explain

All of our woodlands and sawmill operations are certified to the ISO 14001 environmental management standard, and all have successfully transitioned to the 2015 version of the standard, with the exception of our two Arkansas sawmills purchased in 2020, which are in the last stages of completing certification audits.

ISO 14001:2015 sets out the criteria for implementing environmental management systems and the standards to which management practices can be certified. It maps out a framework that a company or organization can follow to set up an effective environmental management system. It can be used by any organization regardless of its activity or sector.

Using ISO 14001:2015 can provide assurance to company management and employees as well as external stakeholders that environmental impact is monitored, measured and improved.

Disclosure module

F2. Procedures

Data points verified

Risk assessment and claims about sustainability of virgin fiber supply from forests managed by Resolute, according to third party standards

Verification standard

100% of the timberlands managed by Resolute are third-party certified to at least one of two internationally recognized forest management standards: Sustainable Forestry Initiative® (SFI®) or Forest Stewardship Council® (FSC®).

Please explain

100% of the woodlands we manage are audited and certified by independent third parties. 98% of the area we manage in Canada is public land. The use of public land in Ontario is governed by long-term forest management arrangements that include a public input process and regular, periodic government auditing. In Quebec, where the provincial government bears the main responsibility for forest management planning, the forestry industry, with public input, can only harvest where permitted by the Quebec government.

We are committed to maintaining 100% certification for our owned and managed timberlands in order to continue meeting market demand for a diversity of credible certification options.

Disclosure module

Other, please specify (Chain of custody (CoC) certification)

Data points verified

Risk assessment and claims about sustainability of virgin supply sourced from external suppliers

Verification standard

100% of Resolute's manufacturing facilities have a chain of custody (CoC) tracking system compliant with the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council® (FSC®), effective March 2022. All CoC tracking systems require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.

Please explain

Internal and external audits are conducted at each of our operations on an annual basis. Discrepancies identified during the audit process are corrected and re-evaluated in subsequent audits. The constant evolution of chain of custody (CoC) standards requires that Resolute comply with the latest science-based recommendations and requirements for our fiber sourcing areas and operations. The CoC certifications for each of our operations are renewed on a five-year basis. We are committed to maintaining 100% CoC certification across our operations.

As a certified company, Resolute must take appropriate steps to ensure that it, and the suppliers and woodlot owners it sources from, all abide by a number of state, provincial and federal regulations, as well as voluntary best management practices that protect important ecosystem elements, including water quality, habitat for endangered species, and the suitability for recreation.

At our operations in the United States and Canada, deliveries of recovered fiber, roundwood and chips are tracked at the operational, regional and corporate levels with sophisticated software systems that convert on-site readings from truck weighing scales into accounts payable information, reports and other internal data uses. These systems are necessary to keep track of the over 700 external suppliers and approximately \$500 million in annual payments. Every year, as part of our SOX compliance program, Internal Audit performs the testing of all key controls surrounding the procure-to-pay function, including the reporting systems outlined in Resolute's procurement policies. The results are presented annually to senior management and the audit committee.

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Primary barrier/challenge type

Competing stakeholder priorities in landscape/jurisdictional approaches

Comment

In Canada, forest cover has been stable for the last five decades despite increased urban development. Canada's forestland covers 362 million hectares, which represent 40% of Canada's land area. On an annual basis, an average of 0.01% of the forest cover is converted to non-forest uses, mainly for urban development and agriculture. Road construction, including the road network developed for forest management, is part of this small percentage.

While Resolute is responsible for developing the road networks where we implement forest management plans, including salvage operations in areas affected by fire or bugs, the roads are public because they are located on Crown land. Multiple stakeholders may use the roads as soon as they are built for multiple uses. Closing roads once forest management plans are completed becomes a challenge, especially so when stakeholders are consulted or asked to support the decommissioning of the roads.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Primary barrier/challenge type

Limited political will

Comment

In Canada, forest cover has been stable for the last five decades despite increased urban development. Canada's forestland covers 362 million hectares, which represent 40% of Canada's land area. On an annual basis, an average of 0.01% of the forest cover is converted to non forest uses, mainly for urban development and agriculture. Road construction, including the road network developed for forest management, is part of this small percentage.

While Resolute is responsible for developing the road networks where we implement forest management plans, including salvage operations in areas affected by fire or bugs, the roads are public because they are located on Crown land. Multiple stakeholders may use the roads as soon as they are built for a variety of uses. Closing roads once forest management plans are completed becomes a challenge, especially so when stakeholders are consulted or asked to support the decommissioning of the roads.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Direct operations

Supply chain

Main measure

Involvement in multi-stakeholder initiatives

Comment

Our involvement in multi-stakeholder initiatives is key to keeping the public informed and to finding solutions for ensuring areas, such as roads, can be replanted so they remain productive forests. As 100% of the forests managed by Resolute are third-party certified, we leverage our certification systems to document and influence such initiatives. We take the time it requires to advance at a pace suitable to all concerned stakeholders, as this approach requires consultation and engagement, and can represent a great deal of change for some stakeholders. Pilot projects are already in place to test this approach in areas of high ecological importance, and larger-scale implementation may come down the road. As representatives of the Crown, governments are best placed to lead these initiatives, with the participation of affected stakeholders from local and Indigenous communities as well as industrial players.

Along with the National Council for Air and Stream Improvement (NCASI) and some 40 Canadian partners, Resolute began making an annual C\$7,000 contribution in 2022 to a five-year, C\$6 million research initiative that combines the expertise of university researchers with the experience of companies, provinces, Indigenous communities and non-government organizations. The team from the University of Quebec in Outaouais, led by Dr. Christian Messier, is field-testing a new approach to forest management that leverages the natural strengths of forest ecosystems to positively shift the public's perception of forestry while improving the resilience and adaptability of our forests.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

For more information on Resolute's sustainability and performance, please visit www.resolutefp.com/sustainability.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

| | Job Title | Corresponding job category |
|-------|--|----------------------------|
| Row 1 | Senior Vice President, Corporate Affairs and Chief Legal Officer | Other C-Suite Officer |

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---------------------------------------|---|---------------------|
| Please select your submission options | Yes | Public |

Please confirm below

I have read and accept the applicable Terms