



**BUILDING A
SUCCESSFUL
TOMORROW**

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The inside pages of this report are printed on **ResoluteMax 84 Gloss** 60 lb (89 g/m²) paper, part of Resolute's Align™ portfolio of environmentally conscious papers. This paper was manufactured at our Catawba (South Carolina) mill. With its smaller environmental footprint, **ResoluteMax 84 Gloss** is the perfect alternative to more costly coated freesheet paper.

Among its environmental benefits, **ResoluteMax 84 Gloss**:

- uses 12% less wood fiber than the average coated freesheet in North America;
- uses 25% less energy to produce than the average coated freesheet in North America;
- has a carbon footprint that is 35% smaller over its life cycle than that of the average coated freesheet in North America; and
- is available with SFI® and/or PEFC chain of custody certifications.

 **Align™** | PRINTING PAPERS
Now you're thinking.



Cover (from top right, clockwise):
Julie Lamontagne, Kénogami paper mill
Johnny Awashish, Opitciwan sawmill
Mariem Elsayed, Montréal office
Daniel Bolduc, Kénogami paper mill
Michel Belleau, Lac-Saint-Jean woodlands

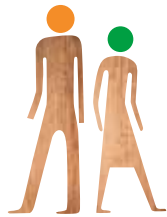
BUILDING A SUCCESSFUL TOMORROW

At Resolute, our actions today build a sustainable and profitable company for the future. With a network of some 40 pulp and paper mills and wood products facilities in the United States, Canada and South Korea, we have an operating platform that has the scale, financial strength and cost advantage to withstand market challenges. We are leveraging this financial strength to seize opportunities to diversify, innovate and grow. Fortunately, we have the flexibility to consider a range of appropriate opportunities and the patience to make sure the valuation is right. It is a strategic choice we make for a stronger tomorrow.

Our continued success as a forest products leader is inextricably linked to the engagement of our 7,700 employees in providing the quality and service to meet the needs of thousands of customers. Sustainability is front and center within our corporate culture; it guides our approach to the way we conduct business every day. Our ability to establish truly collaborative relationships with communities, First Nations, governments and other key stakeholders is critically important as is our commitment to increase share value for investors.

In a constantly evolving market, we take charge of our future. We make plans, take action and measure results. We say what we do and do what we say. We move forward on the strength of our successes and the challenges overcome. And every step we take prepares the groundwork for shared prosperity.

RESOLUTE AT A GLANCE

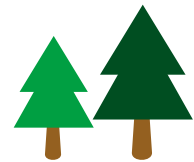


Total sales of
\$4,258
million



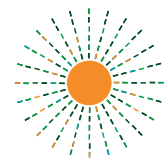
Adjusted EBITDA¹ of
\$366
million

100%
of the forests
we manage
are third-party
certified



EBITDA¹ of
\$221
million
from market pulp
and wood products

72%
of energy is sourced
from renewable
sources



1. EBITDA and adjusted EBITDA, non-GAAP financial measures, are defined and reconciled on pages 11 and 12.

Note: All figures in this report are in U.S. dollars unless otherwise stated.

DISTRIBUTION OF 2014 SALES BY % OF REVENUE



DISTRIBUTION OF 2014 SALES BY REGION

	NEWSPRINT	SPECIALTY PAPERS	MARKET PULP	WOOD PRODUCTS
United States	46%	90%	67%	60%
Latin America	23%	5%	6%	
Canada	12%	4%	8%	40%
Asia	11%	1%	6%	
Europe	7%		10%	
Other countries	1%		3%	

2015 TOTAL PRODUCTION CAPACITY²

	NEWSPRINT	SPECIALTY PAPERS	MARKET PULP	WOOD PRODUCTS
	2.6 million metric tons	1.5 million metric tons	1.7 million metric tons	2.8 billion board feet ³

- Represents capacity for pulp and paper manufacturing facilities and wood products facilities we owned or operated as of December 31, 2014 (excluding facilities and paper machines that were permanently closed as of December 31, 2014). For more information, see Part 1, Item 1, "Business - Our Products" in our 2014 Annual Report on Form 10-K.
- Our current supply of fiber, particularly in light of Quebec's new forest tenure system, limits our operating capacity to about 2 billion board feet per year. In 2014, we shipped 1.6 billion board feet of wood products.

2014 HIGHLIGHTS

FEBRUARY

- Renewed U.S. collective agreements



MARCH

- Added two more grades to our Align™ brand of eco-friendly papers



- Announced a \$105 million upgrade at our Calhoun (Tennessee) mill to produce more pulp, with a higher quality at a lower cost
- Created social media platforms, borealforestfacts.com (March), The Resolute Blog (July) and Boreal Forum (November), to engage forest stakeholders



APRIL

- Our recycled pulp, the industry benchmark for quality and cleanliness, cleared by the U.S. Food and Drug Administration (FDA) for use in food packaging

MAY

- Renewed Canadian collective agreements



JUNE

- \$10 million investment at our Mokpo (South Korea) paper mill to lower costs and increase newsprint quality
- Launched R&D joint venture, Performance BioFilaments Inc., to develop commercial applications for a new source of biomaterial made from wood fiber

- Resolute ranked among Canada's Best 50 Corporate Citizens by Corporate Knights



SEPTEMBER

- Resolute’s president and chief executive officer named to Canada’s Clean50 list of leaders in sustainable development and clean capitalism in Canada



OCTOBER

- Confirmed total GHG emission reduction of 67.5% since 2000, surpassing our commitment two years ahead of schedule



Jeremy Palmer, Thunder Bay wood pellet plant



NOVEMBER

- Named among Canada’s Top 100 Corporate R&D spenders by Research Infosource
- Opening of Thunder Bay wood pellet plant



Dave Duchesne, Saint-Hilarion sawmill

DECEMBER

- Introduced Resolute Connect™, a commodity offset paper made from 100% kraft pulp
- In 2014, achieved an ambitious and world-class Occupational Safety and Health Administration (OSHA) rate of 0.83, a 19% improvement over 2013
- Reduced mill environmental incidents by 19% over 2013
- Restarted Ignace sawmill, in Ontario
- Received *The New Economy* magazine’s global Clean Tech award for best forestry and paper solutions
- Over 1,000 new employees added to the team, and looking to hire another 4,000 or more by 2018



Michèle Antil, Mauricie woodlands operations



Theodore Van Tassel, Ignace sawmill

LETTER FROM THE CHAIRMAN AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Bradley P. Martin

Chairman

Richard Garneau

President and Chief Executive Officer

Resolute is a company that walks the talk. We clearly articulate our plans, measure results against our goals and generate value for our many stakeholders. We have a dedicated, loyal and skilled workforce, and together, as a unified team, we deliver on our commitments, address challenges and capitalize on opportunities. With a capital structure that is intentionally flexible and conservative, our financial strength gives us the ability to look at a range of appropriate opportunities to diversify, innovate and grow, and the patience to make sure the valuation is right.

A SOLID FINANCIAL POSITION

Our market pulp and wood products segments generated \$221 million of EBITDA in 2014, a 30% improvement over 2013. Their strong performance helped us to deliver three solid consecutive quarters to finish the year with \$366 million of adjusted EBITDA, even as the abnormally cold winter of 2014 set us back by \$55 million.

At year-end, we had cash and cash equivalents of \$337 million on hand and total liquidity of \$858 million, giving us ample flexibility to execute our business priorities.

Capital expenditures in 2014 were \$193 million. For 2015, we expect to spend approximately \$200 million, including \$130 million in value-creating projects such as our capital projects to grow our wood products and pulp businesses.

After rising interest rates helped to reduce the net pension and other postretirement benefit (OPEB) liability on our balance sheet by nearly \$700 million in 2013, interest rates shifted downward in 2014, finishing the year even below 2012 levels. But thanks to strong asset returns, the favorable currency impact and amendments to our OPEB plans, our balance sheet net pension obligation and OPEB liabilities

increased by \$330 million to \$1.6 billion in 2014, compared to \$2.0 billion in 2012. This increase also includes the significant impact of longer life expectancy assumptions in both Canada and the United States.

Also in 2014, we renewed important collective agreements in Canada covering 2,000 unionized workers, as well as U.S. labor agreements at four pulp and paper mills covering 1,500 employees. These mutually beneficial agreements, which cover over 70% of our pulp and paper production capacity, reinforce our position as a competitive employer and a financially strong and reliable supplier for our customers.

INVESTING IN OUR OPERATIONS

Resolute is a lower cost industry leader, committed to maximizing shareholder value and earnings power. We believe in investing in our operations to increase profitability and long-term competitiveness.

We apply our principles of operational excellence to our synergistic and diversified asset base, one that has evolved with time, as we execute our gradual retreat from certain paper grades toward more sustainable long-term businesses. Put simply,

our paper segments generate significant cash flow, which we use to grow our business for the long term. This synergistic and complementary asset base also offers the fiber management advantage of integration and earnings diversification.

We announced significant investments, among them a \$105 million upgrade to our Calhoun, Tennessee, pulp and paper mill, including the installation of a modern continuous pulp digester and other wood chip processing equipment. We are making excellent progress, and we expect to start the ramp-up process in the fourth quarter of 2015. At capacity, we will have an additional 100,000 metric tons of market pulp available on an annualized basis. This world-class equipment will help to significantly lower the mill's overall costs and improve the quality of its products. Considering the support we have received from the state of Tennessee, McMinn County and the Tennessee Valley Authority, and especially the benefits we expect the project to yield, the anticipated return on this project is very attractive.

We also invested C\$90 million in Northwestern Ontario for the construction of a new sawmill in Atikokan, the upgrade and restart of an idled sawmill in Ignace, the production capacity increase at our Thunder Bay sawmill, as well as the addition of a wood pellet plant at the Thunder Bay site. The Thunder Bay sawmill, a collaboration with the Fort William First Nation, is the largest and most modern in Eastern Canada.

LETTER FROM THE CHAIRMAN AND
THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CONTINUED)

The pellet plant will have the capacity to produce up to 50,000 metric tons of wood pellets annually from residual sawdust. The plant has a ten-year agreement to supply the local power utility with 45,000 metric tons of pellets annually.

The Atikokan and Ignace sawmills are expected to boost our annual operating capacity by about 260 million board feet. These two sawmills and other ongoing projects will help us grow our annualized sawmill operating capacity to around 1.9 billion board feet, a 30% increase over 2013. These investments will also help create 200 sawmill jobs, another 200 woodlands jobs, and additional significant indirect employment for the region. In conjunction with the sawmill investments, Resolute signed a Memorandum of Agreement with six First Nations, which sets out a framework for negotiating business agreements. To date, this agreement has resulted in C\$100 million in new business for our First Nations partners.

INNOVATING FOR THE FUTURE

Looking to the technologies of tomorrow, we launched Performance BioFilaments Inc., a research and development biomaterial joint venture with Mercer International Inc., to develop commercial applications for cellulose filaments, a new source of biomaterial made from wood fiber.

This versatile material can be used to add strength, stability, flexibility and longevity to concrete, composites and coatings for use in the aviation, marine, aerospace, electronics manufacturing and construction sectors.

We are also investing in a world-class greenhouse. In partnership with the town of Saint-Félicien, local entrepreneurs and a new entity, Serres Toundra, we will build the largest greenhouse complex in Quebec. Proximity to our kraft pulp mill provides synergies that will benefit all parties, and we expect this venture will create up to 400 jobs in the region by 2018.

WORLD-CLASS SAFETY PERFORMANCE

At Resolute, safety is an absolute priority and one in which no compromise is acceptable. It is a core value, linked to every part of our business. Zero incidents is our ultimate goal and the foundation of operational excellence.

While 2013 had been the best safety year in the company's history, we surpassed it in 2014, recording a world-class Occupational Safety and Health Administration (OSHA) incident rate of 0.83. This accomplishment reflects our employees' focus, dedication and vigilance in striving for an injury-free workplace.

DIFFICULT DECISIONS TO ENSURE ONGOING SUCCESS

2014 was also a year of difficult decisions. We closed our Laurentide mill in Shawinigan, Quebec, which employed 275 people and had a production capacity of 191,000 metric tons of specialty papers. We also permanently closed the previously idled pulp and paper mill in Fort Frances, Ontario. Late in the fourth quarter, we announced a further removal of 465,000 metric tons of newsprint capacity, with the closure of our Iroquois Falls, Ontario, mill, which affected 180 employees, and the closure of two paper machines, one at Baie-Comeau, Quebec, in December and one at Clermont, Quebec, in February of 2015, which affected an additional 120 employees.

The cost positions of these operations as well as ongoing market challenges, including the global weakness in newsprint, the high cost of fiber in Quebec, and higher transportation and fuel costs, made them vulnerable. However, another issue was at play that cannot be ignored: the ill-founded attacks of environmental activist groups that misrepresent the company's forest management practices. These campaigns have been proven to be based on misinformation and falsehoods.

The fact is the Canadian boreal ecosystem from which our Canadian facilities source the bulk of their wood fiber requirements is one of the world's most robust, and Ontario and Quebec's forest management regimes and regulations are among the most stringent in the world.

BALANCING ENVIRONMENTAL, SOCIAL AND ECONOMIC PRIORITIES

As in previous years, we continue to place importance on our sustainability practices and on the disclosure of our sustainability performance. We have deliberately developed our business and sustainability strategies to be interdependent, and that is why since 2012, we have been combining our financial and sustainability results in our annual report.

In 2014, we surpassed our greenhouse gas (GHG) emission reduction target two years ahead of schedule, reducing emissions by 67.5% over our year 2000 baseline. As a member of the World Wildlife Fund® (WWF®) Climate Savers Program, Resolute made among the most ambitious commitments in the industry, on a global basis, to reduce our carbon footprint.

Over 50% of the improvement came from reductions in energy consumption, fuel switching and fuel mix, including the complete elimination of on-site coal use. Today, about 70% of Resolute's total energy needs come from renewable sources.

We produce a significant portion of our energy needs internally, using hydroelectric facilities that we own and cogeneration facilities fueled by biomass by-products. We estimate that these sources provide approximately \$55-60 million of annualized cost savings when compared to buying electricity from the grid. We also have four cogeneration facilities in Canada that sell substantial amounts of electricity to third parties. These facilities helped improve EBITDA by \$43 million in 2014.

We work to minimize our consumption of resources and the generation of waste, air emissions and water discharge by going beyond minimum legal requirements. We also focus on continuous improvement and have environmental management systems (EMS) in place at all our operating sites – the majority certified to stringent ISO 14001 standards.

We are pleased to report that we reduced mill environmental incidents by 19% in 2014, surpassing our 10% reduction target over 2013. We continue to work toward zero incidents and have raised the bar yet again for 2015 by setting a further 9% reduction target.

When it comes to fiber and forestry, 100% of the woodlands Resolute manages are independently certified to at least one of three internationally recognized sustainable forest management standards: Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) and CSA Group (CSA). In addition, every one of our North American manufacturing facilities has fiber-tracking systems, all of which are third-party certified to one or more of three internationally recognized chain of custody (CoC) standards, namely FSC, SFI and Programme for the Endorsement of Forest Certification (PEFC).

