

2017
ANNUAL AND
SUSTAINABILITY
REPORT



A REWARDING CULTURE

Over the past six years, Resolute Forest Products has emerged as a global sustainability leader, working closely with employees, retirees, union representatives, customers, business and Aboriginal partners, community leaders, government officials, and industry peers on issues that matter to us all: protecting the natural resources in our care, mitigating climate change, investing in clean sources of energy and deepening our commitment to Aboriginal peoples. Our vision and values capture our business approach and our shared sense of purpose, guiding our business decisions, actions and behaviors. Our success is linked to a rewarding culture, where profitability and sustainability drive our future.

In recognition of our industry-leading sustainability, environmental and safety performance, Resolute won over 20 regional, North American and international awards and distinctions in the past year 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 2017 speak directly to our core values of working safely, being accountable, ensuring sustainability and succeeding together. 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.



2017 awards and distinctions

International Business Award (gold Stevie®) for best health, safety and environment program in the United States and Canada • Best in Biz International Award (silver) in the most environmentally responsible company of the year category • MEI John Dobson Medal for Free Enterprise to President and CEO Richard Garneau • Business Intelligence Group Sustainability Leadership Award to Corporate Communications, Sustainability and Government Affairs Vice President Seth Kursman • DuPont Safety and Sustainability Award honorable mention for sustainability strategy

- AF&PA Sustainability Award for carbon reduction program
- Peer Award for Excellence in carbon reduction and reporting
- PAPTAC Business Award for safety leadership
- Corporate LiveWire Innovation & Excellence Award for sustainable forest products
- CN EcoConnexions Partnership Program Award
- Canada's Top 100 Corporate R&D Spenders
- MerComm International Mercury Award for excellence in combined financial/sustainability reporting and annual report writing
- iNOVA Award for online corporate social responsibility reporting
- *Store Brands* Best New Paper Product for Green Heritage® recycled bath tissue for the at-home market
- Canada's Clean50 Top Project Award, Mercure Award (Les Mercuriades), Environmental Leader Award and Novae Award for Resolute's participation in Tundra Greenhouse
- Biomass North Award for industry leadership in the bioeconomy (Ontario operations)
- APA–The Engineered Wood Association Safety and Health Awards (Resolute-LP Larouche and Saint-Prime)
- CNESST Occupational Health and Safety Award for innovation (Girardville)
- Northwest Pulp & Paper Association Environmental Excellence Award (Ponderay)
- West Virginia Governor's Commendation for International Market Entry (Fairmont)
- Tennessee Chamber of Commerce & Industry Award for energy excellence (Calhoun)
- Tennessee Valley Authority Carbon Reduction Leadership Circle Awards (Calhoun and Grenada)



www.resolutefp.com/awards_and_recognition

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Little Free Library inspires a love of reading by fostering neighborhood book exchanges for kids around the world. Resolute is a proud sponsor of the community program in Rock Hill (South Carolina), near our Catawba mill.

 <http://blog.resolutefp.com>



LETTER FROM THE CHAIRMAN AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

Resolute Forest Products is a stronger, more dynamic and far more sustainable company today. We have expanded our pulp and wood products businesses and established a solid foundation in tissue. While we maintain a significant footprint in newsprint and specialty paper markets, we recognize evolving market realities and manage declining demand with discipline. The company culture is rewarding, transparent and inclusive. And we have a new level and expectation of accountability.

We believe that our overall approach to sustainability is a distinguishing characteristic that provides us with a competitive advantage. Our focus on being both profitable and sustainable unites our 8,000 employees across some 40 facilities and power generation assets in the United States and Canada in meeting the needs of our customers, while creating shared value for our shareholders, business and Aboriginal partners, and the communities in which we live and work. We ensure the stewardship of the natural resources in our care as we continue to maintain third-party certification of all our managed woodlands to internationally recognized forest management standards, as well as fiber-tracking systems with chain of custody certification.

Financial performance

In 2017, we reaffirmed our strategic direction, underpinned by a competitive cost structure, a diversified asset base, a conservative capital structure and a sustainable business strategy.

For the year, adjusted EBITDA was \$364 million, compared to \$263 million in 2016. Our wood products and market pulp segments generated \$329 million of EBITDA, a \$155 million improvement over last year, while our newsprint segment's EBITDA decreased by \$15 million to \$43 million, and EBITDA for specialty papers declined, from \$64 million in 2016 to \$36 million in 2017. Our tissue business, which only includes the Florida tissue operations, generated negative EBITDA of \$1 million.

We reported an operating income of \$49 million in 2017, compared to a loss of \$26 million in 2016, as operating results in 2017 benefited from higher selling prices across most segments. The decrease in pension and other post-retirement benefit (OPEB) expenses and the net benefit of restructuring efforts, offset in part by higher natural gas pricing, increased fiber, maintenance and freight costs, and higher long-term and short-term incentive plan expenses, contributed to our profitability. The stronger Canadian dollar, higher start-up costs mainly related to the Calhoun (Tennessee) tissue facility, and inventory write-downs related to closures unfavorably impacted the company's results.

Despite a decrease in applicable discount rate and an unfavorable currency impact, our net pension and OPEB liability decreased by \$26 million, to \$1.3 billion at year-end, largely due to strong asset

returns and our ongoing pension contributions. As anticipated, our voluntary exit from Quebec funding relief regulations and other steps undertaken to optimize our contributions provided additional financial flexibility by reducing our total pension contributions by \$30 million to \$132 million in 2017. When compared to the 2016 baseline, we estimate that pension contributions will decrease by approximately \$170 million between 2017 and 2020, including the \$30 million realized in 2017. Capital expenditures were \$164 million for the year, below the 2017 target of \$185 million, largely due to the timing of project expenditures. As previously disclosed, the total project cost for the Calhoun tissue facility was \$295 million. At year-end, total liquidity stood at a solid \$418 million, allowing us the financial flexibility to pursue opportunistic growth to complement our product mix or improve the competitiveness of existing assets.

Operational highlights

Resolute's annual financial results benefited from ongoing operational improvement efforts. Capacity closures and restructuring initiatives undertaken at several paper mills, as well as the incremental production increase in market pulp and wood products, contributed to improved profitability.

Initiatives undertaken in 2017 to redefine our tissue sales and marketing strategy – including broadening our product offering, rebranding as Resolute Tissue and reinforcing the sales force – are beginning to yield results. At the end of the first quarter of 2017, the new tissue machine started up in structured mode at our Calhoun integrated tissue operation, producing premium private-label tissue for

the retail market. With its state-of-the-art tissue operation and integration of pulp from the adjacent pulp mill, Calhoun is expected to be one of the most efficient and cost-competitive tissue operations in North America.

Over the course of the year, we sold the permanently closed newsprint mill in Mokpo (South Korea), indefinitely idled our Thorold (Ontario) newsprint mill, and permanently closed two paper machines in Calhoun and one in Catawba (South Carolina) – all against the backdrop of the ongoing significant decline in North American paper consumption as well as the increasing cost of recovered paper. In addition, we sold our Saint-Hilarion (Quebec) sawmill and consolidated the two Senneterre (Quebec) sawmills. We also restarted an indefinitely idled specialty paper machine in Alma (Quebec). And in late December, Resolute became the sole owner of the Clermont (Quebec) operation by acquiring the remaining 49% interest held by The New York Times Company in the Clermont newsprint machine, one of the most cost-efficient in our network.

Trade duties

Three of our products – softwood lumber, supercalendered paper and, more recently, uncoated groundwood paper – are subject to unfair and arbitrary trade measures imposed by the United States Department of Commerce. In 2017, our cash duty deposits on Canadian exports of these products to the U.S. totaled \$75 million. Our belief in the importance and value of free trade is unchanged. We applaud the Government of Canada for taking a firm position in its approach to trade with the U.S., and we appreciate the

extensive advocacy by publishers, commercial printers and other parties opposing uncoated groundwood duties.

Safety performance

Safety is a core value at Resolute – one in which all employees are actively engaged. In 2017, we achieved a world-class Occupational Safety and Health Administration (OSHA) incident rate of 0.66, matching our best-ever OSHA performance recorded in 2015. We also recorded the lowest ever company-wide severity rate. We remain committed to providing a safe work environment and, ultimately, creating an injury-free workplace.

Sustainability leadership

Our sustainability strategy – based on a balanced approach to environmental, social and economic performance – is underscored by public commitments in several key performance areas.

