

# RESOLUTE HIGHLIGHTS



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## ABOUT US

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products, newsprint and specialty papers, which are marketed in close to 70 countries. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada. Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards.

## STRATEGY

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

### Business Strategy

Our corporate strategy is focused on continuing to transform the company away from mature markets and declining products toward a more profitable and sustainable organization over the long run, founded on a competitive portfolio of manufacturing assets and a solid presence in long-term growth markets.

Our strategy is based on:

- maximizing value generation from paper
- growing in pulp and wood products
- integrating our pulp into value-added, quality tissue
- investing in product innovation
- maintaining a disciplined approach to capital allocation

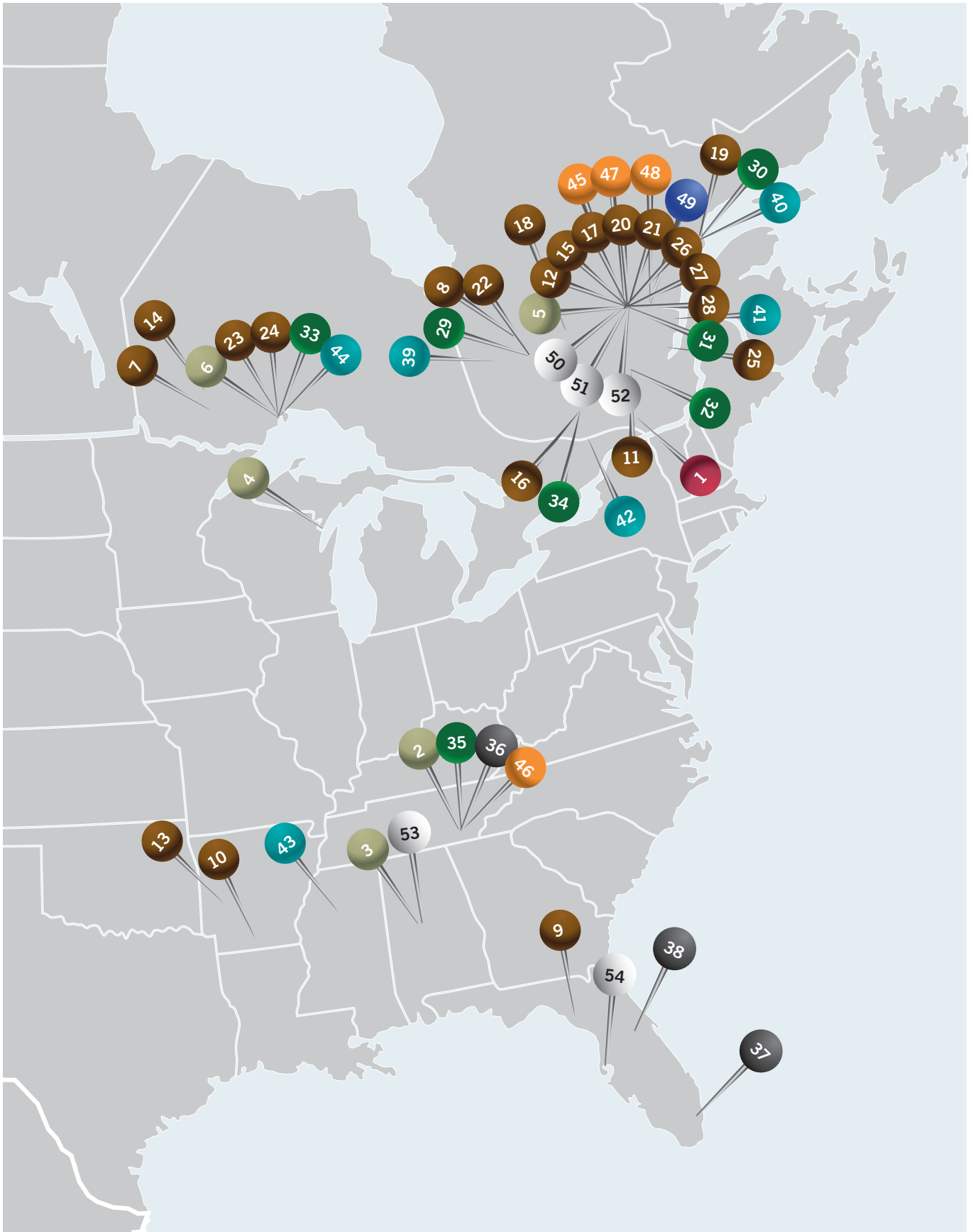
### Sustainability Strategy

Our sustainability strategy, based on a balanced approach to environmental, social and economic performance, is designed to enhance our competitive position. It is supported by public commitments in a number of key performance areas, focusing primarily on:

- improving resource efficiency, which helps control fiber, fuel and power costs
- moving beyond regulatory compliance and environmental incident management to differentiate the company as an environmental supplier of choice
- positioning Resolute as a competitive employer
- building solid community relations