And on the subject of fiber, this past year we expanded our eco-conscious Align™ brand of papers by adding two more grades: Hybrid and Alternative. Our Align papers are made with up to 50% less wood fiber compared to freesheet paper, and have an environmental footprint 35% to 85% smaller than that of the average freesheet grade.

Resolute's long-term competitiveness is strongly linked to attracting, developing and retaining our workforce of the future. In 2014, we hired 1,089 employees and are on target to hire 4,250 new employees over the 2014-2018 period. We also launched an integrated leadership system designed to increase organizational capabilities. Over the next few years, many of our employees will take their well-deserved retirement, and we are committed to building a workplace where our employees will learn, grow and contribute.

LETTER FROM THE CHAIRMAN AND
THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CONTINUED)

Also this past year, in addition to developing information sources such as borealforestfacts.com and The Resolute Blog, we continued the rollout of the Forum boréal and Boreal Forum social media platforms. A series of town hall meetings complemented these online forums, which encourage fact-based discussions about sustainable forestry practices and help ensure that individual and community voices are heard, especially with respect to the socio-economic importance of forestry to northern communities.

We are delighted that others are noticing our genuine and substantive sustainability accomplishments. This past year, Resolute was ranked among the “Best 50 Corporate Citizens” in Canada by Corporate Knights; Richard Garneau was named to Canada’s elite Clean50, recognizing leaders who have made the greatest contribution to sustainability and clean capitalism; and the company received *The New Economy* magazine’s global Clean Tech award for best forestry and paper solutions.

A LOOK AHEAD

2015 holds both challenges and opportunities for Resolute. We remain committed to maximizing shareholder value and earnings power by stressing our guiding principles of operational excellence in everything we do, pushing to optimize our asset base in order to maximize the utilization of our most cost-effective mills, and streamlining production to adapt to changing market dynamics. We will continue to apply our principles of operational excellence to our synergistic and diversified asset base, one that has evolved with time, as we execute our gradual retreat from certain paper grades toward more sustainable long-term businesses. And we will continue to make disciplined capital management a priority, maintaining a flexible and conservative capital structure that gives us the ability to consider a range of suitable opportunities, and the patience to make sure the valuation is right.

We have our employees to thank for the important progress we have made toward building a successful tomorrow. Once again, they have shown that we work as one team with one vision, where profitability and sustainability drive our future.



Bradley P. Martin
Chairman



Richard Garneau
President and Chief Executive Officer

RESOLUTE'S 2015 BUSINESS PRIORITIES

Committed to increasing earnings power and creating value for shareholders in the long term

1

Increase efficiencies, set manufacturing cost targets and benchmark performance at all operations

2

Manage production and inventory levels taking into account market conditions

3

Pursue sales strategy to produce only what our customers order

4

Identify and support disciplined capital investments at our most competitive facilities

5

Pursue opportunistic growth to complement our product mix or improve competitiveness of existing assets

CONSOLIDATED EARNINGS

SELECTED ANNUAL FINANCIAL INFORMATION

Years ended December 31, (in millions, except per share amounts and percentages)	2014	2013	2012
Sales	\$ 4,258	\$ 4,461	\$ 4,503
Operating income (loss) per segment			
Newsprint	23	40	97
Specialty papers	(17)	35	85
Market pulp	66	42	(43)
Wood products	69	41	26
Corporate / other	(315)	(160)	(193)
Total	(174)	(2)	(28)
Net (loss) income	(277)	(639) ⁴	1
Net (loss) income per common share			
Basic	\$ (2.93)	\$ (6.75)	\$ 0.01
Diluted	(2.93)	(6.75)	0.01
Cash and cash equivalents	\$ 337	\$ 322	\$ 263
Total assets	4,921	5,385	6,333
Adjusted EBITDA ⁵	\$ 366	\$ 377	\$ 393
Adjusted EBITDA margin ⁵	8.6%	8.5%	8.7%
ROE, adjusted for special items ⁶	1.4%	2.8%	2.6%

4. Includes a \$604 million non-recurring, non-cash income tax charge, taken largely in the third quarter of 2013, to reduce the value of deferred income tax assets on our balance sheet. For more information, see our 2014 Annual Report on Form 10-K.

5. Earnings before interest expense, income taxes, and depreciation and amortization, or "EBITDA", adjusted EBITDA and adjusted EBITDA margin are not financial measures recognized under 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 translation 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, net loss on extinguishment of debt, write-down of equity method investment, transaction costs and other charges or credits. Adjusted EBITDA margin is adjusted EBITDA expressed as a percentage of sales. We believe that using measures such as EBITDA, adjusted EBITDA and adjusted EBITDA margin 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 ongoing operations and financial performance from period to period. EBITDA, adjusted EBITDA and adjusted EBITDA margin are internal measures and, therefore, may not be comparable to those of other companies.

6. Return on equity, or "ROE", is a non-GAAP financial measure, calculated by dividing net income (loss), excluding the special items identified on page 12, by adjusted shareholders' equity. ROE is a measure of profitability that shows how much profit the company generated as a percentage of shareholder money invested.

CONSOLIDATED EARNINGS

Selected Annual Financial Information (continued)

Years ended December 31, (in millions)	2014	2013	2012
Net loss including noncontrolling interests	\$ (274)	\$ (639)	\$ (33)
Interest expense	47	51	66
Income tax (benefit) provision	(30)	524	(39)
Depreciation and amortization	243	243	233
EBITDA	\$ (14)	\$ 179	\$ 227
Foreign exchange translation loss (gain)	32	24	(17)
Severance costs	—	—	5
Closure costs, impairment and other related charges	278	89	185
Inventory write-downs related to closures	17	11	12
Start-up costs	4	32	13
Net gain on disposition of assets	(2)	(2)	(35)
Write-down of equity method investment	61	—	—
Net loss on extinguishment of debt	—	59	—
Transaction costs	—	6	8
Other income, net	(10)	(21)	(5)
Adjusted EBITDA	\$ 366	\$ 377	\$ 393

(in millions, except ROE)	December 31, 2014		
	Net (loss) income	Shareholders' equity	ROE (%)
GAAP, as reported	\$ (277)	\$ 2,106	(13.2)%
Adjustments for special items:			
Foreign exchange translation loss	\$ 32	\$ 32	
Closure costs, impairment and other related charges	278	278	
Inventory write-downs related to closures	17	17	
Start-up costs	4	4	
Net gain on disposition of assets	(2)	(2)	
Write-down of equity method investment	61	61	
Other income, net	(10)	(10)	
Income tax effect of special items	(57)	(57)	
Cumulative past-year adjustments for special items	—	956	
GAAP, as adjusted for special items	\$ 46	\$ 3,385	1.4 %

(in millions, except ROE)	December 31, 2013		
	Net (loss) income	Shareholders' equity	ROE (%)
GAAP, as reported	\$ (639)	\$ 2,827	(22.6)%
Adjustments for special items:			
Foreign exchange translation loss	\$ 24	\$ 24	
Closure costs, impairment and other related charges	89	89	
Inventory write-downs related to closures	11	11	
Start-up costs	32	32	
Net gain on disposition of assets	(2)	(2)	
Net loss on extinguishment of debt	59	59	
Transaction costs	6	6	
Other income, net	(21)	(21)	
U.S. deferred income tax asset valuation allowance	604	604	
Income tax effect of special items	(56)	(56)	
Cumulative past-year adjustments for special items	–	210	
GAAP, as adjusted for special items	\$ 107	\$ 3,783	2.8 %
(in millions, except ROE)	December 31, 2012		
	Net income	Shareholders' equity	ROE (%)
GAAP, as reported	\$ 1	\$ 3,102	– %
Adjustments for special items:			
Foreign exchange translation gain	\$ (17)	\$ (17)	
Severance costs	5	5	
Closure costs, impairment and other related charges	185	185	
Inventory write-downs related to closures	12	12	
Start-up costs	13	13	
Net gain on disposition of assets	(35)	(35)	
Transaction costs	8	8	
Other income, net	(5)	(5)	
Reorganization-related and other tax adjustments	(13)	(13)	
Income tax effect of special items	(33)	(33)	
Noncontrolling interests in special items	(35)	(35)	
Cumulative past-year adjustments	–	125	
GAAP, as adjusted for special items	\$ 86	\$ 3,312	2.6 %

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL HIGHLIGHTS⁷	2014⁸	2013	2012 ⁹
Total environmental incidents	52	64	38 ¹⁰
Fuel energy used, TJ	100,217	101,219 ¹¹	81,376
Electricity used:			
Total purchased, GWh	11,534	12,032	11,613
Net purchased ¹² , GWh	10,584	11,037	11,538
Self-generated or owned, GWh	2,864	2,810	2,293
Renewable energy, % of total energy (including purchased electricity)	72	71	68
Greenhouse gas (GHG) emissions, thousands of mt CO ₂ e ¹³	3,545	3,848	3,845
Water used ¹⁴ , millions of m ³	332	386	354
Water use intensity (m ³ /mt of saleable pulp or paper produced)	56.3	65.5	64.2
Facilities certified to ISO 14001 EMS ¹⁵ , %	92	71	67
Biochemical oxygen demand (BOD ₅), mt	7,858	7,132	6,698
Total suspended solids (TSS), mt	9,496	9,457	8,646
Sustainable forest management (SFM) certification ¹⁶ , %	100	100	100
Mills with chain of custody certification in North America ¹⁷ , %	100	100	100
SOCIAL HIGHLIGHTS	2014	2013	2012
Employees ¹⁸	7,700	8,400	9,100
Occupational Safety and Health Administration (OSHA) incident rate per 100 employees ¹⁹	0.83	1.02	1.13
OSHA severity rate per 200,000 man hours worked ²⁰	33	25.9	34.01
Lost time incident cases	27	24	38
Recordable injuries ²¹	70	90	107
Employee turnover, %	11.6	11.7	12.5
Employee wages and benefits, \$ millions	666	734	775
Donations, \$ millions	1	0.9	1.2
ECONOMIC HIGHLIGHTS	2014	2013	2012
Actual external sales of electricity produced from cogeneration facilities, GWh/year	950	801	152
Sales of Align™ papers, % of total specialty paper sales	19.9 ²²	4	5
Indirect employees ²³	25,025	27,300	29,575

7. Environmental data is for pulp and paper mills only, except for environmental incidents, which also include sawmills.
8. The information is preliminary and subject to change; data will be confirmed on our website this summer.
9. With the exception of environmental incidents, data does not include performance in respect of the three former Fibrek mills: Saint-Félicien (Quebec), Fairmont (West Virginia) and Menominee (Michigan), acquired in mid-August 2012.
10. Environmental incident reporting has changed over time, moving from a system divided by classes to a total incident count. Our 2012 data is based on information collected through the old system, which only considered certain classes of incidents.
11. The increase in fuel energy consumption between 2012 and 2013 is mostly attributable to the addition of the three former Fibrek mills acquired in mid-August 2012, the restart of operations at our Dolbeau (Quebec) mill in October 2012 and that of our Gatineau (Quebec) mill in May 2013, and the launch of our Thunder Bay (Ontario) cogeneration facility in March 2013.
12. Represents purchased electricity, minus actual external sales of electricity produced from cogeneration facilities.
13. GHG emission figures include scope 1 GHG emissions (combustion, landfill, process and fugitive emissions) as well as scope 2 GHG emissions (emissions from consumption of purchased electricity and steam) that physically occur at the facility where electricity or steam is generated.
14. Resolute returns more than 95% of the water it withdraws. The balance remains within products or evaporates during the manufacturing process.
15. At the end of 2014, 21 out of 22 pulp and paper mills, 16 out of 18 wood products facilities and 8 out of 9 woodlands operations had an ISO 14001-certified EMS.
16. All of the forests we manage are certified to at least to one of three internationally recognized sustainable forest management (SFM) certification standards: Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) or CSA Group (CSA).
17. Resolute has instituted fiber-tracking systems at all of our facilities, and all tracking systems are third-party certified according to one or more of three internationally recognized chain of custody (CoC) standards: FSC, SFI or Programme for the Endorsement of Forest Certification (PEFC).
18. Excluding the unconsolidated entities in which we have non-controlling interests.
19. Health and safety statistics are calculated for all employees, with the exception of near-miss reporting, which is only applied to employees at operating sites.
20. The severity rate is calculated by adding the number of workdays lost to the number of restricted workdays due to injury, multiplied by 200,000 hours worked, divided by total number of hours worked.
21. Recordable injuries do not include minor, first-aid level incidents.
22. In 2014, two new grades were added to the Align family of products (Hybrid and Alternative) as the facility where they are produced switched to lower emission fuels to improve environmental performance.
23. Research by the Economic Policy Institute indicates that for every 100 jobs in the paper industry, 325 additional jobs are supported in supplier industries and in local communities due to the re-spending of wages.

OUR VISION

At Resolute Forest Products, we are one team with one vision where profitability and sustainability drive our future.

OUR VALUES



WORK SAFELY

We always put the safety of our people first. Creating an injury-free workplace is everyone's business. We maintain world-class standards and continuously measure and improve our safety efforts and results.



ENSURE SUSTAINABILITY

We make decisions with tomorrow in mind. We know that our long-term profitability depends on preserving the natural resources in our care and being a responsible partner in the communities where we live and work.



BE ACCOUNTABLE

We are accountable for our performance. The future of our company is in our hands. By empowering people, acting with integrity, setting goals and measuring progress, we deliver first-class products and services to customers and create value for shareholders.



SUCCEED TOGETHER

We win together. Teamwork starts with a winning attitude and a true desire to support each other. We welcome ideas, communicate frequently and share best practices.

BUSINESS AND SUSTAINABILITY STRATEGY

At Resolute, we report our business and sustainability results together. Our sustainability strategy has been purposely developed to align our efforts in environmental stewardship and social responsibility with our business strategy and objectives. This approach underpins our vision that profitability and sustainability drive our future.



Our business strategy includes a gradual retreat from certain paper grades and the use of our strong financial position to diversify and grow. This strategy focuses on three core themes:

1

We strive for operational excellence by improving our performance and our margins.

2

We use a disciplined approach to capital spending by building on our position as a lower cost producer, continuously looking for ways to reduce overhead.

3

We take an opportunistic approach to strategic initiatives, pursuing only those that reduce our cost position, improve our product diversification, provide synergies or allow us to expand into future growth markets.

Our sustainability strategy is based on a balanced approach to environmental, social and economic performance designed to enhance our competitive position. And like our business strategy, it has three primary areas of focus:

4

We reinforce our environmental credentials by taking appropriate steps to manage our environmental footprint.

5

We strive to attract and retain the best employees by creating the right work environment in order to position Resolute as a competitive employer.

6

We work and live in dozens of communities that depend on the forest for their economic and social viability. For Resolute, building solid community relations is essential to our long-term success, and to the regional prosperity of these communities.