Highlights for the year included announcing a major clean energy initiative to improve efficiency and reduce greenhouse gas (GHG) emissions at our Thunder Bay (Ontario) pulp and paper mill. We also joined forces with FPIInnovations, a Canadian research institute for the forest products industry, to establish a bio-refinery pilot project at the Thunder Bay mill to develop new ways to efficiently produce and commercialize innovative bio-chemicals derived from wood.

While we surpassed our goal of reducing absolute GHG emissions by 65% by 2015, compared to 2000 levels, we are committed to further reducing our carbon footprint. At the end of 2017, we had lowered our GHG emissions by 76%.

Our proactive approach to preventing environmental incidents is clearly showing results. In 2017, we recorded 18 environmental incidents, a 40% reduction over 2016. Our ultimate goal remains zero incidents.

As part of our targeted recruitment efforts, last year we partnered with numerous academic institutions to provide training and employment opportunities, especially for Aboriginal students, and we also raised the profile of our engineering graduate program.

Countering activist misinformation

We are transparent about our sustainability record. We stand firmly in the face of activist misinformation, partnering with union officials, mayors and community leaders, First Nations and other business partners, customers, and government representatives at all levels and of all political stripes. Together, we hold activists and their allies accountable for their attacks on our company, our customers, and a way of life. Our hometown communities are the source of our legitimacy, and our efforts with them – as well as on their behalf – remain front and center. We believe our principled position is a moral and ethical imperative, entirely aligned with good corporate governance.

A look ahead

For 2018, we are focused on three strategic priorities: complete the ramp-up of the Calhoun tissue operation and continue to secure business through superior quality and broadened product offerings; improve overall productivity and yield at our sawmills; and complete the optimization of our specialty paper operations.

Diversification is an important component of our future. From cucumbers to bio-products and other uses for wood fiber and residual material, we will continue to explore opportunities to incorporate our current assets into industry diversification.

Workforce turnover is an ongoing challenge. Over the past two years alone, we replaced one quarter of our employee base as workers retired, and this accelerated hiring rate will continue. Collective bargaining agreements in Canada and the United States are slated for renewal in 2018 and 2019, respectively. We have built strong, collaborative relationships with union leadership over the past several years and believe the trust and transparency that has been developed will benefit all in the upcoming negotiations.

Much of Resolute's success today is attributable to the strong and principled leadership of former President and Chief Executive Officer Richard Garneau. Over the past seven years, his unwavering commitment to a safe workplace and environmental stewardship earned the company regional, North American and global recognition and respect. Moreover, his commitment to genuinely sustainable outcomes while ensuring ongoing profitability has set a strong foundation for the future. Richard announced his retirement on February 1, 2018.

The many awards and distinctions garnered in 2017 are also a tribute to the extraordinary dedication of our employees – guided by a solid set of values – who work hard to enhance the performance and reputation of the company each and every day. We remain resolute on delivering results, positioning the company as a competitive employer, and meeting the challenges and opportunities that lie ahead.



Bradley P. Martin
Chairman of the Board of Directors



Yves Laflamme
President and Chief Executive Officer

BOARD OF DIRECTORS

- Bradley P. Martin**^{b, c}
Chairman of the Board;
Vice President for Strategic Investments
Fairfax Financial Holdings Limited
- Yves Laflamme**
Corporate Director;
President and Chief Executive Officer
Resolute Forest Products
(as of February 1, 2018)
- Randall C. Benson**^{b, c, d}
Corporate Director;
Principal, RC Benson Consulting Inc.
- Jennifer C. Dolan**^{a, b, d}
Corporate Director
- Richard D. Falconer**^{a, c, d}
Corporate Director;
Senior Partner, Lazard Canada
- Jeffrey A. Hearn**^b
Corporate Director
- Alain Rhéaume**^{a, c}
Lead Director;
Managing Partner, Trio Capital Inc.
- Michael S. Rousseau**^{a, c, d}
Corporate Director;
Executive Vice President and
Chief Financial Officer, Air Canada

BOARD COMMITTEES

- Audit Committee
- Environmental, Health and Safety Committee
- Finance Committee
- Human Resources, Compensation and Nominating and Governance Committee

CORPORATE OFFICERS

- Yves Laflamme**
President and Chief Executive Officer
- Steve Boniferno**
Senior Vice President, Human Resources
- John Lafave**
Senior Vice President, Pulp and Paper
Sales and Marketing
(as of March 23, 2018)
- Jo-Ann Longworth**
Senior Vice President and Chief Financial Officer
- Patrice Minguez**
President, Tissue Group
- Richard Tremblay**
Senior Vice President, Pulp and Paper Operations
- Jacques P. Vachon**
Senior Vice President, Corporate Affairs
and Chief Legal Officer

BOARD
OF DIRECTORS
AND EXECUTIVE
TEAM





BUSINESS AND SUSTAINABILITY STRATEGY

At Resolute Forest Products, we report our business and sustainability results together. Our business and sustainability strategies have been expressly developed to align our efforts in environmental stewardship and social responsibility with our business objectives. This approach reinforces our vision that profitability and sustainability drive our future.

Business strategy

Our business strategy is focused on transforming Resolute into a more sustainable organization, one that can generate consistent value for shareholders through a competitive portfolio of manufacturing assets and a solid presence in long-term growth markets. This includes, on the one hand, a gradual retreat from certain paper grades and, on the other, using our strong financial position to act on opportunities to diversify and grow.

Our corporate strategy relies on three core themes: maximizing value generation from paper; growing in pulp, tissue and wood products; and integrating our pulp into value-added, quality tissue. In order to successfully execute this strategic plan, we also recognize the need to maintain a disciplined approach to capital allocation, as well as a level of financial leverage and flexibility that supports the evolution of our transformation.

Sustainability strategy

Our sustainability strategy, based on a balanced approach to environmental, social and economic performance, is designed to enhance our competitive position by focusing on: improving resource efficiency, which helps control fiber, fuel and power costs; moving beyond regulatory compliance and environmental incident management to differentiate the company as an environmental supplier of choice; positioning Resolute as a competitive employer; and building solid relations in our operating communities.



www.resolutefp.com/about_us

OUR APPROACH TO SUSTAINABILITY

At Resolute, we build on our past and current accomplishments by aspiring to be a more efficient and competitive company, a better employer, a stronger business partner, and even more deeply engaged in the communities in which we live and work. The three pillars of sustainability drive this approach: environmental, social and economic.

Sustainability oversight and reporting

The overall responsibility for our sustainability performance resides with our president and chief executive officer, but we rely on our sustainability committee to support the delivery of our key commitments and implement related plans. The committee's mandate is to recommend strategies, set goals and measure results, oversee reporting and communications, ensure continuous improvement, and assess stakeholder expectations and sustainability trends.

As an industry leader, we have moved beyond minimal regulatory compliance and incident management. We are committed to transparency and maintaining annual sustainability reporting. In 2017, we published our sixth combined annual and sustainability report with substantial content on our sustainability performance. Since our first Global Reporting Initiative (GRI)-compliant report in 2010, we have continuously improved our sustainability reporting practices to follow evolving GRI standards. By year-end 2018, we will transition to the recently released GRI Standards for sustainability reporting.

Benchmarking and stakeholder engagement

We are committed to effective management practices in sustainable development. An independent benchmarking of corporate sustainability practices that we commissioned in 2017 confirmed Resolute's progression as an industry leader in sustainability. The benchmarking exercise – which included environmental, social and governance criteria – ranked the company strongly compared to industry peers. The exercise also identified opportunities for disclosing our performance more effectively.

Resolute will work to build on these opportunities in 2018. Other recommendations identified as part of this benchmarking have been presented to our corporate sustainability committee and will be implemented as appropriate considering local context, business priorities and potential impact.

For the most current sustainability information, including key performance indicators and disclosures prepared in accordance with the GRI standard, visit the sustainability section of our corporate website.