# OPERATIONS



## HEADQUARTERS

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- 1 Montreal (Quebec)

## MARKET PULP

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- 2 Calhoun (Tennessee)\*
- 3 Coosa Pines (Alabama)\*
- 4 Menominee (Michigan)
- 5 Saint-Félicien (Quebec)\*
- 6 Thunder Bay (Ontario)\*

## WOOD PRODUCTS

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### Sawmills

- 7 Atikokan (Ontario)
- 8 Comtois (Lebel-sur-Quévillon, Quebec)
- 9 Cross City (Florida)
- 10 El Dorado (Arkansas)
- 11 Forest Products Mauricie (La Tuque, Quebec)
- 12 Girardville (Quebec)
- 13 Glenwood (Arkansas)
- 14 Ignace (Ontario)
- 15 La Doré (Quebec)
- 16 Maniwaki (Quebec)
- 17 Mistassini (Quebec)
- 18 Opitciwan (Obedjiwan, Quebec)
- 19 Outardes (Pointe-aux-Outardes, Quebec)
- 20 Saint-Félicien (Quebec)
- 21 Saint-Thomas (Quebec)
- 22 Senneterre (Quebec)
- 23 Thunder Bay (Ontario)

### Wood pellet plant

- 24 Thunder Bay (Ontario)

### Remanufactured wood products facilities

- 25 Château-Richer (Quebec)
- 26 La Doré (Quebec)

### Engineered wood products facilities

- 27 Resolute-LP – Larouche (Quebec)
- 28 Resolute-LP – Saint-Prime (Quebec)

## WOODLANDS

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- 29 Abitibi and Nord-du-Québec (Quebec)
- 30 Côte-Nord (Quebec)
- 31 Lac-Saint-Jean (Quebec)
- 32 Mauricie (Quebec)
- 33 Northwestern Ontario (Ontario)
- 34 Outaouais (Quebec)
- 35 Southeastern U.S. (Tennessee)

## TISSUE

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- 36 Calhoun (Tennessee)
- 37 Hialeah (Florida)
- 38 Sanford (Florida)

## NEWSPRINT

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- 39 Amos (Quebec)
- 40 Baie-Comeau (Quebec)
- 41 Clermont (Quebec)
- 42 Gatineau (Quebec)\*
- 43 Grenada (Mississippi)
- 44 Thunder Bay (Ontario)\*

## SPECIALTY PAPERS

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- 45 Alma (Quebec)
- 46 Calhoun (Tennessee)
- 47 Dolbeau (Quebec)\*
- 48 Kénogami (Saguenay, Quebec)

## ENERGY

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- 49 Hydro-Saguenay (Saguenay, Quebec)

## OTHER OPERATIONS

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- 50 Normandin (Quebec) – Planer mill
- 51 Roberval (Quebec) – Lumber drying facility
- 52 Saint-Prime (Quebec) – Lumber drying facility
- 53 Talladega (Alabama) – Chip production mill
- 54 Tampa (Florida) – Paper recycling center

\* On-site cogeneration facility

## BUSINESS SEGMENTS

# WOOD

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



### Framing the spaces we live in

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

With an annual production capacity of 2.9 billion board feet, our 14 sawmills in Canada produce construction-grade stud and dimension spruce-pine-fir lumber and are a major source of wood chips for our pulp and paper mills, while our three sawmills in the United States<sup>1</sup> produce construction-grade dimension lumber and decking products from locally sourced southern yellow pine. In 2019, we shipped 1.6 billion board feet of construction-grade lumber within North America.

Our sawmills also supply wood residue to our other segments, to be used as fuel to produce electricity and steam based on renewable sources.

Located in Quebec, our two remanufactured wood products facilities produce bed frame components, finger joints and furring strips, while our two engineered wood products facilities<sup>2</sup> produce flooring I-joists for the construction industry. We also operate a wood pellet plant in Ontario.

#### WOOD PRODUCTS OPERATIONS

##### Sawmills

- Atikokan (Ontario)
- Comtois (Lebel-sur-Quévillon, Quebec)
- Cross City (Florida)<sup>1</sup>
- El Dorado (Arkansas)<sup>1</sup>
- Forest Products Mauricie (La Tuque, Quebec)<sup>3</sup>
- Girardville (Quebec)
- Glenwood (Arkansas)<sup>1</sup>
- Ignace (Ontario)
- La Doré (Quebec)
- Maniwaki (Quebec)
- Mistassini (Quebec)
- Opitciwan (Opitciwan, Quebec)<sup>4</sup>
- Outardes (Pointe-aux-Outardes, Quebec)
- Saint-Félicien (Quebec)
- Saint-Thomas (Quebec)
- Senneterre (Quebec)
- Thunder Bay (Ontario)

##### Remanufactured wood products facilities

- Château-Richer (Quebec)
- La Doré (Quebec)

##### Engineered wood products facilities

- Resolute-LP – Larouche (Quebec)<sup>2</sup>
- Resolute-LP – Saint-Prime (Quebec)<sup>2</sup>

##### Wood pellet plant

- Thunder Bay (Ontario)

Additionally, we operate planer mills in Normandin and Senneterre (Quebec) and a chip production mill in the United States: Talladega (Alabama).