OUR OPERATIONS

- Corporate office
- Customer service
- Pulp/paper
- Wood products
- Energy

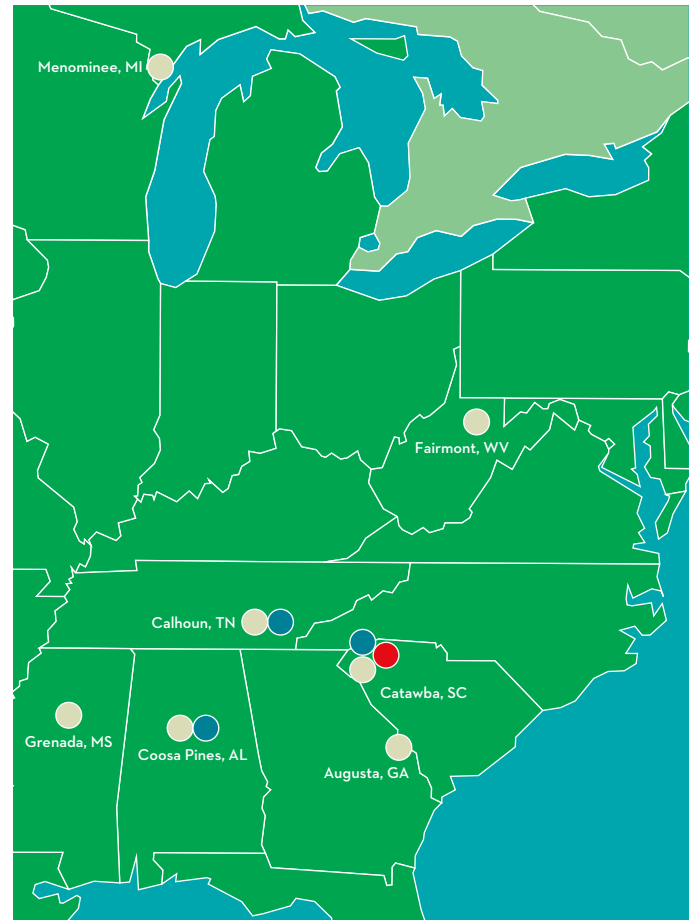
QUEBEC, CANADA



ONTARIO, CANADA



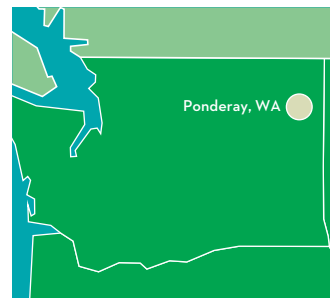
EASTERN UNITED STATES



SOUTH KOREA



WESTERN UNITED STATES





BUSINESS SEGMENTS

- NEWSPRINT
- SPECIALTY PAPERS
- MARKET PULP
- WOOD PRODUCTS



BUSINESS SEGMENTS

**BEYOND
THE FRONT PAGE**

Resolute is a leading global producer of top-quality newsprint. With mills strategically located to serve major markets throughout North America and abroad, we supply customers in some 80 countries.

**WE HAVE THE CAPACITY
TO MEET YOUR NEEDS**

We produce newsprint at 10 facilities in North America and one facility in South Korea. With total capacity of approximately 2.6 million metric tons, or 9% of worldwide capacity, we are the largest producer of newsprint in the world. We are also the largest North American producer of newsprint, with North American capacity of 2.4 million metric tons, or approximately 41% of total North American capacity.

We sell newsprint to newspaper publishers all over the world and also to commercial printers in North America for uses such as inserts and flyers.

In 2014, shipments to North American markets represented 60% of total newsprint shipments.

NEWSPRINT

Every day our newsprint routinely makes the front pages of some of the world's top newspapers. But there's more to the story. Advertising brochures, circulars, inserts and directories. We provide companies and their customers with a way to connect.

**INVESTING IN THE BROADER
ASIAN NEWSPRINT MARKET**

In June 2014, we announced a \$10 million investment at our Mokpo, South Korea, paper mill to upgrade the facility's newsprint machine. This is a commitment not only to the Mokpo mill and the South Korean marketplace but also to the broader Asian market. Built in 1995, Resolute's Mokpo mill is the newest paper mill in South Korea and has an annual production capacity of 200,000 metric tons. The upgrades and improvements will enhance the quality of the paper and help better position the mill to compete.



Ken McIlwain, Thunder Bay pulp and paper mill

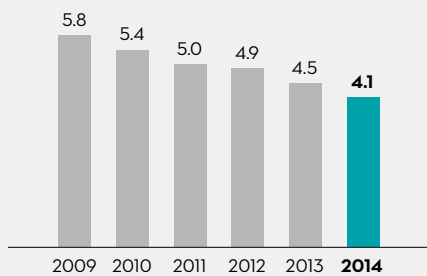


● ON SUSTAINABILITY

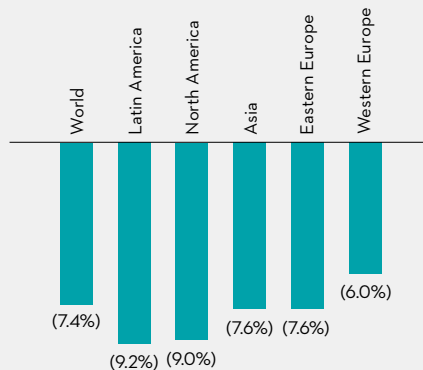
Our recycled newsprint mills in Thorold (Ontario) and Mokpo (South Korea) are located near urban areas that have more readily accessible supplies of recovered paper. Our mills that are located in more remote areas use wood chips from nearby sawmills to produce newsprint, making efficient use of this readily available local by-product of stud and dimension lumber production.

● MARKET TRENDS

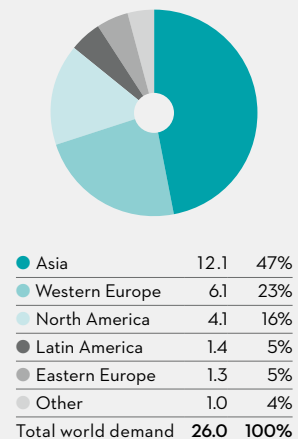
TOTAL N.A. NEWSPRINT DEMAND
(millions of metric tons)



2014 WORLD NEWSPRINT CHANGE IN DEMAND BY GEOGRAPHIC MARKET
(% change over 2013)



2014 NEWSPRINT DEMAND DISTRIBUTION
(millions of metric tons)



Source: Pulp and Paper Products Council (PPPC)

BUSINESS SEGMENTS

MAKING AN IMPRESSION

Good printing will always draw attention and we have the paper to prove it. Our specialty coated and uncoated paper grades are used to make magazines, catalogs, direct mail, inserts, instruction manuals, books, directories, maps, advertising inserts and flyers.

We produce specialty papers at five facilities in North America. Our specialty papers segment is composed of uncoated mechanical papers, including supercalendered, super-bright, high-bright, bulky book and directory papers, as well as coated mechanical papers.

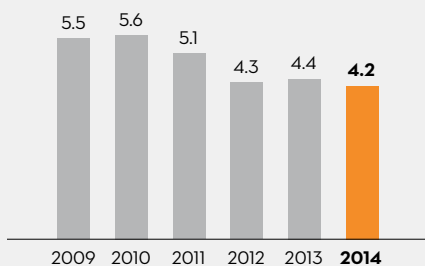
With total capacity of approximately 1.1 million metric tons, or approximately 27% of total North American capacity, we are the largest producer of uncoated mechanical papers in North America, and the third largest in the world. Also, with 435,000 metric tons of capacity, or approximately 14% of total North American capacity, we are North America's third largest producer of coated mechanical papers. We sell specialty papers to major commercial printers, direct mailers, publishers, catalogers and retailers, mostly in North America.

SPECIALTY PAPERS

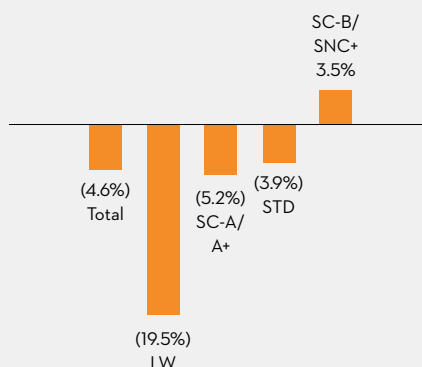
From the bestseller you just can't put down to the magazines on your coffee table and the flyers in your mailbox, our specialty papers deliver exceptional printability.

● MARKET TRENDS

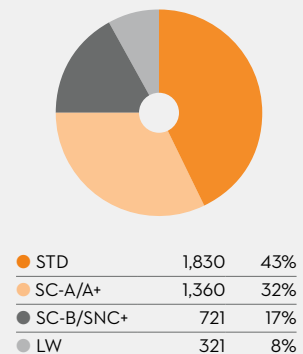
TOTAL N.A. UNCOATED MECHANICAL DEMAND
(millions of short tons)



2014 TOTAL CHANGE IN N.A. UNCOATED MECHANICAL DEMAND, BY GRADE
(% change over 2013)



2014 N.A. UNCOATED MECHANICAL DEMAND DISTRIBUTION, BY GRADE
(thousands of short tons)



Source: PPPC



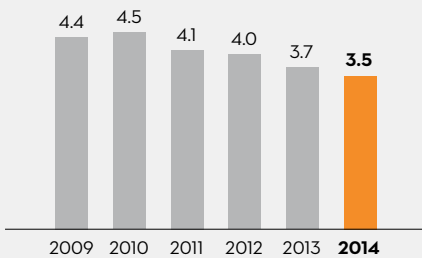
From left to right: Marco Pelletier, Rosaire Simard and Robert Simard, Kénogami paper mill



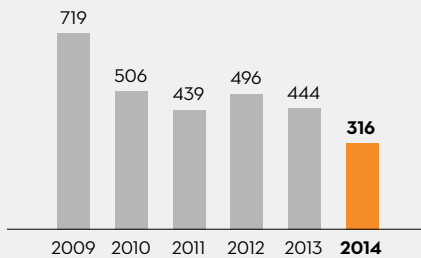
● ON SUSTAINABILITY

Align™ paper grades are made with up to 50% less wood fiber compared to freesheet paper, and have an environmental footprint 35% to 85% smaller than that of the average freesheet grade. In addition, by delivering higher opacity and bulk at a lower basis weight than traditional freesheet, Align helps reduce paper, postage and transportation costs.

N.A. COATED MECHANICAL PAPER DEMAND
(millions of short tons)



N.A. COATED MECHANICAL PAPER IMPORTS
(thousands of short tons)



Source: PPPC

BUSINESS SEGMENTS
SPECIALTY PAPERS (CONTINUED)

**FROM HIGH-IMPACT ADVERTISING
TO BEST-SELLING BOOKS**

Many of North America's top retailers rely on Resolute's coated and supercalendered papers to help ensure that their flyers, inserts and catalogs make a great impression. Our Catawba mill, in South Carolina, produces an impressive line of coated mechanical papers in a variety of brightnesses and finishes for catalogs, magazines and retail inserts.

We also offer the widest range of book papers of any North American manufacturer. With different calipers, shades, basis weights and brightnesses, our book papers provide us with a competitive advantage in the marketplace. From coloring books, mass market paperbacks and tradebooks to educational workbooks and hardcover books, we have a paper product to fit just about any book publishing need.

**A NEW PAPER GRADE
THAT CONNECTS QUALITY
WITH COST EFFECTIVENESS**

We call it the Connect Effect. That's when our customers receive fast delivery of Connect™, our new commodity offset grade, at a price their bottom line appreciates. Produced in Tennessee at our state-of-the-art Calhoun operation, Resolute Connect is made from 100% kraft pulp and exhibits excellent runnability and printability characteristics. With high opacity, this paper is perfect for many commercial printing end uses.



**GROWING OUR ALIGN
ECO-FRIENDLY BRAND**

In 2014, we continued to expand our Align brand of environmentally responsible and budget-friendly papers by adding two more super-brite grades, Hybrid and Alternative, to our existing offerings of Ecopaque, Equal Offset and ResoluteMax. The new Hybrid grades are used for commercial printing such as comics, direct mail, directories, envelopes, inserts and manuals. Alternative Offset papers are ideal for a variety of print applications, including book publishing, financial printing, annual reports and direct mail.

 **Align™** | PRINTING PAPERS
Now you're thinking.



Steeve Audet, Kénogami paper mill

BUSINESS SEGMENTS

A MAJOR PULP PRODUCER

We are one of the few producers capable of supplying a wide variety of different grades of market pulp. And each of these has unique properties that make them ideal choices for particular applications.

We produce market pulp at seven facilities in North America, with a total capacity of approximately 1.7 million metric tons – or approximately 11% of total North American capacity – making us the third largest pulp producer in North America. Approximately 80% of our virgin pulp capacity is softwood-based: northern bleached softwood kraft pulp (NBSK), southern bleached softwood kraft pulp (SBSK) and fluff pulp.

We are also the largest producer of recycled bleached kraft pulp (RBK) and a competitive producer of northern bleached hardwood kraft pulp (NBHK) and southern bleached hardwood kraft pulp (SBHK). Wood pulp is the most commonly used material to make paper. Pulp not converted into paper is sold as market pulp, which is used to make a range of consumer products, including tissue, packaging, specialty paper products, diapers and other absorbent products. Approximately 26% of our 2014 market pulp shipments were exported outside of North America, including significant exports to Europe, Asia and Latin America.

In 2014, Resolute launched a \$105-million project to upgrade the Calhoun (Tennessee) pulp mill. A new continuous digester will enable the mill to produce an additional 100,000 metric tons of market pulp each year. This world-class equipment will also significantly lower the mill's overall costs and improve the quality of its pulp and paper products.

MARKET PULP

Our pulp, a renewable and biodegradable material, is a key ingredient in making products we use every day. You'll find it in everything from tissues to paper towels, coffee filters, disposable diapers and other absorbent products, as well as printing and writing papers.

PULP FOR A VARIETY OF NEEDS

We offer a complete spectrum of chemical pulp products with high-quality performance characteristics that meet diverse customer needs.

Softwood kraft pulp: Our softwood kraft pulp has structural properties that provide exceptional strength. Minimal energy is needed to refine the pulp, which is favored for use in manufacturing tissues and paper towels, as well as printing and writing papers.

Hardwood kraft pulp: Key features of hardwood pulp include excellent cleanliness, formation and surface properties, complemented by good bulk and opacity. These characteristics are ideal for tissue and paper towels, as well as printing and writing papers.

Fluff pulp: Produced in the southern United States from loblolly pine, our fluff pulp offers excellent absorbency and wicking features that make it ideal for producing diapers and other absorbent products.

Recycled bleached kraft pulp: Our fully dried recycled bleached kraft pulp can be manufactured with different brightness levels and is used in tissues and paper towels, printing and writing papers, as well as in food packaging applications.



Bobby Willis, Sr., Catawba pulp and paper mill

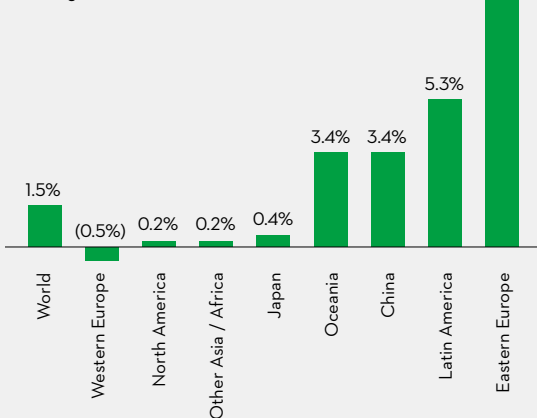


● ON SUSTAINABILITY

In 2014, the U.S. Food and Drug Administration (FDA) confirmed that our RBK-LF pulp (recycled bleached kraft – low fluorescence) produced at our mills in Menominee (Michigan) and Fairmont (West Virginia) is suitable for use in coated paper and paperboard grades intended for use in contact with food. Now we can serve a new market with even more options when it comes to using recycled fiber.