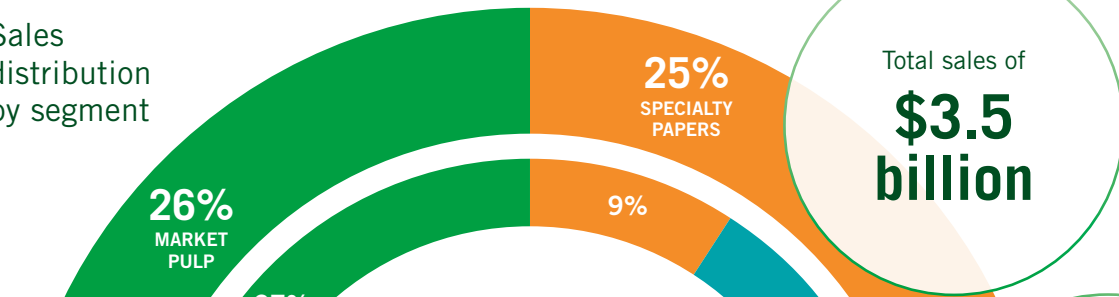


www.resolutefp.com/sustainability

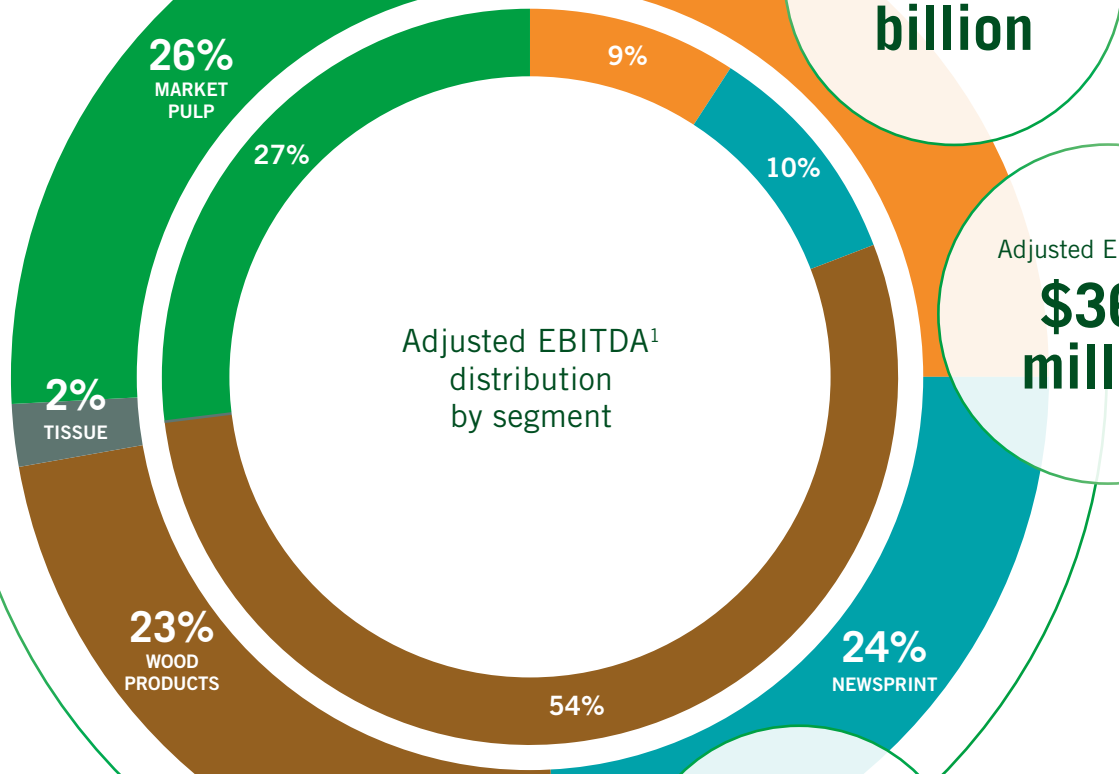
ECONOMIC INDICATORS OF SUSTAINABILITY

YEAR AT A GLANCE

Sales distribution by segment

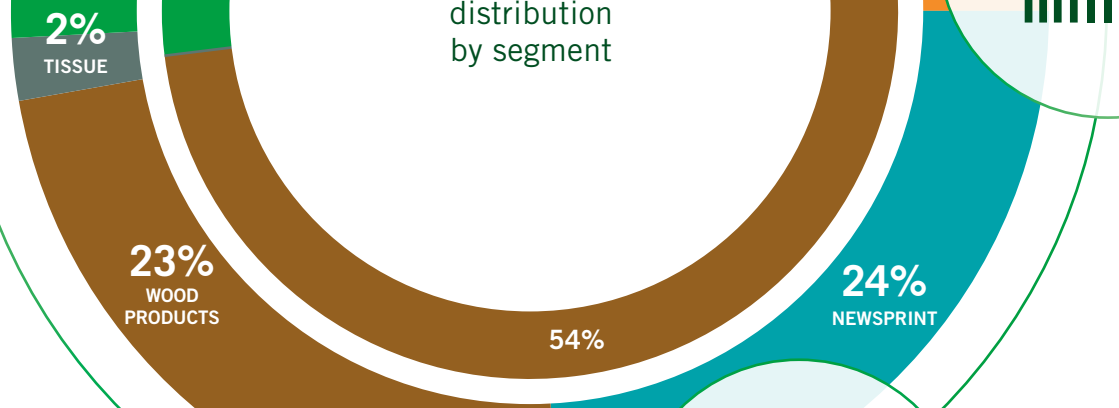


Total sales of **\$3.5 billion**



Adjusted EBITDA of **\$364 million**

Adjusted EBITDA¹ distribution by segment



\$164 million
invested in fixed assets

Liquidity of **\$418 million**

1. Chart of adjusted EBITDA distribution by segment excludes "corporate and other."

FINANCIAL HIGHLIGHTS

Years ended December 31 (in millions, except per share amounts)	2017	2016	2015
Sales	\$ 3,513	\$ 3,545	\$ 3,645
Operating income (loss) per segment:			
Market pulp	79	37	71
Tissue	(6)	(10)	(1)
Wood products	186	69	2
Newsprint	(23)	(16)	(25)
Specialty papers	(9)	19	23
Segment total	227	99	70
Corporate and other	(178)	(125)	(289)
Operating income (loss)	49	(26)	(219)
Net loss attributable to Resolute Forest Products Inc.	(84)	(81)	(257)
Net loss per share attributable to Resolute Forest Products Inc. common shareholders:			
Basic	\$ (0.93)	\$ (0.90)	\$ (2.78)
Diluted	(0.93)	(0.90)	(2.78)
Adjusted EBITDA ²	\$ 364	\$ 263	\$ 260
Years ended December 31 (in millions)	2017	2016	2015
Net loss including noncontrolling interests	\$ (78)	\$ (76)	\$ (255)
Interest expense	49	38	41
Income tax provision (benefit)	84	19	(1)
Depreciation and amortization	204	206	237
EBITDA	\$ 259	\$ 187	\$ 22
Foreign exchange (gain) loss	(9)	7	4
Closure costs, impairment and other related charges	87	62	181
Inventory write-downs related to closures	24	7	2
Start-up costs	27	8	5
Net gain on disposition of assets	(15)	(2)	—
Non-operating pension and OPEB (credits) costs	(12)	8	50
Acquisition-related costs	—	—	4
Other expense (income), net	3	(14)	(8)
Adjusted EBITDA ²	\$ 364	\$ 263	\$ 260
As of December 31 (in millions)	2017	2016	
Cash and cash equivalents	\$ 6	\$ 35	
Total assets	4,147	4,277	

2. Earnings before interest expense, income taxes, and depreciation and amortization, or "EBITDA," and adjusted EBITDA are not financial measures recognized under generally accepted accounting principles, or "GAAP." EBITDA is calculated as net income (loss) including noncontrolling interests from the Consolidated Statements of Operations, adjusted for interest expense, income taxes, and depreciation and amortization. Adjusted EBITDA means EBITDA, excluding special items, such as foreign exchange gains and losses, severance costs, closure costs, impairment and other related charges, inventory write-downs related to closures, start-up costs, gains and losses on disposition of assets, non-operating pension and OPEB costs and credits, acquisition-related costs, and other charges or credits. We believe that using non-GAAP measures such as EBITDA and adjusted EBITDA is useful because they are consistent with the indicators management uses internally to measure the company's performance, and it allows the reader to more easily compare our operations and financial performance from period to period. EBITDA and adjusted EBITDA are internal measures and, therefore, may not be comparable to those of other companies. These non-GAAP measures should not be viewed as substitutes to financial measures determined under GAAP.



FORESTS

From our woodlands to our sawmills and on to our pulp and paper mills, you can be sure that Resolute's fiber supply has been responsibly sourced, and that 100% of the forestlands we own or manage are certified to internationally recognized standards.

Ensuring the sustainability of forests in our care

We strongly believe that trees can be carefully harvested, while maintaining biodiversity and protecting the forest and values important to a range of stakeholders. The regeneration of harvested woodlands is an essential component of sustainable forest management. Resolute Forest Products relies on various forest management techniques and best practices, including regeneration surveys, site preparation, the planting of seedlings, and aerial and terrestrial seeding – all in combination with natural regeneration. Accordingly, our commitments extend well beyond strict compliance with applicable forestry regulations, which in Quebec and Ontario are already among the most – if not the most – rigorous in the world.

