

## W0. Introduction

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### W0.1

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#### (W0.1) Give a general description of and introduction to your organization.

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products and paper, which are marketed in more than 60 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. The shares of Resolute Forest Products trade under the stock symbol RFP on both the New York and Toronto Stock Exchanges.

In recognition of our industry-leading sustainability performance, Resolute won 32 regional, North American and international awards and distinctions in 2021. We value this recognition because it provides tangible proof that our vision and values are not merely aspirational words; they are the driving force behind our improved performance and global success. The awards garnered in 2021 point directly to our core values of working safely, being accountable, ensuring sustainability and succeeding together. Our achievements in sustainable development as well as our business practices reflect the principled leadership of our management team, the support from our board of directors, as well as the hard work and dedication of our employees.

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.

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

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

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

The overall responsibility for our sustainability performance resides with our president and chief executive officer with oversight from the board of directors' environmental, health, safety and sustainability (EHSS) committee and full board. We rely on our sustainability committee to support the delivery of our key commitments and implement related plans. The committee is a cross-functional group of senior managers from Operations, Sales, Human Resources, Procurement, Environment, Finance and Legal, among other departments. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs, who reports quarterly to the EHSS committee.

We strive to go beyond legal and regulatory compliance to mitigate our environmental and social impacts by minimizing our consumption of resources and our generation of waste, air emissions, and water discharge. We support ongoing research on the impact of our business activities on the environment and are continuously seeking methods to improve our performance. Conducting environmental reviews prior to the implementation of new projects along with constant performance monitoring also demonstrates our commitment to responsibly managing the natural resources in our care.

Resolute is committed to managing water efficiently by establishing annual water reduction targets for each of our pulp, paper and tissue mills. As pulp and papermaking is a water-intensive process, we reuse water as much as possible, returning 94% of it to the environment. The remaining 6% 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, with the exception of cooling water that is entirely contained in piping and returned to the waterway. Data on water discharge is aggregated, analyzed and reported to reputable organizations.

### W0.2

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(W0.2) State the start and end date of the year for which you are reporting data.

Reporting year	Start date	End date
	janvier 1 2021	décembre 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Canada  
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water use in our manufacturing process is tracked, analyzed and disclosed as part of this disclosure for all of the company's pulp, paper and tissue operations. Excluded are sawmills, wood products facilities, hydro-electric generation facilities, head office, sales offices and woodland operations, as well as human water consumption.	Human water consumption is excluded from our corporate indicator count due to the small proportion of total water use it represents, ie., less than 0.1%.  While our wood products facilities, including sawmills, measure, control and work to improve their water management, their water use is insignificant when compared to our pulp, paper and tissue mills (approximately 350,000 cubic meters for all 22 wood products operations; less than 0.1% of our total water withdrawals) and are excluded from this disclosure.  We also exclude our hydro-electric facilities, as hydropower draws energy from falling or flowing water and converts it into electricity without consuming, wasting or depleting water in the process.  Water consumption at head and sales offices - primarily human water consumption - represents a minute fraction of the company's total consumption.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a CUSIP number	76117W

W1. Current state

W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	<p>Direct use: even though water is not a critical ingredient in our final products, it is essential in the manufacturing process of pulp, paper and tissue. Sufficient amounts of good quality freshwater available for use at our mills are critical.</p> <p>Indirect use: the availability of our key materials (wood and chemicals) is not significantly affected by quantity or quality of water. We do not rely on irrigated forests or plantations for our fiber needs. Quantity of water can, in theory, affect availability of hydro-electric power, but there is negligible water risk in areas where this form of power is dominant. Severe prolonged droughts could impact wood availability, but the various risk assessment tools we use do not indicate this as a current or future risk of drought in the regions where we operate. We are, however, increasingly concerned with indirect use as it pertains to our supply and value chain. In 2020, we implemented Guidelines for High-Risk Environmental Contracts, and are currently reviewing our procurement practices to better track and report our suppliers' environmental impacts. In 2022, we announced our intention to create an online, one-stop-shop procurement portal for local, regional and global suppliers to highlight supply chain transparency by 2026.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not important at all	Not important at all	<p>Direct use: all of our mills - except for our Menominee (Michigan) recycled mill, which uses primarily surface water and a small amount of ground water - use exclusively surface water for their operations. Our pulp, paper and tissue operations have all been in place for more than 25 years, with the exception of our Calhoun (Tennessee) and Sanford (Florida) tissue mills. All of our facilities are strategically located close to plentiful supplies of surface water, which negates the need for recycled, brackish, and/or produced water.</p> <p>Indirect use: the availability of our key materials (wood and chemicals) is not significantly affected by quantity or quality of water, including recycled, brackish, and/or produced water. We do not rely on irrigated forests or plantations for our fiber needs. Our supply chain, including downstream, does not rely on recycled, brackish, and/or produced water.</p>