1. On February 1, 2020, Resolute acquired the Cross City, El Dorado and Glenwood sawmills. The El Dorado sawmill was indefinitely idled in August 2019.

2. Resolute-LP Engineered Wood Larouche Inc. and Resolute-LP Engineered Wood St-Prime Limited Partnership are unconsolidated entities in which Resolute has a 50% interest in each entity.

3. Forest Products Mauricie L.P. is a consolidated subsidiary in which Resolute has a 93.2% interest.

4. Société en Commandite Scierie Opitciwan is an unconsolidated entity in which Resolute has a 45% interest.

# PULP

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



**A major  
producer of  
market pulp**  
in North America

## Pulp for a variety of needs

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

Our five facilities have a total annual production capacity of 1.4 million metric tons, or approximately 8% of North American capacity.

Resolute is a leading global producer of fully dried recycled bleached kraft pulp and a competitive producer of northern and southern bleached hardwood kraft pulp.

### MARKET PULP PORTFOLIO

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

### MARKET PULP OPERATIONS

- Calhoun (Tennessee)
- Coosa Pines (Alabama)
- Menominee (Michigan)
- Saint-Félicien (Quebec)
- Thunder Bay (Ontario)



# TISSUE

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



**A fully integrated manufacturer of quality products**

## Evolving our tissue business

Resolute Forest Products has an integrated tissue business, focused on meeting customer expectations for flexibility, quality and service.

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

Resolute's three tissue mills have a combined annual production capacity of 128,000 short tons (116,000 metric tons) across four tissue machines and 10 converting lines.

We produce a range of quality products for retail and professional markets. Our Calhoun (Tennessee) state-of-the-art facility produces premium private-label tissue, while the company's Hialeah and Sanford (Florida) mills manufacture branded and private-label recycled and virgin paper grades. We also sell parent rolls not converted into tissue products.

### RETAIL PRODUCTS

- Custom private-label solutions

### AWAY-FROM-HOME PRODUCTS

- Green Heritage® Pro
- Harmony® Pro,
- Harmony® Pro Ultra

### TISSUE OPERATIONS

- Calhoun (Tennessee)
- Hialeah (Florida)
- Sanford (Florida)





# PAPER

Our papers make a great impression. Our newsprint makes the front pages of the world’s top newspapers every day. Our specialty papers are used to make the bestseller you just can’t put down, your child’s educational workbook, and the inserts and flyers in your mailbox.



## NEWSPRINT

A leading global producer of newsprint



### Carrying the day’s headlines

Resolute Forest Products is a leading global producer of newsprint. With six mills<sup>1</sup> strategically located to serve major markets throughout North America and abroad, we supply customers in close to 50 countries. We sell newsprint to commercial printers in North America and to newspaper publishers around the world.

Our annual production capacity is 1.3 million metric tons, representing approximately 6% of worldwide capacity and 32% of North American capacity.

#### NEWSPRINT OPERATIONS

- Amos (Quebec)
- Baie-Comeau (Quebec)
- Clermont (Quebec)
- Gatineau (Quebec)
- Grenada (Mississippi)
- Thunder Bay (Ontario)

1. Excluding Augusta (Georgia) and Thorold (Ontario) mills, indefinitely idled in 2019 and 2017, respectively.

## SPECIALTY PAPERS



#1 producer of uncoated mechanical papers in North America

### Exceptional value proposition

Resolute sells a wide spectrum of specialty papers in the uncoated mechanical and uncoated freesheet categories to major commercial printers, direct mailers, publishers, catalogers and retailers, mostly in North America.

We have a total annual production capacity of 0.9 million short tons (0.8 million metric tons) of specialty papers across four operations. Resolute is the largest producer of uncoated mechanical papers in North America, with 22% of capacity.

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

#### SPECIALTY PAPER OPERATIONS

- Alma (Quebec)
- Calhoun (Tennessee)
- Dolbeau (Quebec)
- Kénogami (Saguenay, Quebec)



# SUSTAINABILITY

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

## Sustainability Governance

The overall responsibility for our sustainability performance resides with our president and chief executive officer, while we rely on our sustainability committee to support the delivery of our key commitments and to implement related plans. As an industry leader, we are committed to effective management practices in sustainable development and have moved beyond minimal regulatory compliance and environmental incident management to commit to transparency and maintaining annual sustainability reporting.