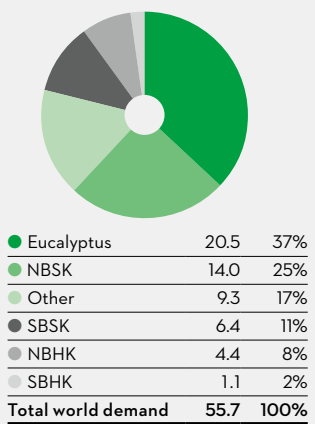
● MARKET TRENDS

2014 WORLD CHEMICAL PULP DEMAND (% change over 2013)

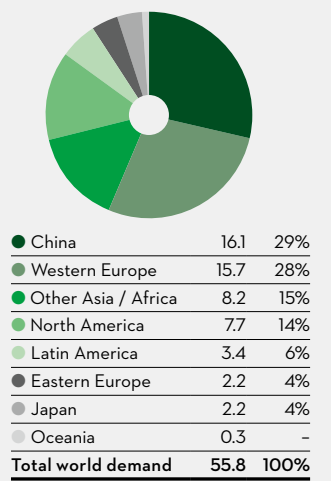


Source: PPPC

2014 WORLD CHEMICAL PULP DEMAND DISTRIBUTION, BY GRADE (millions of metric tons)



2014 WORLD CHEMICAL PULP DEMAND DISTRIBUTION, BY REGION (millions of metric tons)



BUSINESS SEGMENTS

A NATURAL CHOICE

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

We operate 15 sawmills in Canada that produce construction-grade lumber sold in North America, mostly on the East Coast. Our sawmills produce stud and dimension spruce-pine-fir (SPF) lumber and are a major source of wood chips for our pulp and paper mills and wood waste we use to fuel our power cogeneration assets and other operations. In 2014, we shipped 1.5 billion board feet of construction-grade lumber within North America.

In Canada, we also operate two remanufactured wood products facilities that produce bed-frame components, finger joints and furring strips, two joint-venture engineered wood products facilities that produce I-joists for the construction industry, and a wood pellet plant.

WOOD PRODUCTS

Building techniques can change, but wood is always part of the plan. From framing lumber to flooring and roofing components, you'll find Resolute's wood products on the job in new home construction and renovations.

INVESTING IN NORTHWESTERN ONTARIO

As part of a C\$90 million investment in Ontario, we built a wood pellet plant at our Thunder Bay sawmill site, which began operation in October 2014. At full capacity, the facility will produce 50,000 metric tons of pellets annually from residual sawdust, a by-product of the sawmill. The plant is under a ten-year contract to supply 45,000 metric tons of pellets annually to Ontario Power Generation's Atikokan Generating Station, which was converted from coal-burning to wood pellets.

Resolute's significant investment in Northwestern Ontario includes the refurbishment of the Ignace sawmill, which restarted in the fourth quarter of 2014. Idled since 2006, the facility has seen several upgrades to existing equipment and is expected to reach its productivity target by year-end. Work continues on the construction of the new Atikokan sawmill, which is expected to begin ramping up in the second quarter of this year.

The new and upgraded Northwestern Ontario facilities will have a total annual production capacity of 260 million board feet.



Peter Pajunen, Thunder Bay sawmill

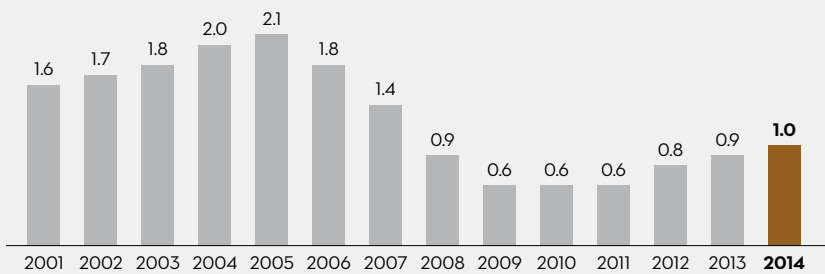


● ON SUSTAINABILITY

We adhere to strict, internationally recognized sustainable forest management (SFM) and chain of custody (CoC) standards that provide customers with the assurance that the wood fiber we use originates from responsibly managed forests. All of the woodlands we manage or on which we hold significant harvesting rights are third-party certified to at least one of three globally recognized standards: FSC, SFI and CSA. And we have implemented fiber-tracking systems at all of our facilities that are also third-party certified to one or more internationally recognized CoC standards, namely FSC, SFI and PEFC.

● MARKET TRENDS

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(millions of units)



Source: U.S. Census Bureau



Sustainability Performance
Fiber and Forestry
Lasting Collaboration with First Nations
Engaging in Dialogue
Energy and Climate Change
Mill Environmental Performance
Human Resources
Health and Safety
Community Involvement
Recognizing the Contributions of Our Employees

SUSTAINABILITY PERFORMANCE

BUILDING A SUSTAINABLE FUTURE

At Resolute, we believe that sustainability helps us build and enhance our competitiveness and long-term profitability. This relationship between sustainability and financial performance is reflected in our company's vision, our corporate values and the way we do business every day.

We balance the three pillars of sustainability – environmental, social and economic – to become not only a more efficient company, but a better employer, a stronger partner for our customers and more deeply engaged in the communities in which we live and work.

This is our third annual report combining both financial and sustainability performance reporting. A more detailed review of our sustainability activities will be available on our website this summer. This combined report reflects our vision that sustainability and profitability drive our future.

WORKING WITH OUR STAKEHOLDERS

We are 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. We are open to discussion and value input from customers and various interested parties, including employees, First Nations, environmental and other non-governmental organizations ((E)NGOs), business partners, governments, investors and members of the general public.

Through our information-sharing program, for example, we build and maintain strong relationships with community leaders in our operating locations. These groups meet regularly to provide a forum for discussing a range of issues of mutual interest to participants – from harvest area allocation and energy conservation to controls for noise pollution.

We also focus on developing constructive relationships with First Nations, with whom we share a common interest in ensuring that our forests continue to provide for future generations. A key aspect of this focus is to engage in dialogue with chiefs, councils and elders in communities in our operating areas to ensure that the company takes local environmental, social and economic considerations into account.

Working together is the best way to foster trust with First Nations and individuals that are most directly impacted by our operations, as well as the groups that share our interest in managing forests sustainably over the long term.

SUSTAINABILITY PERFORMANCE (CONTINUED)

DEFINING ISSUES OF HIGH CONCERN FOR OUR STAKEHOLDERS

We report sustainability performance on issues we consider to be material, based on a detailed analysis completed in 2010 as part of our first Global Reporting Initiative (GRI) disclosure.

Resolute defines as “material” sustainability issues that are of high concern to internal and external stakeholders and have the potential to impact our business performance.

From the start, our work on determining material issues was focused on improving our understanding of stakeholder information requirements. Assessments were conducted to identify the issues that mattered most for monitoring and reporting. As part of that process, we commissioned an independent third party to conduct interviews with members of the research community, industry, government, customers, (E)NGOs, organized labor and investors.

In 2013, a materiality assessment update was conducted to ensure that the issues identified in 2010 continued to be of great importance and impact to our stakeholders. As a result of this update, three additional issues were identified as material: First Nations relations and economic partnerships, conservation and protected areas, and transparency and communication. 2014 is the first year we will be reporting our progress on the public commitments associated with these new issues.

It is important to note that material issues do not encompass all the issues we address. For example, issues that require compliance but are not identified as material to a stakeholder group are still monitored and reported on internally, but are not detailed in this report.

As well, the materiality of issues can change over time. Some may lose importance as they are of lower immediate concern to stakeholders and the company. Our objective is to monitor materiality on a continuous basis, for example, through regular interaction with stakeholders.

Based on the material issues identified by our stakeholders, Resolute created a sustainability strategy that drives all of our company’s sustainability activities and serves as the framework for public commitments.

SCOPE AND GOVERNANCE

We report sustainability performance data for all the operations we owned or operated as at December 31, 2014. Our 2014 sustainability performance data is preliminary and subject to change. The information presented in this report will be confirmed on our website this summer. The website will also include other sustainability performance indicators and disclosures prepared in accordance with the GRI’s G4 guidelines.

While the overall responsibility for our sustainability performance resides with our president and chief executive officer, we rely on our sustainability committee to ensure that we deliver on our key commitments and implement our strategies.

The sustainability committee is a cross-functional group comprised of senior managers from various departments, including sales, human resources, purchasing, engineering and environment. It is accountable to the executive team and is chaired by the vice president, corporate communications, sustainability and government affairs.

The sustainability committee recommends strategies, sets goals, measures results, oversees reporting, communications and continuous improvement, and assesses stakeholder expectations and sustainability trends. The committee is also responsible for providing project oversight on the company’s key sustainability commitments.

SUSTAINABILITY COMMITMENTS AND PERFORMANCE

In 2011, we established a set of ambitious sustainability commitments reflecting our approach to balancing environmental, economic and social priorities. Since then, we have been tracking and reporting on our progress annually with a view to achieving, or surpassing, the vast majority of our targets before the end of 2015.

Our year-over-year performance has steadily improved, and we continue to build on a solid base of what we believe are meaningful accomplishments. The following table provides a summary of our performance for 2014.

SUSTAINABILITY PERFORMANCE

CARBON/ENVIRONMENTAL FOOTPRINT AND RESOURCE MANAGEMENT

STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS ➤	COMMITMENTS ➤	PERFORMANCE IN 2014 ➤	2014 RATING
<p>Reinforce our environmental credentials, taking appropriate steps to responsibly manage our environmental footprint</p> <p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <ul style="list-style-type: none"> • Sustainable 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 • Environmental regulatory compliance • Environmental incidents <p>LEGEND</p> <ul style="list-style-type: none"> ++ Surpassed target + Achieved key milestone = Maintained achievement > Ongoing progress X Target unattained - Changed circumstances 	<p>Maintain 100% certification of Resolute-managed woodlands to sustainable forest management (SFM) certification standards</p>	<ul style="list-style-type: none"> • 100% of managed forests certified to Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) and/or CSA Group (CSA) 	<p>=</p>
	<p>Maintain chain of custody certification, either to FSC, SFI or Programme for the Endorsement of Forest Certification (PEFC) at all North American pulp and paper mills and wood products facilities under company management</p>	<ul style="list-style-type: none"> • Instituted fiber-tracking systems at all North American facilities, all of which are third-party certified according to one or more of three internationally recognized CoC standards, namely FSC, SFI and PEFC 	<p>=</p>
	<p>Increase FSC forest certification of managed forests from 18% in 2010 to 80% by 2015</p>	<ul style="list-style-type: none"> • A specific FSC target is no longer realistic or appropriate considering recent developments and interpretations, as more fully described on page 38 • Resolute remains committed to 100% certification to one or more of three internationally recognized sustainable forest management standards, inclusive of FSC, SFI and CSA 	<p>-</p>
	<p>Achieve a 65% absolute reduction of scope 1 and 2 GHG emissions by 2015 over the 2000 base year</p>	<ul style="list-style-type: none"> • Reduced total GHG emissions by 67.5% since 2000, surpassing 65% reduction target two years ahead of schedule 	<p>++</p>
	<p>Implement standard scope 3 GHG accounting and begin full scope 3²⁴ reporting by 2015</p>	<ul style="list-style-type: none"> • Significant progress towards full reporting in 2015, including the development of preliminary GHG scope 3 emission inventories for 2012, 2013 and 2014 • Implemented a tracking system to measure emissions from our supply chain and product transportation to customers 	<p>></p>
	<p>Provide disclosure on regulatory infractions in our woodlands operations and set a target for annual infractions, with a long-term goal of zero infractions</p>	<ul style="list-style-type: none"> • Timely disclosure of regulatory infractions in our annual and sustainability reporting • Set annual target of 3 or less internally identified situations that could lead to regulatory infractions in each province 	<p>+</p>
	<p>Continue to improve our understanding of our water footprint; continue to voluntarily report to the Carbon Disclosure Project's (CDP) Water Disclosure program</p>	<ul style="list-style-type: none"> • Voluntarily reported to CDP Water Disclosure program 	<p>=</p>
	<p>Reduce environmental incidents by 10% in 2014 compared to the 2013 baseline, with a long-term goal of zero incidents</p>	<ul style="list-style-type: none"> • Recorded 52 environmental incidents in 2014, a reduction of 19% compared to the 2013 baseline • Established 2015 target of 8% reduction over 2014 baseline 	<p>++</p>
	<p>Implement ISO 14001-certified environmental management system (EMS) at all our pulp and paper, sawmill and woodlands operations</p>	<ul style="list-style-type: none"> • ISO 14001-certified EMS implemented at all pulp and paper mills except Menominee mill, all Canadian woodlands operations and all wood products facilities²⁵, except recently opened Ignace sawmill and under-construction Atikokan sawmill 	<p>></p>

24. The indirect greenhouse gas emissions listed in scope 3 include all indirect emissions not covered in scope 2, such as emissions from the production of purchased materials or transportation activities not controlled by the company.