Resolute maintains certification for 100% of the forests we manage to at least one of two internationally recognized forest management standards: Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council® (FSC®). We continue to be one of the largest holders of SFI and FSC forest management certificates in North America.

In 2017, we collaborated on the development of new FSC standards for controlled wood, chain of custody and forest management. We are also active members of a number of SFI Implementation Committees in Canada and the United States.

Collaborating on forest management planning

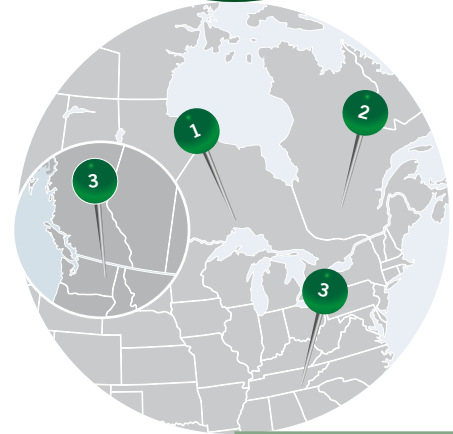
Public consultation is an essential step in the sustainable forest management planning process on public lands. In 2017, Resolute continued to collaborate with Quebec's Department of Forests, Wildlife and Parks as a member of the newly established Table of Partners for the Implementation of the Management of Woodland Caribou Habitat Action Plan. In Ontario, we support a coalition of leaders from northern and Aboriginal communities, providing the provincial government with feedback on the management of species at risk. At the federal level, we collaborated on Environment and Climate Change Canada's proposed action plan to protect and contribute to the recovery of the woodland caribou.

Responsible fiber sourcing

Resolute has instituted fiber-tracking systems³ at our facilities to ensure that our wood fiber supply comes from acceptable sources such as certified forests and legal harvesting operations. These systems are third-party certified according to internationally recognized chain of custody standards: SFI, Programme for the Endorsement of Forest Certification (PEFC) and FSC.

We strive to improve our forest management and wood fiber procurement practices, and we encourage our wood and fiber suppliers to also demonstrate continuous improvement in forest resource management, wood and fiber procurement, and third-party certification.

100%
of managed forests
third-party
certified



WOODLANDS OPERATIONS

- 1 ONTARIO**
Northwestern Ontario
- 2 QUEBEC**
Abitibi and Nord-du-Québec, Côte-Nord, Lac-Saint-Jean, Mauricie, Outaouais
- 3 UNITED STATES**
Southeastern and Northwestern U.S.

3. Excluding the Hialeah (Florida) tissue mill, which sources 100% of its recycled fiber from our U.S. pulp network.



WOOD PRODUCTS

Wood is one of the most versatile and renewable resources. Not only is it the most sustainable building material, it is energy-efficient and cost-effective. From the flooring right up to your rooftop, Resolute’s wood products are the natural choice for today’s environmentally conscious homeowner.

Framing the spaces we live in

Resolute Forest Products is a leading producer of lumber and other wood products for the residential construction and home renovation markets, as well as for specialized structural and industrial applications.

With an annual production capacity of 2.4 billion board feet,⁴ our 14 sawmills⁵ produce construction-grade stud and dimension spruce-pine-fir lumber and are a major source of wood chips for our pulp and paper mills in Canada. Our sawmills also generate wood residue, which is primarily used to fuel the company’s power cogeneration assets and other operations, as well as to produce wood pellets. In 2017, we shipped 1.9 billion board feet of construction-grade lumber within North America.

Our two remanufactured wood products facilities produce bed frame components, finger joints and furring strips, while our two engineered wood products facilities⁶ produce flooring I-joists for the construction industry.

#1
Canadian wood products producer

east of the Canadian Rockies



WOOD PRODUCTS OPERATIONS

- 1 SAWMILLS (ONTARIO)**
Atikokan, Ignace, Thunder Bay
- 2 WOOD PELLET PLANT (ONTARIO)**
Thunder Bay
- 3 SAWMILLS (QUEBEC)**
Comtois (Lebel-sur-Quévillon), Girardville, La Doré, Maniwaki, Mistassini, Opitciwan (Obedjiwan),⁷ Outardes (Pointe-aux-Outardes), Produits Forestiers Mauricie (La Tuque), Saint-Félicien, Saint-Thomas, Senneterre
- 4 REMANUFACTURED WOOD PRODUCTS FACILITIES (QUEBEC)**
Château-Richer, La Doré
- 5 ENGINEERED WOOD PRODUCTS FACILITIES (QUEBEC)⁶**
Resolute-LP – Larouche and Saint-Prime



4. Our current fiber supply limits our operating capacity to about 2.1 billion board feet per year.
 5. On July 13, 2017, Resolute sold its Saint-Hilarion (Quebec) sawmill.
 6. Resolute-LP Engineered Wood Larouche Inc. and Resolute-LP Engineered Wood St-Prime Limited Partnership are unconsolidated entities in which Resolute has a 50% interest in each entity.
 7. Société en Commandite Scierie Opitciwan is an unconsolidated entity in which Resolute has a 45% interest.



MARKET PULP

You'll find our pulp in a range of consumer products you use every day – from facial tissue, paper towels and coffee filters to printing and writing papers as well as disposable diapers and other absorbent products.

MARKET PULP PORTFOLIO

- Northern bleached softwood kraft (NBSK)
- Northern bleached hardwood kraft (NBHK)
- Southern bleached softwood kraft (SBSK)
- Southern bleached hardwood kraft (SBHK)
- Recycled pulp
- Fluff pulp

#3
market pulp
producer
 in North America

Pulp for a variety of needs

Resolute Forest Products is one of the few producers capable of supplying a wide variety of grades of market pulp.

Our seven facilities have a total annual production capacity of 1.7 million metric tons, or approximately 10% of North American capacity, making us the third largest pulp producer on the continent. Resolute is also the world's top producer of recycled pulp and a competitive producer of northern and southern bleached hardwood kraft pulp.

In 2017, we completed the ramp-up of the continuous pulp digester at our Calhoun (Tennessee) mill. This world-class equipment has added 100,000 metric tons to our annual market pulp capacity and improved the quality of the southern bleached hardwood kraft pulp as well as the specialty papers and tissue produced at Calhoun.



MARKET PULP OPERATIONS

- 1 Calhoun (Tennessee)
- 2 Catawba (South Carolina)
- 3 Coosa Pines (Alabama)
- 4 Fairmont (West Virginia)
- 5 Menominee (Michigan)
- 6 Saint-Félicien (Quebec)
- 7 Thunder Bay (Ontario)





TISSUE

Whether wiping up spills in the kitchen, cleaning the lunchroom or tending to personal hygiene, you can rely on Resolute's tissue products to get you through the day.

Green Heritage®
named
**best new
paper product**
by *Store Brands* magazine's
2017 Editors' Picks
awards



- TISSUE OPERATIONS**
- 1 Calhoun (Tennessee)
 - 2 Hialeah (Florida)
 - 3 Sanford (Florida)

Growing our tissue business

Resolute Forest Products is building an integrated and competitive tissue business by exceeding customer expectations for flexibility, quality and service.

Our tissue products are manufactured from 100% recycled pulp or from virgin fiber from the company's internal pulp network. This allows us to control the production process – from material input to final product – ensuring precise control, cost-competitiveness and consistent quality, while offering the customization and personalization customers demand.

In February 2017, our Calhoun (Tennessee) state-of-the-art facility began producing premium private-label tissue for the retail market. The company's Hialeah and Sanford (Florida) mills manufacture branded and private-label recycled and virgin paper grades for retail and away-from-home markets. Our mills have a combined annual production capacity of 128,000 short tons (116,000 metric tons) across four tissue machines and 14 converting lines.

In 2017, Resolute launched a premium 100% recycled line of tissue products for the retail market under the Green Heritage® brand. In 2018, the company will add a full range of products to its Harmony® brand of virgin tissue grades – Harmony® Pro and Harmony® Pro Ultra for the away-from-home market.



NEWSPRINT

Our newsprint makes the front pages of the world’s top newspapers every day. But there’s more to the story. Through inserts, flyers, circulars and other print products, we also help advertisers connect with consumers.