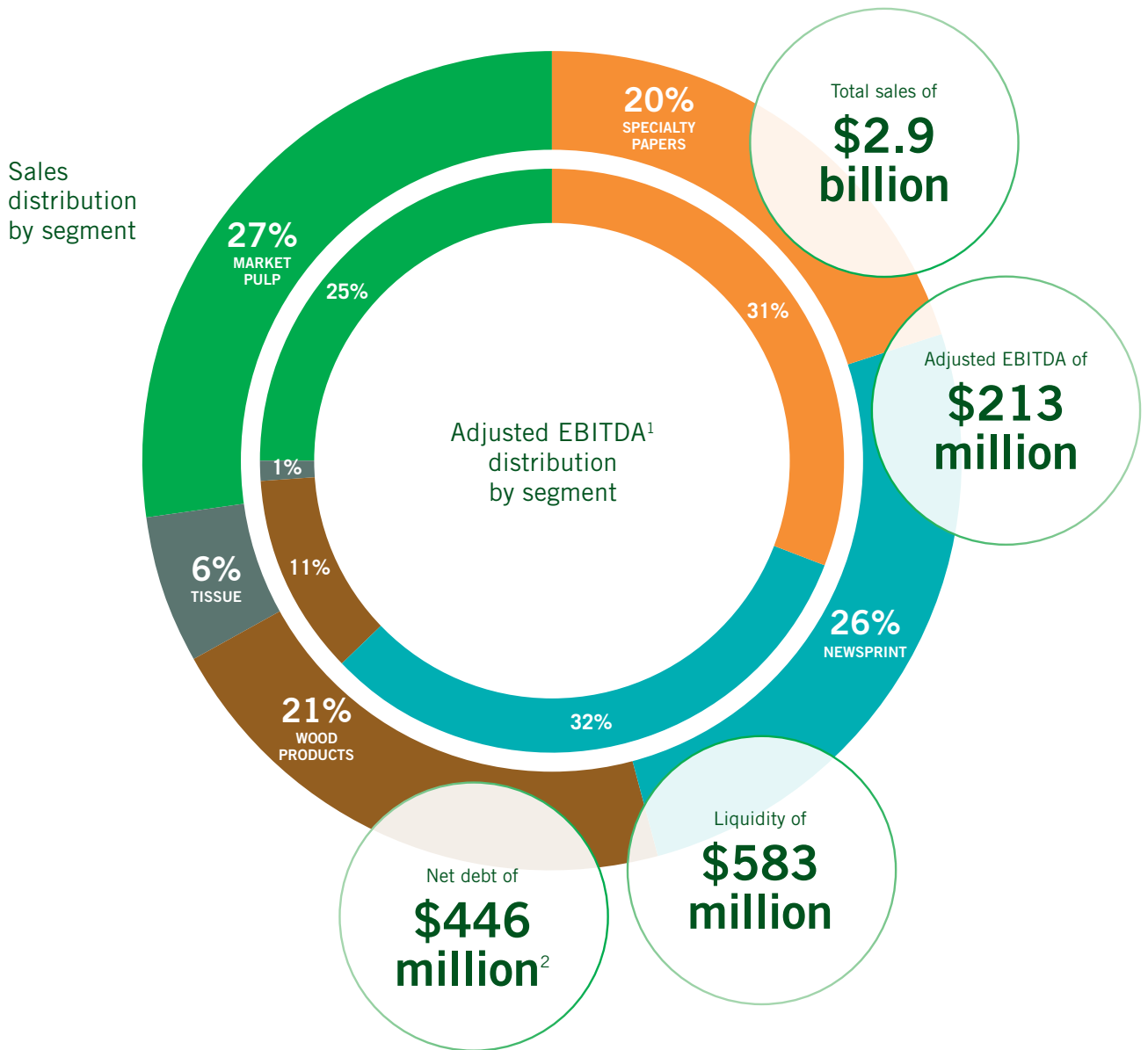
For more information on Resolute's sustainability governance, as well as the most current sustainability information, visit our corporate website at [www.resolutefp.com/sustainability](http://www.resolutefp.com/sustainability).

# ECONOMIC INDICATORS OF SUSTAINABILITY

## Performance

Resolute reports economic activities in five business segments: market pulp, tissue, wood products, newsprint and specialty papers. We believe an integrated approach across these segments maximizes value creation for our company and stakeholders.

In 2019, we took steps to deleverage our balance sheet, strengthen our liquidity and return capital to shareholders. Our developing tissue business also started to gather momentum with encouraging sales growth and productivity gains.



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

2. We define net debt as total debt less cash and cash equivalents.

Note: Unless otherwise noted, amounts in this brochure are in U.S. dollars, and data reported is as at December 31, 2019.