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	We calculated water withdrawal for 100% of the mills included in this disclosure. Water withdrawal is tracked using water discharge data based on historical averages and calculations using the NCASI Water Consumption Tool. All mills are equipped with an on-site effluent treatment plant. As effluent regulation is based on water discharge volumes or flows, it is not required that all mills have a meter or flowmeter for water intake. Each mill reports effluent volume on a monthly basis using on-site flow meters. This data is entered into our internal data management systems, and sent to the environmental coordinators at our head office. The data sheets from our management system are then used to calculate, manage and report company-wide environmental performance annually, including our GRI-compliant online sustainability reporting and our disclosures to CDP.
Water withdrawals – volumes by source	100%	100% of our mills track water process withdrawals by source of water intake, usually one main source for the whole process. Over 99% of water withdrawn in 2021 was surface water.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not relevant	Incoming water quality is not monitored as the water is treated prior to entering into our production system in order to protect boilers, pipes and other equipment.
Water discharges – total volumes	100%	100% of our mills that treat their water on-site monitor the effluent volume to comply with the regulations in the jurisdictions where they operate.
Water discharges – volumes by destination	100%	100% of our mills know the destination of their effluent and track the volumes released at discharge points.
Water discharges – volumes by treatment method	100%	100% of our mills know the destination of their effluent and were responsible for treating their effluent in 2021.
Water discharge quality – by standard effluent parameters	100%	All of Resolute's mills track effluent quality parameters in order to confirm compliance with regulations. Other parameters are also tracked to monitor treatment efficiency and quality of water discharges. All of the water used in our pulp, paper and tissue making process passes through primary and secondary effluent treatment prior to being returned to the environment, with the exception of cooling water that is entirely contained in piping and returned to the waterway. Non-contact cooling water that does not mix with the process effluent may be returned without treatment, but it is monitored and sampled, while effluent quality is reported to regulatory authorities. It is important to our stakeholders, including the people in the communities where we operate, as well as required by government regulations, that we use the necessary technologies to return good quality effluent to surface waters.
Water discharge quality – temperature	100%	100% of Resolute mills monitored effluent temperature in 2021.
Water consumption – total volume	100%	Water consumption is measured directly on-site as well as indirectly using data and theoretical calculation tools, such as the NCASI Water Consumption Tool.
Water recycled/reused	100%	While a significant amount of water is required to make pulp, paper and tissue, our operations return to the environment 94% of the water that is withdrawn, and we also reuse water to maximize efficiency. For instance, water is recycled to generate steam - 100% of our needs in terms of steam are self-generated.
The provision of fully-functioning, safely managed WASH services to all workers	100%	The health and safety of our employees is our number one priority, and as such, 100% of mills provide fully-functioning WASH services for all workers directly on-site with proper control of water quality.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	193137	Lower	This quantity applies to all our pulp, paper and tissue mills. Water withdrawals are calculated using water discharge data based on historical averages and calculations using the NCASI Water Consumption Tool. In 2021, we reduced our absolute water withdrawals by 3% compared to 2020, in part, due to reductions in production. Each of our pulp, paper and tissue mills has an annual water reduction target. Incremental mill-specific goals contribute to meeting the company's overall long-term commitments. Our goal is to minimize environmental impacts by striving to go beyond legal and regulatory requirements. Our approach is based on continuous improvement and includes implementing environmental management systems at all of our North American operating facilities.
Total discharges	181935	Lower	This quantity applies to all our pulp, paper and tissue mills. Water discharges are calculated using water discharge data based on the NCASI Water Consumption Tool. In 2021, water discharges decreased by 3% compared to 2020, in part, due to reductions in production. Each of our pulp, paper and tissue mills has an annual water reduction target. Incremental mill-specific goals contribute to meeting the company's overall long-term commitments. Our goal is to minimize environmental impacts by striving to go beyond legal and regulatory requirements. Our approach is based on continuous improvement and includes implementing environmental management systems at all of our North American operating facilities.
Total consumption	11202	Higher	Water consumption is calculated using water discharge data based on historical averages and calculations using the NCASI Water Consumption Tool. In 2020, our total water consumption was 10,897 ML.  Our absolute consumption decreased by 3% year over year, while our water withdrawal intensity (absolute consumption/production per metric ton) increased in 2021 by 2%, as a result of withdrawals decreasing at a rate relatively lower than reductions in production.