25. Does not include nonconsolidated entities: Opitciwan (Quebec) and Produits Forestiers Petit-Paris (Quebec) sawmills.









SUSTAINABILITY PERFORMANCE

PUBLIC ENVIRONMENTAL AND SOCIAL CONSCIOUSNESS

STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS	COMMITMENTS	PERFORMANCE IN 2014	2014 RATING
<p>Build solid community relations, recognizing that economically viable and civically involved companies support long-term regional prosperity</p> <p>Reinforce our environmental credentials, taking appropriate steps to responsibly manage our environmental footprint</p> <p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <ul style="list-style-type: none"> • Community and stakeholder engagement • First Nations and economic partnerships • Transparency and communications <p>LEGEND</p> <ul style="list-style-type: none"> ++ Surpassed target + Achieved key milestone = Maintained achievement > Ongoing progress X Target unattained — Changed circumstances 	<p>By end of 2015, enhance information-sharing community groups at all company operations; embed community stakeholder outreach efforts across organization, sharing best practices and monitoring activities</p>	<ul style="list-style-type: none"> • Established information-sharing community groups, covering all North American locations, one year ahead of schedule • We are continuing to work on institutionalizing stakeholder outreach across the company, promoting open discussions and enhancing the value proposition for all involved participants 	>
	<p>Identify business opportunities with First Nations and identify means to increase Aboriginal employment</p>	<ul style="list-style-type: none"> • In addition to other partnerships, signed economic benefit sharing agreements worth about C\$100 million with First Nations in Northwestern Ontario – linked to the opening of the Atikokan and Ignace sawmills • Also committed to wood supply contract with the Mashteuiatsh community in Lac-Saint-Jean, Quebec • Collaborative agreements currently under discussion with several First Nations communities 	=
	<p>Make yearly charitable contributions with emphasis on environmental stewardship, and health and education programs</p>	<ul style="list-style-type: none"> • Made charitable contributions of approximately \$1 million 	=
	<p>Ensure and sustain ongoing outreach with stakeholders and develop key strategic partnerships</p>	<ul style="list-style-type: none"> • Maintained regular engagement with key stakeholder groups such as employees/unions, investors, governments, (E)NGOs, First Nations, local communities, suppliers/partners and customers • Maintained partnerships with WWF® Climate Savers program, Forces AVENIR, the Innu community of Mashteuiatsh, among others • Continued Forum boréal activities in Quebec and launched Boreal Forum in Ontario – two fact-based online platforms to facilitate an open and constructive conversation on sustainable forest management in the boreal forest 	=
	<p>Develop innovative products that help our customers reduce their environmental footprint</p>	<ul style="list-style-type: none"> • Added two new super-brite grades under the Align™ umbrella – Hybrid and Alternative • Launched joint venture with Mercer International Inc. (Performance BioFilaments Inc.) to develop commercial applications for cellulose filaments • U.S. Food and Drug Administration confirmed that our recycled bleached kraft pulp is suitable for use in polycoated paper and paperboard grades intended for use in contact with food • Opened Thunder Bay wood pellet plant, which at capacity will produce 50,000 metric tons of pellets annually from residual sawdust collected at the adjacent Thunder Bay sawmill 	+
	<p>Maintain effective sustainability oversight and management practices</p>	<ul style="list-style-type: none"> • Sustainability committee continues to monitor sustainability performance and recommend areas for improvement 	=
	<p>Maintain annual sustainability reporting practices and transparency</p>	<ul style="list-style-type: none"> • Issued third combined annual report with substantial sustainability content; fourth GRI-compliant reporting to be launched online in 2015 	=
	<p>Roll out communications on our Supplier Guidelines and measure dissemination</p>	<ul style="list-style-type: none"> • Developed and re-communicated Supplier Guidelines to about 150 top suppliers, representing over 25% of our annual purchasing spend 	>

SUSTAINABILITY PERFORMANCE

DEMOGRAPHIC CHANGES AND LABOR RELATIONS

STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS 	COMMITMENTS 	PERFORMANCE IN 2014 	2014 RATING
<p>Position Resolute as a competitive employer, attracting and retaining employees based on opportunities to quickly learn and grow within a dynamic organization</p> <p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <ul style="list-style-type: none"> • Workforce turnover and recruitment needs • Labor relations • Pension obligations • Code of conduct and business ethics • Impact of entering and exiting operating communities • Employee health and safety <p>LEGEND</p> <ul style="list-style-type: none"> ++ Surpassed target + Achieved key milestone = Maintained achievement > Ongoing progress X Target unattained - Changed circumstances 	<p>Through 2015, implement new human resource practices to support workforce renewal and retention, and engage employees in company's sustainability-focused vision and values</p>	<ul style="list-style-type: none"> • Hired 1,089 new employees and raised company profile as a competitive employer through new recruitment practices • Continued to support internship and co-op programs, and launched strategic organization initiative, an integrated leadership system to monitor performance effectiveness 	
	<p>Renew expired or expiring collective agreements at pulp, paper and wood products operations, ensuring our competitiveness as an employer while supporting our long-term viability</p>	<ul style="list-style-type: none"> • Successfully negotiated master agreements with 4 U.S. and 10 Canadian pulp and paper mills, 4 Quebec sawmills and with the recently opened Ignace sawmill in Ontario 	
	<p>Train 100% of employees on our new Code of Business Conduct; provide additional training on anti-bribery, corruption and whistleblower programs</p>	<ul style="list-style-type: none"> • Trained 100% of employees on the new Code of Business Conduct (which incorporates the whistleblower program) • Employees are required to re-sign the code on an annual basis • Additional trainings on the anti-bribery and corruption programs are scheduled for 2015 for targeted groups of employees 	
	<p>Roll out communications on new diversity, equal employment, anti-discrimination and harassment policies</p>	<ul style="list-style-type: none"> • Effectively communicated new diversity, equal employment, anti-discrimination and harassment policies to 100% of employees 	
	<p>Achieve an Occupational Safety and Health Administration (OSHA) incident rate of 0.99 or below for 2014, with a long-term goal of zero injuries; achieve a severity rate of 27 or below in 2014; increase disclosure around our near-miss reporting²⁶</p> <p>Ensure each employee submits 2 to 3 near-miss reports annually</p>	<ul style="list-style-type: none"> • Achieved an OSHA incident rate of 0.83 but a severity rate result of 33²⁷ • Set 2015 targets to achieve an OSHA rate of 0.95 or below and a severity rate of less than or equal to 27 • Increased disclosure on near-miss ratios, management and reporting systems in annual report • Achieved an average near-miss per employee ratio of 3.8, surpassing the target of 2 to 3 annual reports per employee 	

26. Health and safety statistics are calculated for all employees, with the exception of near-miss reporting, which is only applied to employees at operating sites.

27. The severity rate is calculated by adding the number of workdays lost to the number of restricted workdays due to injury, multiplied by 200,000 hours worked, divided by total number of hours worked.

FIBER AND FORESTRY

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This entails the responsible management of forests entrusted to our care, careful tracking of wood fiber sources, and use of recycled fiber.

Forest certification and fiber tracking help to ensure the sustainability of our fiber supply and other forest values. Strict adherence to internationally recognized sustainable forest management (SFM) and chain of custody (CoC) standards assures our customers that the wood fiber we use comes from responsible sources.

2014 highlights of our work in responsible forest management and wood fiber sourcing include:

- 100% of the woodlands we manage are third-party certified to internationally recognized SFM standards.
- 88.8% of the wood supply for our sawmills and 47.3% of virgin wood fiber inputs for our pulp and paper mills are SFM-certified.
- 40% of total fiber inputs for our pulp and paper mills are sourced from sawmill by-products (wood chips).

- 11.9% of total fiber inputs for our pulp and paper mills are sourced from recovered paper. In 2014, we used 0.9 million metric tons of recovered paper in our production processes, and the recycled fiber content in the newsprint we produced averaged 18%²⁸.

- 100% of Resolute's North American manufacturing facilities have a CoC tracking system that meets one or more of the following standards: Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) and Programme for the Endorsement of Forest Certification (PEFC). All of these require that 100% of the fiber processed meets minimum standards (also known as controlled wood standards, or due diligence) that relate to risks of illegal logging, wood harvested in violation of human rights and other important sustainability issues. This enables manufacturers and traders to avoid timber and timber products from unacceptable sources. Depending on the tracking system, additional standards apply related to high conservation values, conversion of forests to non-forest uses, genetically modified tree planting, corruption, indigenous rights and/or workers' rights.

For 2015, we remain committed to maintaining 100% certification of Resolute-managed woodlands to SFM standards, and 100% CoC certification at all of the North American pulp and paper mills and wood products facilities.

WHERE DOES OUR WOOD AND VIRGIN FIBER COME FROM?

- Canadian public land on which we hold harvest rights, volume commitments, short-term volume allocations and harvest blocks acquired through auction sales.
- Purchases from private forest landowners in Canada and the United States.
- Wood chips from Resolute sawmills and from third-party suppliers.
- Property the company owns or leases.

2014 CONSUMPTION AND SOURCING OF VIRGIN WOOD FIBER – PULP AND PAPER MILLS

	Total fiber consumed (odmt)	Proportion of fiber consumed with SFM certification, %	Proportion of the total fiber supply that is sourced through FSC controlled wood, SFI sourcing requirements or PEFC due diligence, %
Canadian pulp and paper mills	3,433,800	76.3	100
U.S. pulp and paper mills	3,305,513	17.1	100
Total	6,739,313	47.3	100

2014 CONSUMPTION AND SOURCING OF WOOD – SAWMILLS

	Total wood consumed (m ³)	Proportion of wood consumed with SFM certification, %	Proportion of the total wood supply that is sourced through FSC controlled wood, SFI sourcing requirements or PEFC due diligence, %
Canadian sawmills	7,502,772 ²⁹	88.8	100

28. Includes recycled bleached kraft pulp (RBK).

29. Does not include Opitciwan (Quebec) and Produits Forestiers Petit-Paris (Quebec) joint ventures. Does not include our remanufactured wood products facilities at Château-Richer (Quebec) and La Doré (Quebec) nor our engineered wood products facilities, Abitibi-LP Engineered Wood Inc. and Abitibi-LP Engineered Wood II Inc. (Quebec).

ENSURING THE SUSTAINABILITY OF OUR FIBER SUPPLY

All of the forest lands we manage are in Canada, where sustainable forest management principles are used to balance environmental, social and economic objectives³⁰. Canadian forest products companies operate in a highly regulated environment with active enforcement from federal, provincial and local governments. In fact, a Yale University study and a comparative study by Indufor Oy have cited Canada's forestry regulatory environment as one of the most stringent in the world³¹.

Establishing a network of protected areas is a key consideration in sustainable forest management. As well, public consultation is critical for the development of collaborative forest management strategies to ensure that social needs are satisfied and forest values are protected.

In Quebec, nearly 42% of the continuous boreal forest is off-limits to harvest, as it is beyond the northern limit for forestry allocations. Where forestry activities are permitted, an additional 30.4 million acres (12.3 million hectares, or 38%) have been excluded for environmental purposes or due to conditions that limit harvest activities. That leaves a total of 48.9 million acres (19.8 million hectares) available for forest management planning, or about 36% of the total continuous boreal forest, which means that, in Quebec, a total of 64% of the continuous boreal forest is inaccessible to the forest products industry³². While the process of completing the protected area network is ongoing, as of October 2014, Quebec had permanently protected over 9% of the province's total area, or 37.8 million acres (15.3 million hectares)³³.

Ontario has permanently protected over 10% of its total area with 654 parks, as well as reserves and other conservation designations³⁴, with a total of 12% set aside in the managed forest³⁵. In addition to these protected areas, nearly 40% of the boreal forest is located north of the Area of the Undertaking in Ontario and has been made off-limits to commercial forestry activities. When the provincial government approves timber harvesting operations, it bases its decisions on comprehensive forest management plans that factor in public input, scientific research and economic development.



30. www.nrcan.gc.ca/forests/canada/sustainable-forest-management/13183

31. Indufor Oy, *Comparison of Selected Forest Certification Standards*, Helsinki, Finland, July 3, 2009. See also Cashore, Benjamin, *Global Environmental Forest Policies: Canada as a Constant Case Comparison of Select Forest Practice Regulations*, Yale University, 2004. Learn more at www.fpac.ca/index.php/en/environmental-progress*sthash.Pb9DhKlm.dpuf

32. Fiche thématique du Bureau du forestier en chef du Québec

33. www.mddelcc.gouv.qc.ca/biodiversite/aires_protegees/registre/

34. www.ontario.ca/environment-and-energy/ontarios-parks-and-protected-areas

35. www.ontarionature.org/discover/resources/PDFs/toolkits/PAToolkit/7_RoomtoGrow.pdf

FIBER AND FORESTRY (CONTINUED)

SUSTAINABLE FOREST MANAGEMENT CERTIFICATION

In addition to complying with government-approved forest management plans, comprehensive regulations, and recovery plans for species at risk, Resolute has sought out independent certification for 100% of the forests we manage in Canada.

In 2014, Resolute successfully renewed SFI certificates for all of our managed woodlands in Quebec and maintained our SFI sustainable forest management certification across Ontario.

We continue to be one of the largest holders of FSC sustainable forest management certificates in North America and have successfully renewed or maintained our FSC certificates in several areas, including the Mauricie, Abitibi and North Shore regions of Quebec.

Although the company received notice of three temporary suspensions under the FSC National Boreal Standard in 2013, and one of those certificates (Mistassini-Pérignonka, Quebec) expired on December 3, 2014, all of the areas in question remain certified under the SFI standard.

Details of the three certificate suspensions are as follows:

In Quebec, one of the two suspended certificates in Lac-Saint-Jean covers an area at the center of a complex territorial dispute between two First Nations and the Quebec government. Resolute plays no role in this dispute. For this certificate and the other suspended one in Quebec, FSC auditors also raised issues related to the provincial government's caribou conservation plans, which were deemed inadequate as they relate to elements of the federal caribou recovery strategy, more specifically the disturbance level. However, other holders of FSC certificates for neighboring territories in the Lac-Saint-Jean region have had their certificates renewed, despite having

submitted the same caribou habitat conservation plan that was considered unacceptable when Resolute's FSC certificates were audited. These are the two main issues that led to the temporary suspension of Resolute's certificates in the Lac-Saint-Jean region.

Statements from the government confirm that the matters described above are the government's concern and that the Province of Quebec is responsible for both the territorial disputes and the caribou habitat issues. FSC Canada asked the certification body to extend the temporary suspension of one of Resolute's Quebec certificates until July 2015 to give the government time to settle its dispute with the Cree First Nation, which dates back to 2002, and resolve the issues with its caribou conservation plan.

In Ontario, the Black Spruce and Dog River-Matawin FSC certificate suspension was based on issues related to securing support from interested parties for Resolute's FSC protected area proposal. The company had planned to fulfill this requirement as part of its participation in the Canadian Boreal Forest Agreement (CBFA) process, whose membership includes environmental groups. However, the process has been difficult in light of the breakdown of negotiations in May 2013. A new conformance verification audit (CVA) was carried out in April 2014. In order to prevent the publication of a problematic report, Resolute sought a legal injunction following the 2014 audit.

In February 2015, a Settlement Agreement was reached with the organization that conducted the original CVA, which included provisions to maintain the sealed status of all documents pertaining to the original CVA and conduct a new audit with a different independent audit team within six months. Resolute has developed an action plan for securing the required support, and we are hopeful that this

certificate can be reinstated within a few months.

Finally, an FSC certificate covering the Caribou Forest in Ontario expired on January 13, 2015, at the conclusion of its five-year term.

REGULATORY COMPLIANCE

Our company prides itself on sustainable forest management plans and high environmental standards. In the woodlands of Quebec and Ontario where we operate, each provincial government has its own system to ensure compliance with forestry and environmental laws and regulations. Compliance inspectors visit our sites to observe everything from riparian buffer distances to drainage installations, noting any regulatory non-compliance.

In Ontario, a combination of government and forest industry compliance inspectors identify instances of non-compliance and, where possible, companies are given an opportunity to rectify the situation. Administrative penalties and fines are imposed by the government when an issue cannot be addressed, generally within a three-year period.

In Quebec, government agents carry out the compliance inspections without involving the company in the process. Non-compliance charges can be filed several years after an incident occurs, and legal proceedings can take an additional two years³⁶. In many cases, non-compliance situations that have been corrected will still incur a fine.

36. In the province of Quebec, proceedings with respect to offences committed under the "Regulation respecting standards of forest management for forests in the domain of the State" are instituted by the Director of Criminal and Penal Prosecutions under the *Code of Penal Procedure*.

Although we have a long history of keeping our annual non-compliance rates below the industry average, Resolute ensures that regulatory non-compliance incidents, and the associated fines, are closely monitored. That is why in 2009 Resolute implemented a zero-tolerance policy for forestry non-compliance and has been working steadily to achieve that goal by actively identifying risks.