## Highlights

Years ended December 31 (in millions, except per share amounts)	2019	2018	2017
Sales	<b>\$ 2,923</b>	\$ 3,756	\$ 3,513
Operating income (loss) per segment			
Market pulp	<b>39</b>	172	79
Tissue	<b>(16)</b>	(30)	(6)
Wood products	<b>(6)</b>	169	186
Newsprint	<b>49</b>	74	(23)
Specialty papers	<b>33</b>	40	(9)
Segment total	<b>99</b>	425	227
Corporate and other	<b>(82)</b>	(46)	(185)
Operating income	<b>17</b>	379	42
Net income (loss) attributable to Resolute Forest Products Inc.	<b>(47)</b>	235	(84)
Net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders			
Basic	<b>\$ (0.51)</b>	\$ 2.57	\$ (0.93)
Diluted	<b>(0.51)</b>	2.52	(0.93)
Adjusted EBITDA <sup>1</sup>	<b>\$ 213</b>	\$ 574	\$ 364

Years ended December 31 (in millions)	2019	2018	2017
Net (loss) income including noncontrolling interests	<b>\$ (47)</b>	\$ 235	\$ (78)
Interest expense	<b>31</b>	47	49
Income tax provision	<b>58</b>	152	84
Depreciation and amortization	<b>167</b>	212	204
EBITDA	<b>\$ 209</b>	\$ 646	\$ 259
Closure costs, impairment and other related charges	<b>18</b>	121	82
Inventory write-downs related to closures	<b>13</b>	(1)	24
Start-up costs	<b>–</b>	8	27
Net gain on disposition of assets	<b>(2)</b>	(145)	(15)
Non-operating pension and other postretirement benefit credits	<b>(47)</b>	(50)	(7)
Other expense (income), net	<b>22</b>	(5)	(6)
Adjusted EBITDA <sup>1</sup>	<b>\$ 213</b>	\$ 574	\$ 364

As of December 31 (in millions)	2019	2018	2017
Cash and cash equivalents	<b>\$ 3</b>	\$ 304	\$ 6
Total assets	<b>\$ 3,626</b>	\$ 3,935	\$ 4,147

1. Earnings before interest expense, income taxes, and depreciation and amortization (or, "EBITDA") and adjusted EBITDA 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 closure costs, impairment and other related charges, inventory write-downs related to closures, start-up costs, gains and losses on disposition of assets, non-operating pension and OPEB costs and credits, and other income and expense, net. We believe that using non-GAAP measures such as EBITDA and adjusted EBITDA is useful because they are consistent with the indicators management uses internally to measure the Company's performance and it allows the reader to compare our operations and financial performance from period to period. EBITDA and adjusted EBITDA are internal measures, and therefore may not be comparable to those of other companies. These non-GAAP measures should not be viewed as substitutes to financial measures determined under GAAP.

# ENVIRONMENTAL

## INDICATORS OF SUSTAINABILITY

### Commitments

Being proactive for the environment means steadily reducing Resolute's environmental footprint, making measurable performance improvements and ensuring the careful stewardship of the forests in our care.

We maintain certification of 100% of Resolute-owned or managed woodlands to at least one internationally recognized forest management standard: Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council® (FSC®). In addition, we maintain internationally recognized chain of custody certifications at 100% of our facilities, such as SFI, FSC and the Programme for the Endorsement of Forest Certification (PEFC).<sup>1</sup>

Resolute is committed to operating within established greenhouse gas (GHG) reduction frameworks. As a member of the American Forest & Paper Association (AF&PA), we endorse the industry's goal of surpassing a 20% reduction in GHG emissions by 2020 based on 2005 levels. We also embrace the Forest Products Association of Canada's (FPAC) "30 by 30" Climate Change Challenge and its aggressive objective to remove 30 megatons of CO<sub>2</sub> a year by 2030.

All of our operations are certified, or are in the process of being certified, to the ISO 14001 environmental management standard. We continue to implement our proactive approach to preventing environmental incidents (class 1 and 2), with the long-term goal of zero incidents. In 2019, we recorded 18 environmental incidents, which is our target for 2020. We also remain committed to monitoring forest management and regulatory infractions according to our annual target of no more than five incidents leading to a regulatory infraction in Canada, with the long-term goal of zero infractions.<sup>2</sup>

We continue to report climate, water and forest data as well as management practices to CDP, a global reporting system for organizations, cities and governments.

For our complete Sustainability Commitments and Reporting tables, as well as the most current sustainability information prepared in accordance with the Global Reporting Initiative's *GRI Standards*, visit our corporate website at [www.resolutefp.com/sustainability](http://www.resolutefp.com/sustainability).

**83%**  
reduction  
in GHG emissions  
since 2000

**100%**  
of our facilities  
certified  
to chain of custody  
standards<sup>1</sup>



1. With the exception of the Calhoun (Tennessee) tissue operation, which is expected to have its fiber tracking system certified in 2020.
2. With the exception of infractions of a strictly administrative nature.

## Highlights

Ensuring the sustainability of the forests in our care and collaborating on forest management planning and innovation drive Resolute's approach to forestry. We are proud of taking concrete actions to reduce our greenhouse gas emissions and our overall environmental footprint by improving the energy efficiency of our operations, producing renewable energy, managing water efficiently, and reducing waste and our reliance on fossil fuels.