#1
newsprint
producer
 in the world

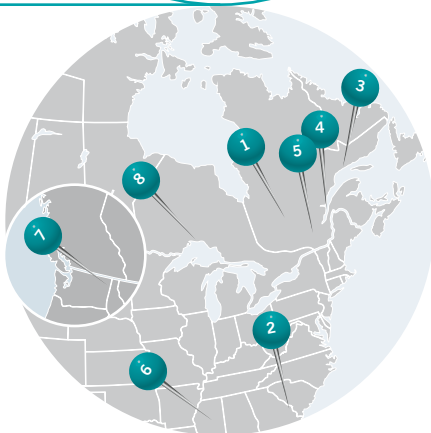
Carrying the day’s headlines

Resolute Forest Products is the largest global producer of newsprint. With eight mills⁸ strategically located to serve major markets throughout North America and abroad, we supply customers in over 50 countries. We sell newsprint to commercial printers in North America and to newspaper publishers around the globe.

Our annual production capacity is approximately 1.8 million metric tons, representing about 8% of worldwide capacity and 43% of North American capacity.

NEWSPRINT OPERATIONS

- 1 Amos (Quebec)
- 2 Augusta (Georgia)
- 3 Baie-Comeau (Quebec)
- 4 Clermont (Quebec)⁹
- 5 Gatineau (Quebec)
- 6 Grenada (Mississippi)
- 7 Ponderay, Usk (Washington)¹⁰
- 8 Thunder Bay (Ontario)



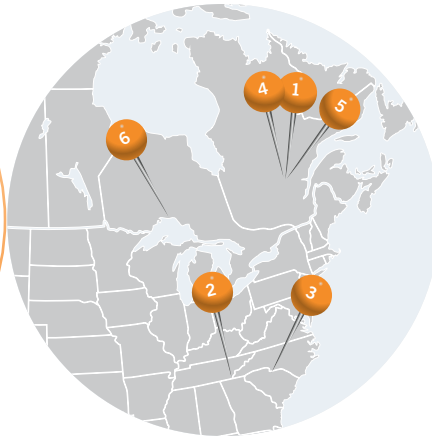
8. On March 9, 2017, Resolute permanently closed its Mokpo mill, located in South Korea, and on March 10, the company announced the indefinite idling of its Thorold (Ontario) mill.
 9. On December 21, 2017, Resolute acquired full ownership of Donohue Malbaie Inc.
 10. Ponderay Newsprint Company (Washington) is an unconsolidated partnership in which Resolute has a 40% interest.



SPECIALTY PAPERS

From the bestseller you just can't put down to the magazines on your coffee table and the flyers in your mailbox, our specialty papers make a great impression.

**#1
producer
of uncoated
mechanical
papers**
in North America



SPECIALTY PAPER OPERATIONS

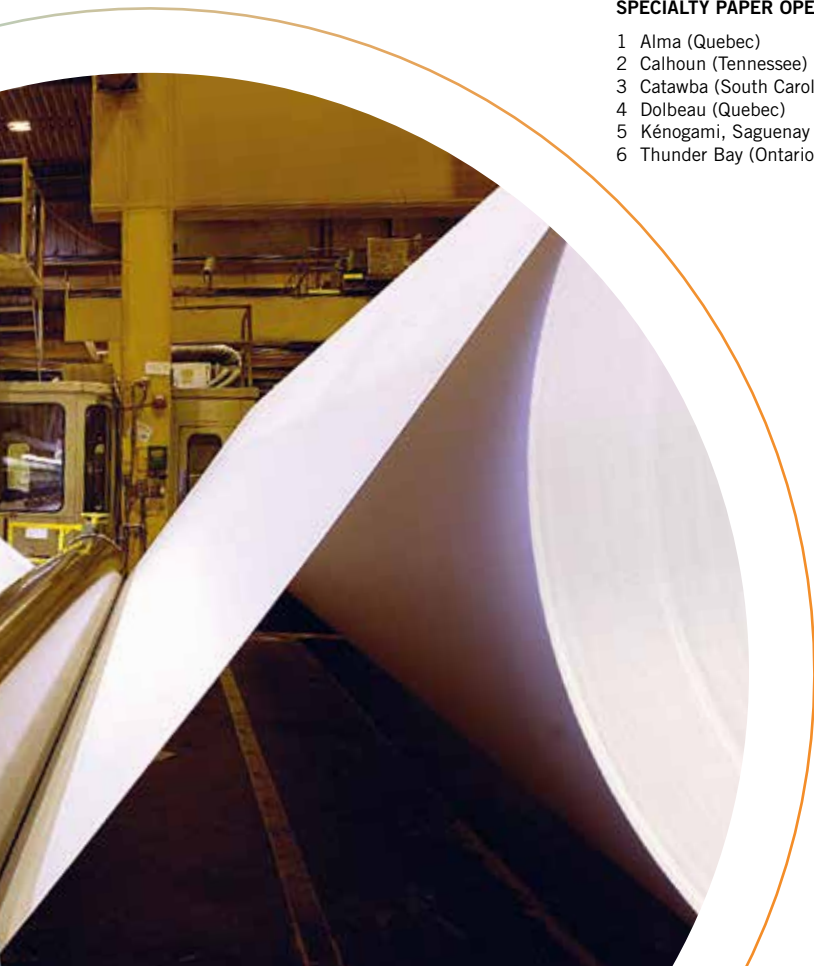
- 1 Alma (Quebec)
- 2 Calhoun (Tennessee)
- 3 Catawba (South Carolina)
- 4 Dolbeau (Quebec)
- 5 Kénogami, Saguenay (Quebec)
- 6 Thunder Bay (Ontario)

Exceptional value proposition

Resolute Forest Products sells a wide spectrum of coated and uncoated mechanical papers, including uncoated freesheet grades, to major commercial printers, direct mailers, publishers, catalogers and retailers, mostly in North America.

We have a total annual production capacity of approximately 1.2 million short tons (1.1 million metric tons) of specialty papers across six operations. Resolute is the largest producer of uncoated mechanical papers in North America, with 22% of capacity, and the third largest producer of coated mechanical papers, with 14% of North American capacity.

We focus on meeting and exceeding the needs and expectations of our customers by offering quality, cost-effective solutions for every application – backed by excellent customer service. Our papers are ideal for printing magazines, catalogs, bags, retail inserts, flyers, instruction manuals and books.



ENVIRONMENTAL

INDICATORS OF SUSTAINABILITY

YEAR AT A GLANCE



100%
forest
regeneration

(natural and planted)

76%
reduction
in GHG
emissions

(scope 1 and 2)
since 2000

40%
reduction
in recorded
environmental incidents
over 2016

Approximately
10,000 mt/yr
of GHG emissions
to be avoided at Tundra
Greenhouse – equivalent
to removing 2,100 cars
from the road

63%
of pulp, paper and tissue mill
residues
redirected
toward beneficial uses

82%
of fuel energy
derived from
biomass
sources



ENVIRONMENTAL PERFORMANCE

New and ongoing commitments

Being proactive for the environment means steadily reducing Resolute Forest Products' environmental footprint, making measurable performance improvements and ensuring the careful stewardship of the forests in our care. We closely measure, track and report on the company's performance and progress toward a range of new and ongoing sustainability commitments.

We remain committed to maintaining 100% forest management (FM) 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®).

All of our operations are certified, or are in the process of being certified, to the ISO 14001 environmental management standard. In 2018, we are continuing the implementation of the certification process at our Menominee (Michigan) pulp mill as well as at our recently acquired tissue facilities in Florida. In addition, we are in the process of completing the transition to the 2015 version of the ISO 14001 standard in order to comply with its increasingly stringent requirements.

As part of our ongoing commitment to regulatory compliance and environmental incident management, we take a proactive and preventive approach through comprehensive tracking, investigation, implementation of corrective measures and reporting.

Resolute continues to report climate, water and forest data to CDP, a global reporting system for organizations, cities and governments. In 2017, we received an "A-" leadership score for forest management disclosures, in recognition of our actions to manage harvest risk and implement monitoring and measurement programs. We also earned an "A-" leadership score for water disclosures, demonstrating our enhanced understanding of water resource management. For climate change performance and disclosures, we received an awareness score of "C," reflecting the tightened guidelines of the program.