In 2014³⁷, Resolute was fined C\$4,625 for two non-compliance incidents: one in Quebec, which dated back to 2012, and the other in Ontario, detected in 2013. 2014 is the first year Resolute is publicly reporting our progress, disclosing two situations identified internally that could potentially lead to regulatory infractions in Ontario and two identified in Quebec.

We have set our 2015 target of three or less internally identified situations that could potentially lead to regulatory infractions in each of the provinces where we operate. This approach will help measure our progress towards zero infractions by proactively identifying issues and remediation actions in a more immediate time frame in order to prevent infractions before they occur.

WE VALUE AND SUPPORT BIODIVERSITY

Operating in a highly regulated environment with active enforcement from federal, provincial and local government partners, Resolute benefits from numerous conservation activities, sound protected-area development, and collaborative forest management strategies. In Ontario and Quebec where Resolute has tenures, biodiversity monitoring is usually carried out by the provincial agencies responsible for wildlife policies and wildlife management.

Even in high conservation value forests, harvesting is not prohibited as long as effective strategies are in place to protect the high-value attributes that have been identified. These strategies may include defining protected areas, deferring forest management activities on selected large tracts, and developing road management strategies, as well as natural and planted forest regeneration. The three independent certification standards (FSC, SFI and CSA), to at least one of which our forests are certified, require the consideration of the latest scientific evidence on species conservation and management.

In coordination with the provincial governments, Resolute also 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. In our work with the CBFA, we helped to achieve a preliminary agreement in Northeastern Ontario that set 2.06 million acres (835,000 hectares) aside for conservation and other ecosystem services. In Northwestern Ontario, Resolute also proposed the protection of an additional 504,000 acres (204,000 hectares) of forest for caribou habitat, on top of the nearly 5 million acres (2 million hectares) of Ontario forests that have already been set aside as protected spaces, parks and other initiatives over the past 15 years.

In Ontario, Resolute forest management units (FMUs) have the highest percentage of land set aside as protected areas than any other FMUs in the province. In Quebec, we put forward an additional 1.71 million acres (692,000 hectares) in possible protected areas, focusing on prime habitat for caribou conservation.

For more information on how Resolute manages forest lands responsibly, please visit www.resolutefp.com/sustainability.



Saguenay-Lac-Saint-Jean (Quebec) region



Michel Belleau, Lac-Saint-Jean woodlands operations

37. Disclosed regulatory infractions as they would be published on the provincial ministry website only include woodlands operations directly managed by Resolute.

FIBER AND FORESTRY (CONTINUED)



Rapid growth follows harvesting



OUR FORESTS ARE 100% REGENERATED

In Canada, under half of one percent of the boreal forest is harvested each year. In comparison, more than five times that area is disturbed annually by natural causes such as forest fires, insects and disease³⁸.

In the boreal forest, approximately 75% of the area harvested through forestry grows back naturally. The other 25% is promptly reforested via seeding or planting of seedlings.

Managing timberlands responsibly, using wood before natural disturbances occur, and salvaging wood in the wake of natural disturbances can safeguard the forest's natural life cycle and ensure its sustainability.

LASTING COLLABORATION WITH FIRST NATIONS

▶ In some of our operating communities in Canada, First Nations peoples form a large portion of the population. Resolute respects the importance of Canada's land, water and forests to its Aboriginal peoples, and we understand that these resources are critical to the prosperity of Aboriginal communities.

As outlined in our Aboriginal Peoples Policy, Resolute is committed to nurturing constructive relationships with First Nations, including the need to respect treaties, traditions and rights, to pursue mutually beneficial commercial relationships, and to support job training.

Public consultation is an essential step in the sustainable forest management planning process. Resolute actively engages First Nations in the review of our harvesting plans to ensure that the company takes into account local cultural, environmental, social and economic considerations.

While industry is often called upon to participate in discussions, in Canada the legal responsibility to consult with First Nations and harmonize forest management practices with their traditional land uses lies with government. Within this framework, Resolute collaborates with First Nations and governments to promote constructive discussions that we hope will lead to long-term solutions.

FOREST MANAGEMENT PLANNING

In Ontario, the company maintains close ties with 27 First Nations communities and collaborates on the development of mutually acceptable management plans for the areas where we operate.

In Quebec, Resolute regularly engages with 12 different communities from five separate First Nations to harmonize our operating plans with their use of traditional lands.

In a small number of cases, agreements have not been reached due to a variety of factors.

- In Quebec, a land claim issue between the Cree, the Innu and the Government of Quebec is one of the major factors behind the suspension of one of Resolute's FSC certificates, as detailed in the Fiber and Forestry section on page 38 of this report.

- Another dispute involves the Algonquins of Barrière Lake in Quebec, who sent a statement to the provincial government concerning the lack of consultation over logging permits issued for the area. These consultations are carried out by government representatives, with or without the involvement of Resolute. The major challenge here stems from an unresolved matter in the trilateral territorial agreement between the provincial and federal governments and the First Nation. It is the governments' responsibility to settle this dispute.

- The Atikamekw First Nation, also in Quebec, declared sovereignty over a 19.8-million acre (8-million hectare) area in September 2014. The community has stated that it will not allow any forestry work on its territory in Quebec unless it has given prior approval, a process that must be led by the provincial government.



This will be the 12th year of our unique partnership with Resolute at its Thunder Bay sawmill. Throughout the relationship, Resolute has been open and engaged with us, willing to create meaningful employment, provide training and help support the long-term sustainability of the Fort William First Nation. The company understands that First Nations peoples have a place at the table, a say in what matters in their community. That sets an example.

– Chief Georjann Morriseau, Fort William First Nation

MUTUALLY BENEFICIAL INITIATIVES

Resolute has a number of partnerships with members of First Nations communities. These include working together to identify employment and contracting opportunities, providing support for educational programs and cultural-landmark mapping, and collaborating on agreements, planning, road construction and forest regeneration. The following examples from 2014 illustrate what is possible when we join forces on sustainable initiatives.

Ontario

Multi-year contracts in excess of C\$100 million were awarded to six First Nations resulting from Resolute's Northwestern Ontario investments in the Atikokan and Ignace sawmills, as well as from the production capacity increase at the Thunder Bay sawmill and the addition of a wood pellet plant at the Thunder Bay site. The Memorandum of Agreement, renewed in February 2015, has yielded contracts for: construction work at Resolute's area sawmills; the transportation of wood chips, biomass and lumber from the sawmills; yard services to manage the loading and unloading of logs, lumber and by-products; and log harvesting and delivery. These contracts are in addition to existing agreements, worth approximately C\$50 million a year, that pertain to our other operations in the region.

Quebec

In the Lac-Saint-Jean region of Quebec, Resolute worked with the Mashteuiatsh First Nation and the government of Quebec to complete a consolidation project after the company's Roberval sawmill closed in 2014. As a result, over 50% of the Roberval wood allocation was transferred to the community of Mashteuiatsh, while the remainder was transferred to our La Doré and Saint-Félicien sawmills.

PARTNERSHIPS AND VENTURES

- Our Thunder Bay (Ontario) sawmill, which operates under a unique business model with Resolute and the Fort William First Nation, is the first facility 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.
- Resolute has been purchasing seedlings from a tree nursery established by the Wabigoon Lake Ojibway Nation (Ontario), with the company's help, in the late 1990s. The company purchases more than 1.5 million seedlings annually from this venture to support regeneration activities.
- The Opitciwan (Quebec) sawmill is a unique joint venture that has operated successfully since 1999. The Atikamekw Council of Obedjiwan has a 55% interest in the joint venture, while Resolute owns 45%. In September 2013, the sawmill was awarded the prestigious Aboriginal Business Leadership Award by the Forest Products Association of Canada and the Canadian Council for Aboriginal Business.
- Through our ongoing partnership with the community of Kitigan Zibi Anishinabeg, we carry out forest management and harvesting activities and pay a stumpage fee in exchange for volumes allocated to the First Nation by the Quebec government.

Resolute and six First Nations celebrate a ground-breaking Memorandum of Agreement that has resulted in C\$100 million in new Aboriginal business.



Front left to right: Chief Will Windigo, Nigigoonsiminikaaning First Nation, Chief Judy White Cloud, Lac des Milles Lacs First Nation, Richard Garneau, President and Chief Executive Officer of Resolute Forest Products, Chief Earl Klyne, Seine River First Nation, Chief Sara Mainville, Couchiching First Nation, Chief Janice Henderson, Mitaanjigaming First Nation, and Chief Norman Jordan, Lac La Croix First Nation

ENGAGING IN DIALOGUE

Dialogue at the local level is essential for building trust and ensuring collaboration. Open, honest conversations about environmental, social and economic issues facing the forest products industry are important.

Through the information-sharing program, members of each facility's management team meet regularly with a range of interested parties, from local First Nations, governments, business partners and chambers of commerce to environmental organizations, educational institutions, representatives from other industries, retirees and others. Whether it involves noise control issues, energy conservation or questions about new projects and investments, our communities engage in discussions on a variety of topics that are of importance to everyone involved.

QUEBEC STAKEHOLDERS

In 2013, Resolute launched our first online forum – Forum boréal – to share information about the sustainable management of the boreal forest in Quebec. This social media platform also supports ongoing dialogue with a range of stakeholders in the Quebec communities where we operate.

Our community outreach in 2014 included public meetings in the Saguenay–Lac-Saint-Jean, North Shore, Abitibi-Témiscamingue and Outaouais regions on matters such as fiber allocation, woodland caribou and forest certification. These meetings drew over 750 participants from the four regions. Meetings were also held with various First Nations communities.

ONTARIO STAKEHOLDERS

Encouraged by the success of Forum boréal in Quebec, Resolute launched a similar initiative for Northern Ontario audiences in 2014. The new platform, Boreal Forum, was introduced during town hall meetings in Thunder Bay, Atikokan and Ignace with more than 400 people in attendance.

Both forums have provided a platform for fact-based discussions and help ensure that individual and community voices are heard regarding sustainable forest practices and the importance of forestry to regional economies.

FIRST NATIONS

We focus on encouraging relationships with First Nations groups, with whom we share a common interest in ensuring that our forests continue to provide for future generations. Our commitment to developing and nurturing constructive relationships with First Nations is outlined in our Aboriginal Peoples Policy. A key objective of this ongoing commitment is to engage with chiefs, councils and elders in operating communities.

For example, in areas where Resolute has the lead role in harvest planning, we actively involve First Nations in the review of our plans to ensure that we take into account local environmental, social and economic considerations. While this participation is required to maintain our third-party sustainable forest management certifications, it also drives the identification of material issues that will be targeted for improvement. As well, it gives both parties a forum in which to explore mutually beneficial opportunities.

THE CANADIAN BOREAL FOREST AGREEMENT

During 2014, Resolute remained an active and committed participant in the Canadian Boreal Forest Agreement (CBFA), which brings together environmental groups and forest products companies to identify solutions for sustainable development in Canada's boreal forest.

While it is at times challenging to find common ground among organizations with such diverse interests, Resolute believes its contributions and overall commitment to sustainable forestry have made a positive impact on the CBFA process.

As one of the founding members of the CBFA, Resolute has negotiated in good faith with all parties, offering concrete proposals and devoting thousands of hours to the initiative. The company remains supportive of a collaborative and inclusive approach, continuing to believe that the CBFA must fully engage community leaders, First Nations and provincial governments in order to achieve sustainable outcomes.

CONFRONTING MISINFORMATION

2014 saw an escalation of market campaign activity by Greenpeace and other activist organizations. The inaccurate and deceptive campaigning is not only impacting Resolute but also increasing the fragility of the forest products industry, and adversely affecting the social and economic conditions of northern communities. In spite of the retraction of false statements, activists have continued to publish and broadcast false allegations. In the face of this persistent approach, Resolute remains committed to its legal proceedings against Greenpeace. It is unfortunate that activists continue to undermine a collaborative effort, and their misinformed communications stand in stark contrast to Resolute's top-tier forestry practices and overall sustainability performance. The company has a responsibility to protect its own reputation as well as that of its employees, customers and partners.

Managing for Environmental, Social and Economic Balance in the Boreal Forest



ENERGY AND CLIMATE CHANGE

Reducing our carbon footprint by enhancing the energy efficiency of our facilities and increasing the use of lower carbon fuels is an important focus of our operational strategy. But that work tells only part of the Resolute success story. We invest in clean energy projects, which reduce greenhouse gas (GHG) emissions while also cutting our power costs.

As part of our membership in the World Wildlife Fund® (WWF®) Climate Savers program, we committed to achieving a reduction in absolute GHG emissions (scope 1 and 2)³⁹ of 65% below 2000 levels by 2015. Resolute reports on emissions classified as scope 1 (direct emissions coming from on-site fuel combustion) and scope 2 (indirect emissions from purchased electricity and steam).

Key highlights of our 2014 work include:

- Reducing total GHG emissions by 67.5% since 2000, surpassing our WWF reduction target two years ahead of schedule;

- Sourcing 72% of our total energy needs from renewable sources⁴⁰;
- Deriving 77% of our fuel energy usage from biomass⁴¹; and
- Replacing the remaining coal used at our operations with natural gas, a less carbon-intensive fuel, in order to become scope 1 coal-free as of April 2014.

ENERGY EFFICIENCY

Considering that energy accounts for approximately 23% of the company's paper production costs, Resolute's focus on improving energy efficiency and replacing high-emission fuels like coal with less carbon-intensive fuels benefits both the environment and our bottom line. In 2014, we converted our Coosa Pines (Alabama) mill from coal to natural gas, and we reduced bunker C oil use at both our Clermont and Saint-Félicien (Quebec) mills.

Energy-efficient production places Resolute ahead of potential regulations, positioning the company as a leader in GHG reductions and in the

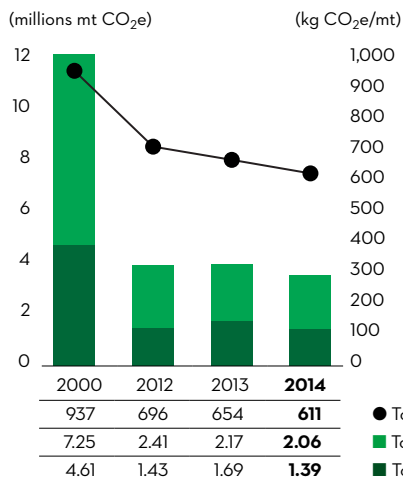
development of new, sustainable products that have a lower carbon footprint.

We are constantly evaluating and improving our manufacturing processes. Reducing our overall carbon emissions improves our cost structure and competitive position. Examples include:

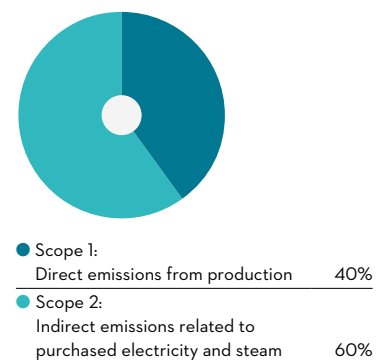
- A modification completed at our Grenada (Mississippi) paper mill to convert the thermo-mechanical pulp (TMP) to inter-stage screening with long-fiber refining. The technology allows us to reduce electrical energy consumption to manufacture mechanical pulp at the facility. This, in turn, contributes directly to reducing our scope 2 GHG emissions.
- In collaboration with Natural Resources Canada and FPIInnovations, a project using sophisticated analysis techniques identified significant energy-saving opportunities at our Thunder Bay (Ontario) pulp and paper mill. We are also optimizing the use of fuel and steam at our Saint-Félicien and Calhoun (Tennessee) facilities.