**100%**  
of managed forests  
**certified**  
to internationally  
recognized  
standards



**100%**  
forest  
**regeneration**  
(natural and planted)

**100%**  
coal-free  
operations  
(scope 1)

### ENSURING THE SUSTAINABILITY OF OUR FORESTS

The regeneration of harvested woodlands is an essential component of responsible and sustainable forest management. We rely on various forest management approaches and best practices, including regeneration surveys, site preparation, the planting of seedlings, and aerial and terrestrial seeding – all in combination with natural regeneration. Accordingly, our commitments and actions extend well beyond strict compliance with applicable forestry regulations, which in Quebec and Ontario are already among the most – if not the most – rigorous in the world.

In 2019, Resolute received a score of “B” for our forests disclosures to CDP, placing us at the management level. This score is reflective of the coordinated actions we have taken on forests issues and to implement monitoring programs.

The long-term health of the forest products sector depends, in part, on creating new, sustainable bio-products that create direct and indirect employment opportunities. We have joined forces with FPInnovations to build a bio-refinery pilot plant at our Thunder Bay (Ontario) pulp and paper mill, focusing on developing new ways to efficiently produce and commercialize innovative bio-products derived from wood. The C\$23 million initiative, which has the support of the municipal, Ontario and Canadian governments, was inaugurated in May 2019.

### RESPONSIBLY MANAGING OUR CARBON FOOTPRINT

Reinforcing our environmental credentials by taking appropriate steps to responsibly manage climate change is a primary area of focus of our sustainability strategy. At the end of 2018, we had reduced the company's scope 1 and 2 absolute greenhouse gas (GHG) emissions by 83% relative to 2000 levels. In addition, CDP awarded our climate change disclosure score a “B”, placing us at the management level for this category. This score indicates that we have taken steps to assess environmental risk to our business and implemented actions to manage those risks.

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

Our climate change mitigation efforts received extensive recognition in 2019. Among the many accolades, the AF&PA recognized the company with a Leadership in Sustainability Award in the Energy Efficiency/Greenhouse Gas Reduction category (Large Company), while Canada's 2020 Clean50 and 2020 Clean16 ([www.clean50.com](http://www.clean50.com)) honored our President and Chief Executive Officer, Yves Laflamme, for his contribution to sustainability and clean capitalism in Canada.

**76%**  
of energy requirements  
sourced from  
**renewable  
sources**



**77%**  
of fuel energy  
derived from  
**biomass  
sources**

**97%**  
**of water**  
returned to  
the environment

Work undertaken in 2019 to mitigate climate change includes:

- Modernization of the cogeneration turbine at our Coosa Pines (Alabama) pulp mill that has now resulted in a 65% reduction in purchased electricity (scope 2), or approximately 100,000 metric tons of CO<sub>2</sub> equivalents per year.
- Increase in operational stability and improvements to the power boiler at our Saint-Félicien (Quebec) pulp mill for a reduction of 10,700 metric tons of CO<sub>2</sub> equivalents per year.
- Optimization of electrical power boilers at our Alma and Kénogami (Quebec) paper mills for an absolute direct (scope 1) emissions reduction of 6,000 metric tons of CO<sub>2</sub> equivalents per year.

#### INCREASING THE USE OF GREEN ENERGY

Resolute's commitment to green energy benefits both the environment and our bottom line. Energy alone accounts for 22% of the company's paper production costs. We focus on improving energy efficiency and replacing high-emission fuels, like coal, with less carbon-intensive options. In 2019, we sourced 76% of our total energy (electricity and fuel) needs from renewable sources, including biomass and hydroelectricity. Our network of 13 power generation assets has a total installed capacity of 440 megawatts.

Resolute's hydroelectric generation and transmission network, Hydro-Saguenay, helps power our Alma and Kénogami (Quebec) paper mills. In 2019, the seven Hydro-Saguenay dams produced 1,050 GWh of electricity. The company also operates cogeneration facilities at six of its mills.

#### REDUCING WATER CONSUMPTION

As papermaking is a water-intensive process, we reuse water as much as possible, returning 97% to the environment. The remaining 3% is captured in the end product or evaporated during the manufacturing process. All the water we use passes through primary and secondary effluent treatment prior to being returned to the environment. Data on water discharge is aggregated, analyzed and reported to reputable organizations, such as CDP, which increased our water security disclosure score to a "B," placing us at the management level for this category. This score reflects the actions we have taken to evaluate and manage our environmental risks relating to our use of water.

Resolute is committed to managing water efficiently by establishing annual water reduction targets for each of our pulp, paper and tissue mills. In 2019, we reduced our absolute water consumption by 5% over 2018 levels, while water withdrawal intensity increased by 2%. The reuse of water is well illustrated at Toundra Greenhouse, formed in 2014 as a partnership between Resolute, the City of Saint-Félicien and local investors. Located on land adjacent to our Saint-Félicien pulp mill, the state-of-the-art greenhouse fulfills 99% of its water requirements through rain water and snow recovery, while producing over 50 million cucumbers annually.