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	Less than 1%	Lower	WRI Aqueduct	According to our latest assessment using the WRI Aqueduct tool in June 2022, our Hialeah and Sanford (Florida) tissue mills are located in high-risk water stress areas. All other operations are currently considered low risk.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	192944	Lower	This quantity applies to all our pulp, paper and tissue mills. Water withdrawal is calculated using water discharge data based on historical averages and calculations using the NCASI Water Consumption Tool. Each of our pulp, paper and tissue mills has an annual water reduction target. Incremental mill-specific goals contribute to meeting the company's overall long-term commitments. Our goal is to minimize environmental impacts by striving to go beyond legal and regulatory requirements. Our approach is based on continuous improvement and includes implementing environmental management systems at all of our North American operating facilities.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	Our Menominee (Michigan) mill is our only facility that partly uses groundwater for process water. This volume represents about 0.1% of the company's total water withdrawal, approximately 200 megaliters.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	
Third party sources	Not relevant	<Not Applicable>	<Not Applicable>	

**W1.2i**

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	181935	Lower	94% of the water we withdraw is returned to the environment. The remaining 6% is captured in the end product or evaporated during the manufacturing process. All the water used in our pulp, paper and tissue making processes passes through primary and secondary effluent treatment prior to being returned to the environment, with the exception of cooling water that is entirely contained in piping and returned to the waterway. Treatment plant performance is carefully tracked, using parameters such as biochemical oxygen demand (BOD5). Non-contact cooling water that does not mix with the process effluent may be returned without treatment, but it is monitored, sampled and reported to regulatory authorities, in addition to being contained entirely in piping. It is important to our stakeholders, including the people in the communities where we operate, as well as required by government regulations, that we use the necessary technologies to return good quality effluent to surface waters.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	
Third-party destinations	Not relevant	<Not Applicable>	<Not Applicable>	

**W1.2j**

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Secondary treatment	Relevant	181935	Lower	100%	All the water used in our pulp, paper and tissue making processes passes through primary and secondary effluent treatment prior to being returned to the environment, with the exception of cooling water that is entirely contained in piping and returned to the waterway. Treatment plant performance is carefully tracked, using parameters such as biochemical oxygen demand (BOD5). Non-contact cooling water that does not mix with the process effluent may be returned without treatment, but it is monitored, sampled and reported to regulatory authorities, in addition to being contained entirely in piping. It is important to our stakeholders, including the people in the communities where we operate, as well as required by government regulations, that we use the necessary technologies to return good quality effluent to surface waters.
Primary treatment only	Relevant	181935	Lower	91-99	All the water used in our pulp, paper and tissue making processes passes through primary and secondary effluent treatment prior to being returned to the environment, with the exception of cooling water that is entirely contained in piping and returned to the waterway. Treatment plant performance is carefully tracked, using parameters such as biochemical oxygen demand (BOD5). Non-contact cooling water that does not mix with the process effluent may be returned without treatment, but it is monitored, sampled and reported to regulatory authorities, in addition to being contained entirely in piping. It is important to our stakeholders, including the people in the communities where we operate, as well as required by government regulations, that we use the necessary technologies to return good quality effluent to surface waters.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

**W1.3**

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	3664000000	193137	18970.9895048592	

**W1.4**

**(W1.4) Do you engage with your value chain on water-related issues?**

- Yes, our suppliers
- Yes, our customers or other value chain partners

**W1.4a**

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**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

**Row 1**

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

1-25

**Rationale for this coverage**

As part of the Global Reporting Initiative (GRI) reporting process, Resolute conducts targeted stakeholder outreach to better understand the sustainability issues of importance to the company and how stakeholders perceive we manage these issues. We undertook an update of these issues in 2020. Two dozen suppliers, representing a significant portion of our spend, were asked to participate, including multi-national transportation, fiber and chemical suppliers. Water management was deemed a mid-range priority, below forest management, economic performance and employee health, safety and wellness, but above energy consumption, local procurement and public policy. We continue to monitor our stakeholders' concerns, and our assessment will be updated in 2022 based on the results of a new survey.