GREENHOUSE GAS EMISSIONS OVER 2000 LEVELS PULP AND PAPER MILLS, 2000-2014



CARBON FOOTPRINT PULP AND PAPER MILLS, 2014



39. Scope 1 GHG emissions are greenhouse gas emissions that come from sources owned or controlled by the company, such as the combustion of fuel at mills to generate heat to dry paper or generate electricity. Scope 2 GHG emissions are greenhouse gas emissions that are the result of company activities occurring at sources owned or controlled by third parties, associated with the production of purchased electricity or steam. Scope 2 emissions physically occur at the facility where electricity or steam is generated.

40. Does not include wood products. Renewable sources include hydroelectricity (owned and purchased) and biomass used to produce steam and cogeneration electricity.

41. Does not include wood products. Includes bark and biosolids from our water treatment plants, black liquor and landfill gas.

- A \$105-million investment at our Calhoun pulp and paper mill will produce efficiencies from better wood yield and lower steam and chemical usage, while increasing pulp production capacity and improving product quality.

The environmental impact of our operations is not limited to direct emissions. We are also beginning to track GHG emissions related to our supply chain. Known as scope 3 emissions, they too represent an important aspect of our carbon inventory. Over time, we intend to develop strong relationships and a collaborative approach with key suppliers to further reduce our global carbon footprint.

We are committed to implementing scope 3 standard GHG accounting and to begin the full reporting of scope 3 GHG emissions in 2015.

The indirect greenhouse gas emissions listed in scope 3 include all indirect emissions not covered in scope 2,

such as emissions from the production of purchased materials or transportation activities not controlled by the company.

ENERGY SOURCES

The energy used in pulp and paper production comes primarily from steam and electrical power. Resolute generates power from its seven hydroelectric and seven cogeneration facilities, and purchases electricity, fuel and steam from external suppliers. Cogeneration, which refers to the simultaneous generation of electricity and steam, allows us to extract more energy from biomass. In 2014, our installations generated more than 2,864 GWh of electricity, mostly from renewable sources. This reduces our need to purchase energy from outside sources, which can be more GHG-intensive. In 2014, our operations associated with electricity-generating installations⁴² collectively met approximately 47% of their electrical requirements using internal sources.

Together, all four of our operations with cogeneration assets from which we sell electricity externally reduced our costs by approximately \$43 million⁴³.

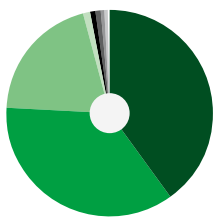
In 2014, the amount of electricity we purchased at our pulp and paper mills totaled approximately 11,534 GWh.

Energy is also produced by the combustion of fuel, and in 2014, 27,610 GWh of energy were produced. As an integral part of our operational strategy, we continued to focus on the reduced use of carbon-intensive fuels. In 2014, 77% of our fuel needs were met using renewable fuel, namely black liquor, wood residues and biosolids from our treatment plants⁴⁴.

We also make use of alternative energy sources such as methane from landfills, used oils, tire-derived fuel and waste plastics, recovering their energy value to reduce our consumption of fossil fuels.

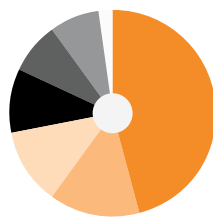
Of all the energy used by our pulp and paper making processes, 72% came from renewable sources, such as hydroelectricity and biomass.

FUEL USE FOR STEAM PULP AND PAPER, 2014



	%
● Black liquor solids	40
● Bark and biosolids	36
● Natural gas	19.9
● Bunker C oil	1.3
● Purchased steam	0.8
● Landfill gas	0.7
● Tire-derived fuel	0.5
● Plastics	0.5
○ Coal	0.3

ELECTRICITY USE PULP AND PAPER, 2014



	%
● Purchased - hydro	46
● Purchased - nuclear	14
● Self-generated cogeneration power	12
● Purchased - coal	10
● Purchased - natural gas	8
● Owned hydro power	8
● Purchased - other	2



Hydro-Saguenay hydroelectric operations

42. Alma (Quebec), Calhoun (Tennessee), Catawba (South Carolina), Coosa Pines (Alabama), Dolbeau (Quebec), Gatineau (Quebec), Kénogami (Quebec), Saint-Félicien (Quebec) and Thunder Bay (Ontario) pulp and paper mills.

43. From the four cogeneration assets from which we sell electricity externally, not including other operational efficiencies realized with the operation of the cogeneration facilities.

44. For all our operating sites that produce steam on-site.

MILL ENVIRONMENTAL PERFORMANCE

Our manufacturing processes have an environmental impact through the consumption of resources, as well as from air emissions, waste generation and water discharge. We seek to minimize these impacts and to go beyond minimum legal requirements by focusing on continuous improvement and by establishing environmental management systems (EMS) at all our operating facilities.

ENVIRONMENTAL MANAGEMENT SYSTEMS

Environmental performance is managed at the local level, with oversight from the highest levels of the organization. Guided by our environmental policy, mill environment coordinators are responsible for ensuring compliance with local laws and regulations, as well as facilitating continuous improvement.

Our coordinators work closely with corporate environment managers to identify and manage the issues most relevant to a specific operation. Each facility identifies key performance indicators (KPIs) and sets related target reductions annually. This approach respects the different geographic and technological contexts of each operation. KPIs are monitored at both the mill and corporate levels.

All of our operating facilities and all of our Canadian woodlands operations are covered by an environmental management system. Ten facilities had their EMS ISO 14001-certified in 2014, so that all but three are now ISO 14001-certified⁴⁵. The three remaining facilities – the Menominee (Michigan) pulp mill, the recently restarted Ignace (Ontario) sawmill and the Atikokan (Ontario) sawmill, currently under construction – will seek ISO 14001 certification in 2015.

Our operations also work to continuously improve environmental performance in key areas. Resolute reports sustainability performance in accordance with Global Reporting Initiative (GRI) guidelines. Detailed descriptions of the scope of the reporting and data measurement techniques on our climate, water and waste management work will be available in the sustainability section of our website in summer 2015. The four key areas in which we monitor performance include:

- Air emissions
- Waste generation
- Water management
- Environmental incidents

AIR EMISSIONS

We manage air emissions using generally accepted pollution control technologies to minimize emissions of contaminants such as sulfur dioxide (SO₂), nitrogen dioxide (NO_x) and total particulate matter (TPM) concentrations. We have also adopted broader measures such as switching from coal and heavy oil (bunker C) powered boilers to cleaner fuels such as natural gas and biomass.

Resolute has made significant investments to ensure we meet and even exceed regulations. More stringent emission limits will be imposed in the United States in 2016 with the implementation of the U.S. Environmental Protection Agency's new Boiler Maximum Achievable Control Technology (MACT) rule. At the end of 2014, four of our six U.S. mills that are subject to this upcoming rule were already in compliance. Work is underway at the other two facilities to ensure compliance by 2016.



Thunder Bay pulp and paper mill



Neil Patterson, contractor,
Thunder Bay pulp and paper mill



Thunder Bay pulp and paper mill

45. Does not include unconsolidated entities: Opitciwan and Produits Forestiers Petit-Paris (Quebec) sawmills.

WASTE GENERATION

Reducing the waste generated by our activities is another key focus at our pulp and paper mills. We address waste by identifying beneficial-use alternatives and developing process efficiencies, such as making optimal use of fiber to minimize the cost of effluent treatment. Beneficial-use alternatives include practices such as landspreading and mine-site rehabilitation, further reducing the amount of waste sent to landfill.

WATER MANAGEMENT

Papermaking is a water-intensive process. We reuse water as much as possible and return 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. We closely monitor our performance and ensure continuous improvement. Information on water discharged is aggregated, analyzed and reported to organizations like the Carbon Disclosure Project (CDP).

ENVIRONMENTAL INCIDENTS

We track environmental incidents at all of our operations. In 2014, we reduced mill environmental incidents by 19%, surpassing our 10% reduction target over 2013. The company recorded 52 environmental incidents in 2014 compared to 64 in 2013. We continue to work towards our long-term goal of zero incidents by setting an 8% reduction target for 2015 compared to the 2014 baseline.

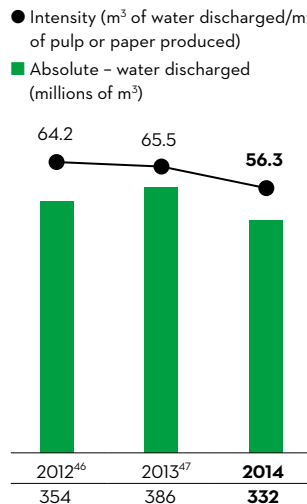
Our incident management approach includes: a comprehensive tracking system to ensure efficient reporting; full incident investigation with root cause analysis; implementation of permanent corrective measures; and the sharing of key findings among our operations to prevent recurrence.

Resolute’s environmental compliance and risk audits serve to complement our incident management system. Through these audits, areas for improvement are identified and plans are developed and implemented to reduce the risk of environmental incidents. 2014 represented the second year of our three-year risk audit cycle. At the end of 2014, 73% of our pulp and paper mills had completed both compliance and risk audits, while 83% of our sawmills and 100% of our Canadian woodlands operations had completed a compliance audit.



Thunder Bay sawmill

**WATER DISCHARGED
PULP AND PAPER MILLS, 2012-2014**



Water treatment plant, Kénogami

46. Does not include the three Fibrek mills acquired in 2012.

47. Calculated using extrapolated data for the Gatineau (Quebec) paper mill, which came online during the second half of 2013 to account for the start-up period.

HUMAN RESOURCES

Resolute's long-term competitiveness is tied to the ability to recruit, develop and retain top-quality employees with the right skills. We are committed to implementing new human resource practices to ensure employee retention and workforce renewal. We are building a strong company culture that attracts results-driven and action-oriented employees and allows natural leaders to grow.

2014 highlights:

- Hired 1,089 new employees;
- Relied on our social media presence, including The Resolute Blog, to promote, for example, the professional development of our graduate engineers and others;
- Participated in career days and other events hosted by colleges and universities to sustain a recruiting presence in all our operating communities;
- Are on target to hire 4,250 new employees over the 2014-2018 period;
- Launched an official employee referral program;
- Hired 12 engineering graduates through our internship program, providing them with opportunities to accelerate their professional development toward leadership roles;
- Negotiated new collective agreements for a significant portion of our Canadian and U.S. operations; and
- Launched an integrated leadership system designed to increase organizational capability.

WORKFORCE AND TURNOVER

As at December 31, 2014, we employed approximately 7,700⁴⁸ people, of whom about 5,300 were represented by bargaining units.

We experienced a turnover rate of 11.6%, half as a result of retirements.

RENEWAL AND RETENTION STRATEGY

We believe that our employees are an important success factor and that our organization is bettered through investing in the recruitment of new talent and developing the competencies of our people. Over the next few years, many of our long-standing workers will be taking a well-deserved retirement, and we will need to attract skilled candidates who are motivated and eager to learn. To rise to this challenge, we have built a workplace where our employees can learn, grow and contribute.

In 2013, Resolute partnered with Cégep de Saint-Félicien (Quebec) to launch a certificate program in pulp and paper manufacturing. In 2014, 13 students graduated from the program, which also included two 120-hour internships at a Resolute mill. A second group of students will graduate this year.

In addition to participating in career days, open house events at schools and other community activities, we ramped up our efforts to recruit skilled employees in a more targeted way. In 2014, we ran a regional advertising campaign in Quebec's Saguenay-Lac-Saint-Jean region to increase Resolute's visibility as a provider of good jobs for people who want to live and work in the area.

We also sought to involve our current employees in our recruitment efforts by developing a referral program. The Employee Referral Program is designed to attract quality candidates, increase our overall speed of recruitment, and improve our hiring success rates.

LABOR RELATIONS

Constructive labor and management relations are at the foundation of good human resource management and, as such, are very important to Resolute's business. Regular dialogue with union leaders, local union representatives and employees at all our operations ensures that these key stakeholders are kept informed and engaged.

In the United States, Resolute, the United Steel Workers (USW), the International Brotherhood of Electrical Workers (IBEW) and the United Association of Journeymen and Apprentices of the Plumbing, Pipefitting and Sprinkler Fitting Industry of the U.S. and Canada (UA) renewed, prior to their expiration, the collective agreements of our mills at Catawba (South Carolina) and Calhoun (Tennessee), which now expire in 2019. At the same time, collective agreements were renewed for our mills at Coosa Pines (Alabama) and Augusta (Georgia), which now expire in 2020. These four mills represent 35% of our pulp and paper production capacity.

48. Excluding the unconsolidated entities in which we have non-controlling interests.

In Canada, an agreement in principle was entered into between Unifor and Resolute to renew the collective agreements for a four-year period, which was ratified by a strong majority of union members in each mill covered by the agreement. This agreement was replicated with the United Association of Plumbers and Steamfitters (UAPS), the IBEW, the International Association of Machinists and Aerospace Workers (IAMAW) and the International Union of Operating Engineers (IUOE). Collectively, these agreements cover eight pulp and paper mills in Canada, accounting for over 37% of our pulp and paper capacity.

We also entered into an agreement with Unifor to renew the collective agreements for periods of four to six years, covering approximately 500 employees in four sawmills in Canada. We reached as well a six-year agreement with USW, representing our hourly employees working at the Ignace sawmill.

INTEGRATED LEADERSHIP SYSTEM

In 2014, the company launched a strategic organization initiative focused on the implementation of an integrated leadership system designed to increase organizational capability.

The new leadership system is designed to:

- Optimize the organization’s structure;
- Clarify each employee’s role and accountabilities;
- Provide a robust approach to evaluating employee demonstrated effectiveness and potential;
- Improve leadership practices to enhance each employee’s opportunity to drive success individually and, ultimately, for the company;
- Better link compensation to individual performance; and
- Improve the succession-planning process.

By focusing on providing the right tools for individual success, the company is better equipped to enhance shareholder value, product quality for our customers, and the health and safety of our employees.

ETHICS AND INTEGRITY

Resolute manages ethics and integrity through a number of tools, including the Code of Business Conduct, the Ethics Reporting Policy and an independent ethics reporting hotline/helpline. Employees, officers and directors of Resolute are required to report financial or accounting irregularities as well as other suspected wrongdoings, to raise any other ethics or compliance concerns or questions they may have, and to proactively seek guidance on actions with potential ethical implications. Resolute uses a team of internal experts to look into each reported potential violation.

All employees are being trained on the requirements of the company’s Code of Business Conduct and the Ethics Reporting Policy. Additional training on anti-bribery and corruption programs is scheduled for 2015 for targeted groups of employees.

Internal audits are conducted regularly to ensure compliance with the procedures adopted in accordance with the Code of Business Conduct, and material findings are reported to management and the board of directors.