#### RETHINKING WASTE

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

Our beneficial use programs have increased the amount of waste recycled or repurposed, reduced our environmental impact and generated cost savings. For example, we have cardboard, clean wood waste and pallets composted at certain facilities, instead of disposed of in landfill sites. In addition, a significant amount of the waste produced at our manufacturing facilities is used as fuel, reducing our reliance on fossil fuels and supporting our production of green energy. In 2019, 77% of the waste we produced was recovered for beneficial use.

# SOCIAL

## INDICATORS OF SUSTAINABILITY



### Commitments

Our business activities have social impacts on a range of stakeholders, from our employees and customers to the communities in which we operate. To ensure the responsible management of our social indicators, we continuously monitor, analyze and update our performance.

In 2020, we are committed to ensuring that all of our operations report consistently and transparently, while maintaining ongoing outreach with stakeholders to determine the shared priorities that inform our public commitments and sustainability strategy.

Optimizing customer satisfaction key performance indicators (KPIs) is an ongoing focus at our pulp, paper and tissue mills. As employees work to improve overall customer satisfaction, we are ensuring root cause problem elimination cases are reviewed and closed.

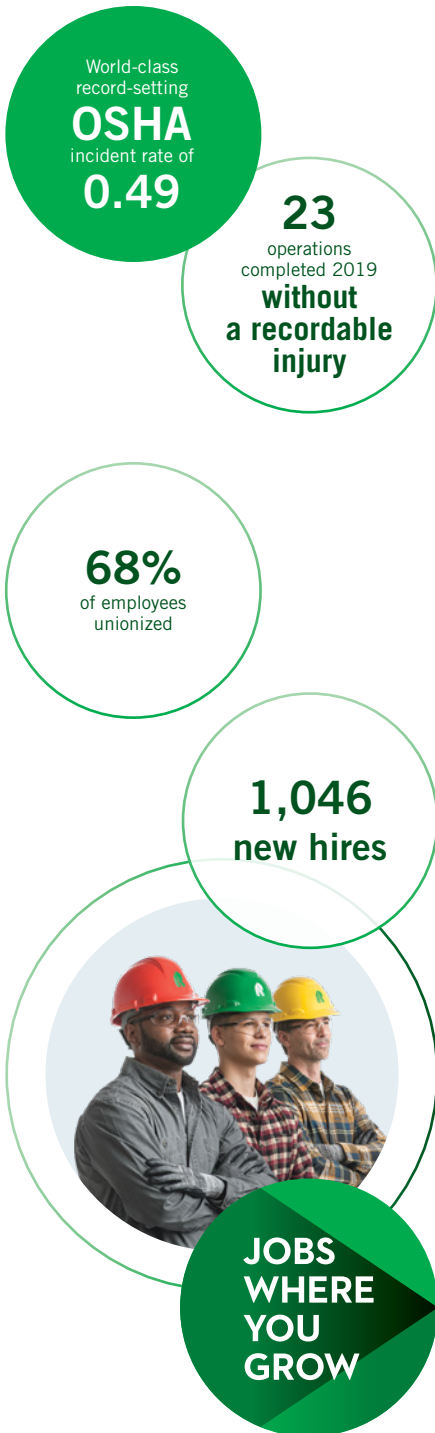
Resolute is also committed to continually reviewing our procurement and supplier engagement practices. Our goal in 2020 is to further integrate sustainable practices into our procurement process, including tendering and contracts, in order to better track the sustainability of vendor supply chains. In addition to developing key strategic partnerships across our operations, we are committed to providing equitable access to commercial opportunities and to promoting the economic participation of Aboriginal peoples and businesses.

We continue to train every employee on Resolute's Code of Business Conduct and have in place a Diversity Policy designed to ensure equal consideration and opportunities to all employees. Our commitments also include improving our understanding of the attraction and retention challenges the company is facing in each operating region, and implementing new leadership and human resources practices in order to address labor shortages and to create a workforce that is more inclusive and diverse.

Our 2020 commitments are also focused on ensuring we have a Resolute voice in public policy discussions that impact company operations and employees, as well as communities and partners across North America. We are committed to maintaining best-in-class participation in the Resolute political action committee (PAC) at the operations level in the United States.

For our complete Sustainability Commitments and Reporting tables, as well as the most current sustainability information prepared in accordance with the Global Reporting Initiative's *GRI Standards*, visit our corporate website at [www.resolutefp.com/sustainability](http://www.resolutefp.com/sustainability).





## Highlights

Resolute’s commitment to sustainability extends well beyond the jobs we create, the taxes we pay and the charitable support we provide. We are focused on building solid, mutually beneficial business relationships, grassroots support, and positive government and overall community relations through transparency and information-sharing, as well as through active involvement in local organizations and projects. Ensuring the health, safety and well-being of our 7,500 employees helps Resolute attract results-driven and action-oriented talent.