Environmental performance update

Our manufacturing processes have environmental impacts related to the consumption of resources. To ensure the responsible management of our environmental footprint, we continuously monitor, analyze and update issues of concern, or shared priorities, with internal and external stakeholders. The shared priorities that most affect our business include:

- sustainable and responsible forest management (to third-party certification standards)
- fiber supply access
- biodiversity
- conservation and protected areas
- GHG emissions
- energy consumption
- water consumption and protection of water resources
- regulatory compliance
- mill environmental incidents

The company's key environmental commitments, 2017 performance and 2018 targets are presented in the following table. This data is preliminary and may be subject to change. Updated information – including environmental performance indicators and disclosures prepared in accordance with the Global Reporting Initiative (GRI) standard, as well as other performance highlights – can be found on the company website.

 www.resolutefp.com/sustainability

Commitments	2017 Performance	Rating	2018 Targets
Set new greenhouse gas ¹¹ (GHG) reduction target – a longer term objective through 2030 to align with FPAC's "30 by 30" Climate Change Challenge, as well as GHG reduction targets at our operations	Achieved a 76% reduction in GHG emissions (scope 1 and 2) over 2000 levels Continued to evaluate GHG reduction potential at our operations		Operate within established GHG reduction frameworks, e.g., AF&PA industry goal of surpassing a 20% reduction of GHG emissions by 2020 based on 2005 levels, and FPAC's "30 by 30" Climate Change Challenge
Provide disclosure on regulatory infractions in Canadian woodlands operations, with a long-term goal of 0 infractions	Reported 1 regulatory infraction for Ontario Reported 1 regulatory infraction for Quebec		Report no more than 3 regulatory infractions in each province
Report 38 or fewer environmental incidents, with a long-term goal of 0 incidents	Recorded 18 environmental incidents, a 40% reduction compared to 2016		Report 32 or fewer environmental incidents
Implement ISO 14001-certified Environmental Management System (EMS) at all company operations	Conducted gap analysis for ISO 14001 EMS certification of Florida tissue mills and U.S. chip production facilities		Complete ISO 14001 EMS certification, except at Hialeah and Sanford (Florida) tissue mills, to be certified in 2019

++ Surpassed commitment **+** Achieved commitment **=** Maintained achievement **>** Ongoing progress **X** Commitment unattained

11. Early in 2017, some minor adjustments were made to our carbon inventory data to improve the accuracy of the greenhouse gas emissions reported. These adjustments did not materially affect the numbers reported.



CLIMATE CHANGE, WATER, WASTE AND ENERGY

Resolute takes concrete actions to reduce our GHG emissions and our overall environmental footprint by improving the energy efficiency of our operations, producing renewable energy, managing water efficiently, and reducing waste and our reliance on fossil fuels.

Responsibly managing our environmental footprint

Reinforcing our environmental credentials by taking appropriate steps to responsibly manage our environmental performance is a primary area of focus of Resolute Forest Products' sustainability strategy. At the end of 2017, we had reduced the company's GHG emissions by 76% relative to 2000 levels, and we continue to evaluate the emission reduction potential at our operations.

We are committed to operating within established GHG reduction frameworks. As a member of the American Forest & Paper Association (AF&PA), Resolute supports the industry's goal of surpassing a 20% reduction in GHG emissions by 2020 based on 2005 levels. We also embrace the Forest Products Association of Canada's (FPAC) "30 by 30" Climate Change Challenge and its aggressive objective to remove 30 megatons of CO₂ a year by 2030.

In addition, Resolute is a member of the Carbon Pricing Leadership Coalition (CPLC), a voluntary global partnership that addresses climate change by putting a price on carbon. We support the CPLC's carbon pricing policies as a means to drive competitiveness, create jobs, encourage innovation and deliver meaningful emission reductions.

Our climate change mitigation efforts received extensive recognition in 2017 by governments, industry and environmental organizations. Among other corporate accolades, our Calhoun (Tennessee) and Grenada (Mississippi) mills took top honors at the Tennessee Valley Authority's (TVA) first-ever carbon reduction awards. The TVA presented the mills with Leadership Circle Awards, which acknowledge customers with the lowest carbon emission rates during the year. In addition, the Ponderay (Washington) newsprint mill received the Northwest Pulp and Paper Association's Environmental Excellence Award.

Striving for water efficiency

Resolute is committed to managing water efficiently and, with this in mind, we regularly evaluate water consumption at our network of facilities using the World Business Council for Sustainable Development's Global Water Tool™ as well as the World Resources Institute's Aqueduct platform. These resources help us assess current water stress levels in predicting variations due to climate change on a facility-by-facility basis.

Each of our pulp and paper mills has an annual water reduction target, and, in 2017, we achieved a 3% and 22% reduction in water-use intensity and absolute water withdrawal, respectively, over 2014 levels.

As papermaking is a water-intensive process, we reuse water as much as possible, returning 95% to the environment. The remaining 5% is captured in the end product or evaporated during the manufacturing process. All the water we use passes through primary and secondary effluent treatment prior to being returned to the environment. Data on water discharge is aggregated, analyzed and reported to reputable organizations, such as CDP.

The reuse of water is well illustrated at Toundra Greenhouse, formed in 2014 as a partnership between Resolute, the City of Saint-Félicien (Quebec) and local investors. Located on land adjacent to our Saint-Félicien pulp mill, the state-of-the-art greenhouse fulfills 90% of its water requirements through rain water and snow recovery, while producing over 45 million cucumbers annually.



74%
of energy requirements
sourced from
**renewable
sources**

Reducing waste at our facilities

Resolute is focused on reducing the waste generated by our operations. Our approach to waste management includes identifying beneficial-use alternatives, such as land spreading and mine-site rehabilitation, in order to reduce the amount of waste sent to landfills. We also pursue process efficiencies, such as optimizing fiber use, to minimize the cost of effluent treatment.

Our waste disposal programs have increased the amount of waste recycled or repurposed, reduced our environmental impact and generated cost savings. For example, a number of facilities have cardboard, clean wood waste and pallets composted instead of disposed of in landfill sites.

A significant amount of the waste produced at our manufacturing facilities is used as fuel, reducing our reliance on fossil fuels and supporting our production of green energy. In 2017, nearly 25% of the waste we produced was recovered for use in energy production.

Improving energy efficiency and increasing the use of lower carbon fuels

Resolute's commitment to green energy benefits both the environment and our bottom line. Energy alone accounts for 26% of the company's paper production costs. We focus on improving energy efficiency and replacing high-emission fuels, like coal, with less carbon-intensive options. We also continue to explore opportunities to develop new, sustainable products that have a lower carbon footprint.

In 2017, our Thunder Bay (Ontario) pulp and paper mill launched a clean energy project to improve energy efficiency and reduce GHG emissions. The mill plans to reduce the use of natural gas by recovering waste heat from its exhaust streams and optimizing condensate returns by installing efficient steam traps. By mid-2019, the C\$11.5 million project is expected to provide annual natural gas cost savings of more than 35%, while lowering the mill's annual GHG emissions by over 20% – or approximately 43,000 metric tons of CO₂ equivalents per year.

We are also investing C\$3.5 million in a strategic R&D project, partnering with FPIInnovations to establish a biorefinery pilot plant at our Thunder Bay mill. The project will focus on developing new ways to efficiently produce and commercialize innovative bio-chemicals derived from wood. The C\$21 million initiative has the support of the municipal, Ontario and Canadian governments.

Adjacent to our Saint-Félicien pulp mill, CO₂ Solutions Inc. is working to implement its patented technology to efficiently capture carbon from the mill. Once implemented, about 30 metric tons per day of CO₂ will be sent to Tundra Greenhouse, reducing the facility's natural gas usage by 25%. In addition, the project will reduce the mill's carbon footprint by approximately 10,000 metric tons per year.

Producing renewable energy

Our network of 14 power generation assets has a total installed capacity of 496 MW. We also utilize alternative fuels, such as used oil, tire-derived fuels, railroad ties, and construction and demolition residue, to reduce fossil fuel consumption.

Resolute's hydroelectric generation and transmission network, Hydro-Saguenay, has an installed capacity of 170 MW and helps power our Alma and Kénogami (Quebec) paper mills. Last year, Hydro-Saguenay produced 978 GWh of electricity. The seven cogeneration facilities are located at the following company mills: Calhoun (Tennessee), Catawba (South Carolina), Coosa Pines (Alabama), Thunder Bay (Ontario), and Dolbeau, Gatineau and Saint-Félicien (Quebec).

In 2017, we sourced 74% of our total energy (electricity and fuel) needs from renewable sources, including biomass and hydroelectricity. Resolute has steadily increased the use of biomass fuel, and we continue to seek opportunities to grow our clean power generation assets.