Daniel Vaillancourt, Saint-Thomas sawmill



Julia Conrad, Thunder Bay pulp and paper mill



Curtis Swindell, Jr., Calhoun pulp and paper mill

HEALTH AND SAFETY

At Resolute, safety is a core value. We diligently pursue our goal of establishing a “total safety organization”, with a long-term goal of zero incidents and zero injuries at all our operations. Structures and management systems are in place to support and ensure the safety of everyone at our sites.

2014 SAFETY PERFORMANCE

2014 was Resolute’s best year ever in terms of safety performance. The company’s Occupational Safety and Health Administration (OSHA) incident rate was 0.83, below the target of 0.95 and in line with world-class safety performance. This represented a 22% reduction in total recordable injuries compared to 2013. OSHA recordable injuries have dropped from 145 in 2011 to 70 in 2014 – a reduction of more than 50%. However, we reported a 13% increase in lost-time incidents.

We will continue to work diligently to reduce the severity of injuries. Our 2014 company-wide severity rate, which measures the actual impact from injuries on the health of our employees, was 33, a 21% increase compared to 2013⁴⁹.

We also achieved an overall 3.8 near-miss ratio per employee (29,063 near misses reported), reflecting an increase in employee awareness and reporting of potential hazards or injuries. Employees across our operations made a sustained effort in 2014 to better identify hazards and control exposure to risk before undertaking their daily tasks.

Our 2015 target is to achieve an OSHA incident rate of 0.95 or below and a severity rate of 27 or below. The 0.95 OSHA incident rate target is established by reducing the world-class OSHA rate of 1.0 by 5%.

SAFETY MANAGEMENT SYSTEM

Our approach to injury prevention is one that combines leadership from the company with the individual responsibility of our employees. This approach is supported by a safety management system (SMS) that includes training and awareness, audits and monitoring, as well as employee engagement through the use of joint health and safety committees at all our operations. Our employees receive specific training on safety policies and procedures not only to ensure compliance with these requirements, but also to be certain that they clearly understand the safety expectations for performing their job tasks.

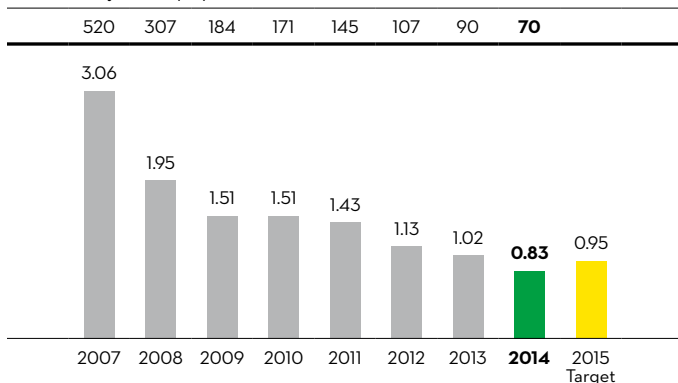
Our safety management system is comprised of three pillars that drive our everyday focus on health and safety across our operations:

- **One-on-one safety commitment discussions** that allow us to strengthen our expectations of how our employees will work safely;
- **Hazard recognition** that is performed prior to undertaking any tasks, allowing employees to evaluate and control safety-related risks, which reduces the potential for injury; and
- **Near-miss reporting** that engages employees in our health and safety processes and provides site management teams with risk recognition data that we use to maintain the daily proactive mindset that prevents injuries.

As safety is a priority at all levels of the company, our board of directors requires regular audits of each operation to ensure compliance with Resolute’s safety management system. These audits are conducted every three years.

OSHA RATE, 2007-2014 AND 2015 TARGET PER 100 EMPLOYEES

Number of injured employees



49. The severity rate is calculated by adding the number of workdays lost to the number of restricted workdays due to injury, multiplied by 200,000 hours worked, divided by total number of hours worked.

INNOVATIONS AND AWARDS

Our proactive approach to safety has given rise to a number of innovations and contributed to industry recognition.

Cut-resistant gloves

From 2011 to 2013, we recorded an average of 20 cuts per year, which accounted for more than 15% of our OSHA recordable injuries. With the implementation of cutting tool policies and the gate-to-gate use of cut-resistant gloves at all our operations, hand injuries from cut hazards have dropped to only one incident in 2014.

Chemical protective suits

Our policy governing the use of chemical protective suits has reduced chemical splash injuries substantially since 2012. The suits, however, can be uncomfortably hot and can sometimes lead to user heatstroke. Our Calhoun (Tennessee) and Kénogami (Quebec) mills worked with suppliers to design more comfortable protective clothing made of a breathable fabric that prevents penetration by a variety of chemicals. Beyond its positive impact at our operations, other forest products companies are adopting these suits as their benefits in the industry become more widely known.

Awards

Resolute's safety performance and initiatives continue to garner accolades:

- Last year we received a number of awards from the CSST (Quebec's health and safety commission), including a leadership award for Daniel Roy, the former mill manager of the La Doré and Saint-Félicien (Quebec) sawmills, for his leadership and vision in establishing an injury-prevention culture by promoting accountability and cooperation.
- Our teams at the Abitibi-LP engineered wood joint-venture facilities in Larouche and Saint-Prime (Quebec) won top safety honors from the Washington-based APA – The Engineered Wood Association.
- Resolute also has an internal program to recognize operations that reach a significant number of hours without a recordable injury. The Board of Directors Safety Award is accompanied by a charitable donation to organizations of the facility's choice. Many operations were recognized for significant achievements in 2014 and a total of C\$280,000 was awarded to local causes. In January 2015, the Baie-Comeau (Quebec) paper mill reached 1 million hours without a recordable injury, the first paper mill to reach this significant milestone in company history.



Julie Lamontagne, Kénogami paper mill



Five years after initiating a “total safety culture”, we can confidently say that Kénogami employees have adopted a proactive mindset when it comes to their and their coworkers' health and well-being.

Wearing a protective chemical suit is often a routine, yet cumbersome, part of working at the mill. Adopting a proactive approach, the mill formed a multidisciplinary taskforce with the mandate to design a safer, watertight, more comfortable and breathable suit. A safety solution made for employees, by employees. The suit was adapted to specific mill-related working requirements: easy to take on and off while wearing boots, longer sleeves to ensure outstretched arms stay covered, extra padding on the knees and elbows, and added pockets for pens and radios. Also, listed on the front pocket of every suit are the chemicals against which the suit effectively protects. A very important feature indeed.

– Paul Falardeau, Kénogami General Manager

COMMUNITY INVOLVEMENT

▶ We strive to have a positive and meaningful impact in our local and regional communities, and support many registered charitable organizations each year. We have chosen two primary pillars of sustainable development as our priority areas for philanthropic contributions: social (community health and education) and environmental (community projects and education).

We are inspired by our employees who volunteer in their communities, participating in countless events and initiatives in support of many important causes.

SUPPORTING OUR COMMUNITIES

In 2014, Resolute's charitable contributions were approximately \$1 million. Each facility has its respective contributions budget, provided that 50% of the funded activities and organizations fall within the company's strategic areas of funding. Last year, donations made by the company supported causes as diverse as United Way/Centraide, First Nations community activities and events, the Canadian Cancer Society, the Red Cross, Saguenay-Lac-Saint-Jean hospitals, charities related to raising awareness about domestic violence, and a variety of other organizations selected by employees.

One of our largest 2014 donations (C\$125,000) was made to support organizations and events in the Innu community of Mashteuiatsh in Saguenay-Lac-Saint-Jean, Quebec, including the 8th annual First Nations Gathering and the Fondation de l'héritage culturel autochtone, which fosters the preservation of Aboriginal cultural heritage in the community.

Facilities can acquire additional funds to contribute to community organizations from our Board of Directors Safety Award, a safety incentive program that rewards operations that have worked a significant number of hours without a recordable injury. In 2014, these awards were accompanied by a total of C\$280,000 in donations to charities chosen by mill employees, such as suicide prevention programs, Special Olympics and local food banks.

We also recognize the importance of education and sponsor scholarship programs at various colleges and universities. One example is our five-year C\$65,000 partnership with the Saint-Félicien community college in Quebec. Announced in November 2014, it will offer five scholarships annually and a paid internship to encourage students to pursue careers in pulp and paper manufacturing. In 2014, we renewed our sponsorship of Forces AVENIR, a Quebec program that recognizes students who are socially conscious, active and responsible citizens.

EMPLOYEES WHO INSPIRE

We are proud of the important contributions our employees make in the communities where they live and work. Sharing our time and resources is part of being a good neighbor and helps ensure we have a positive impact on the lives of others.

Here are just a few examples of community service provided by Resolute employees in 2014:

- Catawba mill employees supported literacy by being stewards of the free libraries in Rock Hill, South Carolina, as part of the "Rock Hill Reads" initiative.
- In West Virginia, our Fairmont mill team partnered with local schools by purchasing all their waste paper, recycling it and giving the proceeds back to the schools.
- In Quebec's Lac-Saint-Jean region, 100 Resolute employees provided more than 300 rides during Operation Red Nose, a volunteer-based driving service that reduces impaired driving over the holiday season and raises funds for local youth organizations.
- A group of twenty Resolute employees, retirees and contractors from our Thunder Bay, Ontario, operations organize sporting events every year. Skiing, cycling, running and triathlon activities are provided through the following volunteer organizations: Thunder Bay Timing, Sleeping Giant Loppet, Thunder Bay Cycling Club, Black Sheep Mountain Bike Club and Big Thunder Ski Club.



John Lawson, Thunder Bay woodlands operations – Wabigoon (Ontario) tree nursery

RECOGNIZING THE CONTRIBUTIONS OF OUR EMPLOYEES

▶ The achievements, initiatives and progress detailed in this 2014 annual report are the result of the collective effort of all our employees across the organization. Their dedication, skill, ingenuity and engagement are what make Resolute a leading forest products producer.

Particularly noteworthy is the company's progress in the area of workplace safety. The year's lowest-ever OSHA incident rate of 0.83 reflects our employees' focus on safety, which is a core value linked to every part of our business.

Our employees also deserve credit for three prestigious sustainability- and innovation-focused recognitions received by the company this past year:

- In June 2014, Resolute was named to Corporate Knights' Best 50 Corporate Citizens list, which measures companies across twelve key performance indicators using publicly available data, covering the management of resources, employees and financials. Corporate Knights is recognized globally for its transparent and objective approach to measuring corporate sustainability performance.
- In September, we were named to Canada's Clean50, recognizing leaders who made the greatest contributions to sustainable development and clean capitalism in Canada.

- In December, we were honored with *The New Economy's* global Clean Tech award for best forestry and paper solutions for 2014. These awards recognize companies around the world whose ideas, achievements, projects and solutions reflect innovation, long-term vision and leadership.

In addition to corporate recognition, a number of our operations and their respective employees were singled out for prominent awards in 2014:

- The McMinn County Economic Development Authority named our Calhoun (Tennessee) mill APEX (Adaptability, Performance and Excellence) Innovator of the Year for its continuous digester project developed by mill personnel. The digester is part of the mill's \$105 million upgrade that will increase pulp production capacity, while significantly lowering overall costs and improving product quality.
- Our Fairmont (West Virginia) team was recognized with the Marion County Chamber of Commerce President's Award for community support and involvement. The pulp mill partners with Harrison County schools by purchasing and recycling their waste paper.

- Our La Doré (Quebec) sawmill, jointly with the Centre de recherche industrielle du Québec (CRIQ), received a Technology Partnership Award from the Association pour le développement de la recherche et de l'innovation du Québec (ADRIQ) for developing a program of regular upgrades and improvements to existing equipment at the facility. The work has resulted in 11 new patents and three new systems that, in less than a year, have generated a return on investment.
- Our two Abitibi-LP joint-venture engineered wood products facilities at Larouche and Saint-Prime (Quebec) were honored by APA-The Engineered Wood Association with a prestigious Safest Company Award for their spotless safety record in 2013 and their operational excellence.

Whether at the mill or corporate level, these awards – and the accompanying recognition – belong to our people. They demonstrate that we work as one team where safety, profitability and sustainability drive our future. I am proud of what was accomplished this past year, and on behalf of the senior management team and our board of directors, I would like to thank our employees.

Richard Garneau
President and Chief Executive Officer



BOARD OF DIRECTORS**Bradley P. Martin**^{2,3}

Chairman of the Board;
Vice President for Strategic
Investments,
Fairfax Financial Holdings Limited

Richard Garneau

President and Chief Executive Officer

Michel P. Desbiens^{2,3}

Corporate Director

Jennifer C. Dolan^{1,4}

Corporate Director

Richard D. Falconer^{1,2,3}

Corporate Director;
Senior Partner, Verus Partners & Co.

Jeffrey A. Hearn^{2,4}

Corporate Director

Alain Rhéaume^{1,3}

Lead Director;
Managing Partner, Trio Capital Inc.

Michael S. Rousseau^{1,4}

Executive Vice President and
Chief Financial Officer, Air Canada

Ambassador David H. Wilkins^{2,4}

Partner, Nelson Mullins
Riley & Scarborough LLP;
Former U.S. Ambassador to Canada

Board Committees

- 1 Audit Committee
- 2 Environmental, Health and Safety Committee
- 3 Finance Committee
- 4 Human Resources, Compensation and
Nominating and Governance Committee

CORPORATE OFFICERS**Richard Garneau**

President and Chief Executive Officer

Pierre Laberge

Senior Vice President,
Human Resources

John Lafave

Senior Vice President,
Pulp and Paper Sales and Marketing

Yves Laflamme

Senior Vice President,
Wood Products, Procurement and
Information Technology

Jo-Ann Longworth

Senior Vice President and
Chief Financial Officer

André Piché

Senior Vice President,
Pulp and Paper Operations

Richard Tremblay

Senior Vice President,
Pulp and Paper Operations

Jacques P. Vachon

Senior Vice President,
Corporate Affairs and
Chief Legal Officer

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Our annual meeting of stockholders will be held on Friday, May 29, 2015, at 10:00 a.m. (Eastern), in the Oglethorpe Room at the Augusta Marriott at the Convention Center, 2 Tenth Street, in Augusta, Georgia, United States.

TRANSFER AGENT FOR COMMON STOCK

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

CO-TRANSFER AGENT – CANADA

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West
Suite 2800
Montréal, Quebec, H3B 2G4, Canada

INVESTOR RELATIONS

Rémi G. Lalonde
Vice President and Treasurer
514 394-2345
ir@resolutefp.com

MEDIA

Seth Kursman
Vice President,
Corporate Communications,
Sustainability and Government Affairs
514 394-2398
seth.kursman@resolutefp.com

INVESTOR INFORMATION AND FINANCIAL REPORTING

Investor inquiries should be directed to Resolute's Investor Relations department at ir@resolutefp.com.

Vous trouverez la version française de ce rapport sur pfresolu.com.

All figures reported in the document are stated in U.S. dollars unless otherwise stated.

FORM 10-K

Resolute Forest Products Inc. files its annual report on Form 10-K with the U.S. Securities and Exchange Commission, 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 to stockholders, news releases and other investor information can be accessed at 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
111 Duke Street, Suite 5000
Montréal, Quebec, H3C 2M1, Canada
514 875-2160 or 1 800 361-2888

For a full list of contacts, visit resolutefp.com/contact.

resolutefp.com