### SAFETY FIRST

Safety is a core value at Resolute. Every employee – from the mill floor worker to the president and chief executive officer – is responsible for identifying potential safety hazards and helping create an injury-free workplace. In 2019, we recorded an Occupational Safety and Health Administration (OSHA) incident rate of 0.49, well below our target of 0.65. A total of 23 of our operations completed the year without a single, recordable injury, including our Sanford (Florida) tissue mill, which reached three years without a recordable injury.

The company’s severity rate – indicating the number of workdays lost or restricted due to injury per 100 full-time employees – was 22.3 in 2019. This is equivalent to 1,593 lost or restricted workdays, or 22 workdays per 100 full-time employees.

As part of our social commitments, in 2019, 98% of hourly employees submitted at least three proactive near-miss incident reports. Of the 36,080 reports submitted, 87% were reviewed and closed, with the balance to be reviewed in early 2020. We have set a target for 2020 to review and close 75% of submitted near-miss reports within the year.

### WORKFORCE RENEWAL AND RETENTION

Resolute’s long-term competitiveness is tied to our ability to attract, develop and retain top talent, as well as to allow employees with strong leadership abilities to learn and grow within our organization. We work diligently with employees and union leadership on the mutually beneficial renewal of collective agreements. Twelve of 16 agreements covering 1,149 employees at our operations were renewed in 2019, and we hired 1,046 new permanent and temporary employees, raising our employer profile through targeted recruitment practices.

In 2019, using a planning, attraction and recruitment diagnostic tool, we established action plans for each of our operations. In addition, we assessed 100% of salaried employees’ effectiveness through the Demonstrated Effectiveness Appraisal process, which is focused on enhancing organizational capability through managerial accountability and people development. These initiatives, combined with innovative immigration policies and programs, are providing solutions to our staffing challenges.



### BUILDING PARTNERSHIPS WITH FIRST NATIONS

Resolute is committed to developing strategic partnerships with First Nations and other Aboriginal groups, as we understand how integral natural resources are to the prosperity of their communities. Working collaboratively to ensure that the boreal forest continues to provide for future generations, our long-term consultative and business relationships with close to 40 Aboriginal communities in Ontario and Quebec have resulted in a range of mutually beneficial partnerships.

Our partnerships and business ventures include:

- A memorandum of agreement with the Metis Nation of Ontario, in addition to existing agreements that have resulted in C\$100 million in economic opportunities for seven First Nations in Ontario.
- A five-year agreement with the PekuakamiInuatsh First Nation, located in Mashteuiatsh (Quebec), for access to approximately 250,000 m<sup>3</sup> of wood fiber.
- Our Thunder Bay (Ontario) sawmill, located on Fort William First Nation land, that employs approximately 200 employees, 18% of whom are from this First Nation community.
- The Opitciwan (Quebec) joint-venture sawmill, in operation since 1999. The Atikamekw Council of Obedjiwan has a 55% controlling interest in the facility, while Resolute owns 45%.

### ENGAGING OUR OPERATING COMMUNITIES

Resolute's integrated community outreach strategy in support of our operating communities takes many forms, including financial and material support, and countless volunteer hours by our employees. The company's philanthropic program – a key element of our community engagement – targets contributions to two key pillars of sustainable development: social (community health and education) and environmental (community projects and education). In 2019, all of our facilities reported community outreach activities, and we are committed to ensuring that all of our operations report consistently and transparently in 2020.

Our donations and sponsorships – at both the local and corporate levels – totaled over \$1 million last year. In addition, the annual Resolute golf tournament, benefiting the Lac-Saint-Jean region of Quebec, raised C\$255,000 for five health organizations, including \$120,000 to the Dolbeau-Mistassini and Roberval hospital foundations, respectively, plus \$5,000 each to local pediatric cancer organizations Leucan, On the Tip of the Toes Foundation and Relay for Life.

### SUPPORTING EDUCATION AND ACADEMIC RESEARCH

Over the years, Resolute has provided substantial financial support to universities and colleges to improve education outcomes in our operating communities and to help spark innovation in the forest products sector. In 2019, Resolute donated funds for scholarships, research grants, buildings and other needs totaling \$402,000. Here are some examples of our support for education and research:

- In 2018, Resolute announced a C\$150,000 contribution over five years to Confederation College's Technology, Education and Collaboration (TEC) Hub Campaign. The partnership will help support a state-of-the-art training center for Thunder Bay, best-in-class training opportunities for the region's youth, and the development of a growing pool of highly educated talent ready to begin careers in the forest products sector.
- In early 2017, the company committed to a donation of C\$1 million over five years toward the creation of an industrial research chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi (UQAC). Our contribution, along with that of the Government of Quebec and UQAC, will support research on the boreal forest.







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