100%
coal-free

operations
(scope 1)

SOCIAL

INDICATORS OF SUSTAINABILITY

YEAR AT A GLANCE



1,041
new hires

World-class
OSHA
incident rate of
0.66

63%
of employees
unionized



41,500
near-misses

reported

39
info-sharing
groups

reported monthly
community outreach
activities

1.9 million
hours

or more than 11 years
without a recordable injury
at Maniwaki sawmill

Close to
\$2 million

in community,
education and health
contributions



In the wake of the hurricanes that hit the southern United States in 2017, Resolute provided two railcars of lumber to Habitat for Humanity programs in Florida and Texas to help rebuild and repair damaged homes.

SOCIAL PERFORMANCE

New and ongoing commitments

Resolute Forest Products' role in our operating communities extends well beyond the jobs we create, the taxes we pay and the charitable support we provide. We are committed to continue building solid, mutually beneficial business relationships, grassroots support, and positive government and overall community relations through transparency and information-sharing, as well as through active involvement in local organizations and projects.

We regularly engage with employees and retirees, union representatives, customers and suppliers, Aboriginal and community partners, investors, governments, environmental non-governmental organizations and other stakeholders in order to ensure that our sustainability strategy, public commitments and reporting continue to reflect their interests and needs.

In 2017, we launched a new tracking initiative to report detailed information on our community outreach, including stakeholder engagement activities, charitable contributions and volunteer work. Engagement by community information-sharing groups, composed of company employees and local stakeholders, is now tracked and reported on a monthly basis. We are committed to enhancing the structure of this initiative to ensure consistent participation and reporting across the company.

Optimizing customer satisfaction key performance indicators (KPIs) is an ongoing focus at our pulp and paper mills, as “champion teams” composed of mill employees work to reduce quality and transit claims, and improve overall customer satisfaction.

To ensure compliance with product stewardship regulations and expand the possible end uses of our products, we continue to monitor areas for improvement through our product stewardship committee that includes environment, operations, legal and sales representatives.

Resolute also remains committed to regularly reviewing our procurement and supplier engagement practices in order to track and report on supply chain sustainability in key procurement sectors. Our guidelines for suppliers are disseminated to nearly 3,000 business partners annually. A supplier management program is currently under development to further structure supplier qualification, selection, evaluation and development, with the long-term goal of establishing more durable relationships.





Social performance update






Our business activities have social impacts on a wide range of stakeholders, from our employees and customers to the communities in which we operate. To ensure the responsible management of our social performance, we continuously monitor, analyze and update issues of concern, or shared priorities, with internal and external stakeholders. The shared priorities that most affect our business include:

- engagement with local communities
- occupational health and safety
- First Nations relations and economic partnerships
- transparency and communication

The company's key social commitments, 2017 performance and 2018 targets are presented in the following table. This data is preliminary and may be subject to change. Updated information – including social performance indicators and disclosures prepared in accordance with the Global Reporting Initiative (GRI) standard, as well as other performance highlights – can be found on the company website.

 www.resolutefp.com/sustainability

Commitments	2017 Performance	Rating	2018 Targets
Through new tracking initiative, report detailed information on community outreach, including stakeholder engagement activities, charitable contributions and volunteer work	39 information-sharing groups tracked and reported community outreach activities on a monthly basis		Enhance structure of tracking initiative to ensure consistent participation and reporting throughout the company
Develop additional customer satisfaction KPIs, institute a root cause problem elimination process, and share best practices company-wide Improve on-time delivery and order fulfillment, as well as customer satisfaction	Continued tracking KPIs at all paper mills and instituted KPIs at all pulp mills Reduced paper claims by 13% compared to 2016 (30% compared to 2015) Developed root cause procedure and trained technical personnel		Compare year-over-year KPIs, with focus on improving on-time delivery and reducing transit damage Fully implement root cause problem elimination process Share best practices company-wide
Achieve an Occupational Safety and Health Administration (OSHA) incident rate of 0.90 or less, with a long-term goal of 0 injuries, and a severity rate less than or equal to 24	Achieved OSHA incident rate of 0.66 and severity rate of 18.25		Achieve an OSHA incident rate of 0.75 or less, and a severity rate less than or equal to 19
Ensure all hourly employees submit 3 proactive near-miss reports annually	95% of hourly employees submitted at least 2 to 3 near-miss reports Hourly employees reported 41,500 near-misses		Ensure all hourly employees submit 3 proactive near-miss reports

 Surpassed commitment  Achieved commitment  Maintained achievement  Ongoing progress  Commitment unattained



EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Ensuring the health, safety and well-being of over 8,000 employees helps Resolute attract results-driven and action-oriented talent. We are committed to fostering a “total safety organization,” with a long-term goal of zero incidents and zero injuries across our operations.

Safety comes first

Safety is a core value at Resolute Forest Products. Every employee – from the mill floor worker to the president and chief executive officer – is responsible for identifying potential safety hazards and helping create an injury-free workplace. We maintain world-class standards and continuously measure and improve our safety efforts and results.

We take a proactive approach to risk control by combining management and supervision with individual accountability, supported by a stringent safety management system that includes employee training and awareness, audits and monitoring, as well as employee participation through local joint health and safety committees.

Our new safety audit process requires supervisors to review pre-task hazard analysis with employees six times a year based on six quality-execution criteria. We can then track the number of facilities reporting risk of injury as well as the effectiveness of the safety audit process at each facility. Risk assessments are also undertaken on our operations’ service providers, including maintenance and transportation contractors.

Since 2014, we have achieved annual Occupational Safety and Health Administration (OSHA) recordable incident rates below 1.0, which is considered world-class safety performance.

In 2017, we recorded an OSHA incident rate of 0.66, well below our target of 0.90 and matching our best-ever performance achieved in 2015. Twenty-six operations completed 2017 without a single recordable injury.

The company’s severity rate – indicating the number of workdays lost or restricted due to injury per 100 full-time employees – decreased to 18.25 in 2017, below the annual target of 24 and our lowest severity rate ever. This is equivalent to 1,464 lost or restricted workdays, or 18 workdays per 100 full-time employees.

Last year, 95% of hourly employees submitted two to three near-miss reports. Of the 41,500 reports submitted, 85% were reviewed and closed, with the balance set for review in 2018.

Across our operations, nearly \$5 million was spent on safety guards, ergonomic equipment and walkway security measures. We also purchased close to \$2 million of personal protective equipment (PPE) as part of the implementation of our general, chemical and hot material PPE procedures.

A strong safety ambassador

Our commitment to health and safety led to our partnership with Marianne St-Gelais, 2017 world champion and winner of three Olympic medals in short track speed skating. A native of Saint-Félicien (Quebec), Marianne grew up in a family of foresters, a natural fit for a partnership with Resolute. Carefully planning her races to protect against crashes and injury, Marianne’s dedication to safety and preventive measures makes her an ideal Resolute safety ambassador.

LiveWell: Feel good for life!

Our U.S. employees are stepping up to the challenge of living healthier lives. Over 1,000 employees and spouses have enrolled in our LiveWell program, which is designed to help manage and prevent disease, as well as reduce healthcare costs.

LiveWell provides biometric screening, counseling and wellness challenges, along with online programs and fitness tracking. In three years, participating employees and their spouses logged 2.5 billion steps, helping to collectively lower their body mass index, blood pressure and cholesterol levels by about 10%.

Resolute is completing a feasibility study on expanding the program into Canada, with implementation tentatively slated for 2019.

Workforce renewal and retention

Resolute’s long-term competitiveness is tied to our ability to attract, develop and retain top talent, as well as to allow employees with strong leadership abilities to learn and grow within our organization. We closely manage and track our performance in a number of key areas, including staffing demand, employee demonstrated effectiveness and labor relations.

We continue to train our employees on Resolute’s Code of Business Conduct, and all new and existing employees receive communications about the company’s equal employment, anti-discrimination and harassment policies.

We also have in place a diversity policy designed to encourage an inclusive work environment by providing equal consideration and opportunities to all of our employees.

Last year, we completed implementation of the demonstrated effectiveness appraisal process for all salaried employees, beginning with the president and chief executive officer. These formal annual reviews are validated through a peer-reviewed evaluation and calibration process.

Resolute works diligently with employees and union leadership on the mutually beneficial renewal of collective agreements. Four agreements covering 262 employees at Quebec operations were renewed in 2017. Nineteen agreements covering 1,291 employees are set for renewal in Canada in 2018.

Last year, we hired 1,041 new permanent and temporary employees and raised our employer profile through targeted recruitment practices. Meeting staffing demand is an ongoing challenge for the company. With more than 1,000 new hires each year, turnover – of which a large proportion is due to retirement – needs to be addressed through innovative recruitment and retention strategies. In early 2018, we completed the redesign of our “Jobs where you grow” employer brand in order to better reflect our recruitment efforts in Quebec, Ontario and the U.S.

We have also forged ties with partners in several of our Quebec operating regions to achieve our hiring goals. These initiatives, combined with innovative immigration policies and programs, are providing solutions to our staffing challenges:

- Several mill-specific programs have been developed to help attract women to the workforce, implement customized training programs for millwrights and truck drivers, and establish forest roadwork training for workers from the Mashteuiatsh and Pessamit communities.
- We plan to hire electromechanical engineers from several Maghreb countries under four-year contracts at our Baie-Comeau, Comtois and La Tuque sawmills.

- In Amos, we recruited professionals from Cambodia, Cameroon, Congo, Senegal and Thailand through Emploi-Québec’s Immigrant and Visible Minority Employment Assistance Program.
- We maintain a partnership with Cégep de Saint-Félicien in support of a three-year program in forest products manufacturing, admitting students from as far away as France.
- At Tundra Greenhouse in Saint-Félicien, a joint venture in which we have a 49% interest, 43 Guatemalans have been hired under the facility’s collective agreement via Fondation des entreprises en recrutement de main-d’œuvre agricole étrangère, a non-profit organization specialized in recruiting foreign workers.





COMMUNITY ENGAGEMENT AND BUSINESS PARTNERSHIPS

Resolute is committed to building solid community relations by maintaining stakeholder outreach activities, developing strategic partnerships and engaging employees in our operating communities. We also focus on cultivating relationships with Aboriginal groups, as we understand how integral natural resources are to the prosperity of their communities.

Building partnerships with First Nations

Resolute Forest Products focuses on developing constructive relationships with First Nations, working collaboratively to ensure that the boreal forest continues to provide for future generations. Our long-term consultative and business relationships with close to 40 Aboriginal communities in Ontario and Quebec have resulted in a range of mutually beneficial partnerships.

In 2017, we implemented Aboriginal Procurement Policy Guidelines to further strengthen our commitment to Aboriginal peoples in our Canadian operating regions. Our goal is to provide equitable access to commercial opportunities and to promote the economic participation of Aboriginal peoples and businesses in the forest products sector. The new guidelines complement Resolute's Procurement Policies and Procedures, as well as our Aboriginal Peoples Policy, which outlines our commitment to ensuring that First Nations are consulted in decisions impacting their communities.

Our partnerships and business ventures with First Nations include:

- Memorandums of agreement, including significant contracts for construction and transportation, that have resulted in C\$100 million in economic opportunities in Ontario for the Nigigoonsiminikaaning, Kiashke Zaaging Anishinaabek, Lac des Mille Lacs, Seine River, Couchiching, Mitaanjigamiing and Lac La Croix First Nations.
- Our Thunder Bay (Ontario) sawmill, located on Fort William First Nation land, that employs approximately 200 workers, many from this First Nation community. The sawmill was the first in Canada to work under regulations created by the First Nations Commercial and Industrial Development Act, which facilitates industrial development with First Nations on their land.
- An agreement to purchase over 1.5 million seedlings annually from the Wabigoon Lake Ojibway Nation tree nursery, established in the late 1990s with the company's help. This venture supports our forest regeneration activities in Ontario.
- The Opitciwan (Quebec) joint-venture sawmill, in operation since 1999. The Atikamekw Council of Obedjiwan has a 55% controlling interest in the facility, while Resolute owns 45%.
- Forest management and harvesting activities we carry out, and stumpage fees we pay, in exchange for volumes allocated to the Kitigan Zibi Anishinabeg First Nation by the Quebec government.

Engaging with our operating communities

Resolute's community engagement strategy targets philanthropic contributions to two key pillars of sustainable development: social (community health and education) and environmental (community projects and education). Our contributions take many forms, including financial and material support, and countless volunteer hours by our employees.

In 2017, our donations and sponsorships – at both the local and corporate levels – totaled over \$1 million. We concluded a five-year, C\$2 million commitment to the Domaine-du-Roy and Maria-Chapdelaine regional county municipalities in support of economic development projects in the Lac-Saint-Jean region of Quebec. The annual Resolute golf tournament, also benefiting the region, raised about C\$140,000 for medical equipment purchases.

Employees at our Catawba (South Carolina) pulp and paper mill meet regularly to promote literacy through the Little Free Library initiative. Sponsoring the creation of self-serve book boxes, or "exchanges," in high-traffic public spaces is a fitting way for our employees to engage in their community. Thirteen book boxes now dot the local landscape.

Over the past 22 years, Resolute and employees at our Augusta (Georgia) newsprint mill have made combined contributions totaling \$584,000 to the Children's Hospital of Georgia.

In the wake of the destruction caused by a series of hurricanes that hit the Southern United States and the Caribbean in 2017, Resolute supported rebuilding and relief efforts. In addition to the railcar of lumber our La Doré (Quebec) sawmill donated to the Habitat for Humanity program in Houston (Texas) to help rebuild damaged homes and to build new ones, our Calhoun (Tennessee) operation sent thousands of packages of bath tissue and paper towels. A second railcar of lumber was donated to Florida in support of local Habitat programs, and we worked closely with humanitarian organizations in Puerto Rico to ship cases of bottled water and other much-needed emergency supplies from our Baie-Comeau (Quebec) mill to the Port of San Juan.

Supporting education and academic research

Over the years, Resolute has provided substantial financial support to universities and colleges to improve education outcomes for our operating communities and to help spark innovation in the forest products sector. In 2017, Resolute donated funds for scholarships, research grants, buildings and other needs totaling \$400,000. Here are some examples of our support for education and research:

- In early 2017, the company committed to a donation of C\$1 million over five years toward the creation of a prestigious industrial research chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi (UQAC). Our contribution, along with that of the Government of Quebec and UQAC, will support research on the boreal forest as well as the impact of changes in the landscape on black spruce growth in the context of climate change, with a particular focus on the spruce budworm infestation.
- In Ontario, Resolute encourages the implementation of learning partnerships with Aboriginal communities through memorandums of agreement with Cambrian College in Sudbury, Confederation College in Thunder Bay and the Anishinabek Employment & Training Services (AETS), an Aboriginal employment and training organization. We continue to support Aboriginal youth transitioning into the workforce, and our programming encourages First Nations students to pursue skilled trades.
- Additionally, we host on-site co-op programs, internships and apprenticeships, while most of our facilities provide scholarship funds directly to students or to organizations that award scholarships to local youth.



SHAREHOLDER INFORMATION

Annual General Meeting

Our annual meeting of stockholders will be held on Friday, May 25, 2018, at 10:00 a.m. (Eastern) at Confederation College, 1450 Nakina Drive, Thunder Bay, Ontario, P7C 4W1, Canada.

Transfer Agent for Common Stock

Computershare Trust Company, N.A.
P.O. Box 30170
College Station, Texas 77842-3170
United States
1-866-820-6919 (toll-free within the United States and Canada)
781-575-3100
www.computershare.com/investor

Co-Transfer Agent – Canada

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
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1-800-564-6253 (toll-free within the United States and Canada)
www.computershare.com/investor

Independent Registered

Public Accounting Firm

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1250 René-Lévesque Blvd. West
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Sustainability and Government Affairs
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Form 10-K

Resolute Forest Products Inc. files its annual report on Form 10-K with the U.S. Securities and Exchange Commission (SEC), a copy of which is included with this annual report to stockholders. Free copies (without exhibits) are available upon request to Resolute's Investor Relations department. The company's SEC filings, annual reports, news releases and other investor information can be accessed at www.resolutefp.com/investors.

Stock Listings

The shares of common stock of Resolute Forest Products Inc. trade under the stock symbol RFP on both the New York Stock Exchange and the Toronto Stock Exchange.

Resolute Forest Products – Headquarters

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Montreal, Quebec H3C 2M1
Canada
514-875-2160 or 1-800-361-2888

Vous trouverez la version française de ce rapport au www.pfresolu.com.

Note: Unless otherwise noted, amounts in this report are in U.S. dollars, and data reported is as at December 31, 2017.

CONNECT

The inside pages of this report are printed on Connect® 70 lb (103.4 g/m²) paper, manufactured at Resolute Forest Products' Calhoun (Tennessee) mill.

Connect is an uncoated freesheet paper available with Sustainable Forestry Initiative® (SFI®) and/or Programme for the Endorsement of Forest Certification (PEFC) chain of custody certifications.

Certifications at Calhoun include:

- SFI, PEFC and Forest Stewardship Council® (FSC®) chain of custody
- SFI fiber sourcing
- ISO 14001 environmental management system
- ISO 9001 quality management system



resolutefp.com