Resolute is also committed to further integrating sustainability practices into our procurement process, including tendering and contracts, in order to better track the sustainability of vendors' supply chains. In 2019, we added principles of product stewardship to chemical contracts, including commitments to data reporting, information-sharing, chain of custody and environmental tracking, and put in place contract extensions covering principles of product stewardship for suppliers who signed on prior to the introduction of our new Master Supply Agreement.

In 2020, we implemented guidelines relating to the review of procurement contracts as well as Guidelines for High-Risk Environmental Contracts; all new chemicals purchased are subject to approval of Resolute's corporate environment manager who oversees product stewardship. To further integrate sustainability practices into our procurement process, we are in regular contact with several large suppliers on environmental issues in order to meet the high standards of our policies, procedures and standards, not to mention the growing needs and demands of our customers.

**Impact of the engagement and measures of success**

By broadening how we track sustainability in our contracts with vendors, while building relationships with local and regional suppliers, we are providing our Procurement department with the capacity to better track our footprint. As part of the stakeholder outreach we undertook in 2020, suppliers were asked to rank sustainability issues of importance; respond to open-ended questions covering environmental issues; and select the United Nations' Sustainable Development Goals relevant to our business, including SDG #6: Water and Sanitation. Suppliers ranked water management and withdrawal issues as of mid-range importance. In all, 43% of the suppliers we contacted engaged in this process. Our largest vendors, as a percentage of procurement spend, were among them, including multi-national transportation, fiber and chemical suppliers.

Our corporate Procurement Policy states that all procurement transactions are to be conducted with the highest legal, ethical, and professional standards. Our Guidelines for Suppliers outline Resolute's commitment to preserve the environment in the communities where we operate through responsible and sustainable business practices. We expect that suppliers comply with Resolute's rules and policies relating to environment as well as with applicable laws and regulations. Suppliers are bound to report any incidents to the manager of the business unit where an incident occurs. We also engage with chemical suppliers through the disclosure of their supplier declarations and safety data sheets, which provide important environmental and regulatory information.

In 2021, we completed the deployment of our Regional Supplier Registry web portal across all operations to support the development of local and regional business in our operating communities. This new registration process has far exceeded expectations. By the end of 2021, over 5,000 businesses had signed up in our operating communities across Ontario, Quebec and the United States.

**Comment**

For 2022, we intend to leverage our Regional Supplier Registry across all operations to support the development of local, regional and Indigenous business in our operating communities, in addition to setting a scope 3 greenhouse gas reduction emission target. We have also committed to creating an online, one-stop-shop procurement portal for local, regional and global suppliers to highlight the transparency of our supply chain by 2026.

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**W1.4b**

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Onboarding & compliance

**Details of engagement**

Other, please specify (Regional Supplier Registry web portal to support the development of local and regional business in our operating communities)

**% of suppliers by number**

1-25

**% of total procurement spend**

1-25

**Rationale for the coverage of your engagement**

In 2019, we launched a Regional Supplier Registry web portal in French for our Quebec operations, with the goal of scaling the initiative across our operations in order to support development of local and regional business in our operating communities. In 2021, we completed the deployment of our Regional Supplier Registry web portal in English and French across all operations to support the development of local and regional business in our operating communities.

**Impact of the engagement and measures of success**

This new registration process has far exceeded expectations. By the end of 2021, over 5,000 businesses had signed up in our operating communities across Ontario, Quebec and the United States. By building relationships with local and regional suppliers, we are providing our Procurement department with the tools to better track our environmental footprint. Our corporate Procurement Policy states that all procurement transactions are to be conducted with the highest legal, ethical, and professional standards. Our Guidelines for Suppliers outline Resolute's commitment to preserve the environment in the communities where it operates through responsible and sustainable business practices.

**Comment**

For 2022, we are intent on leveraging our Regional Supplier Registry across all operations to support the development of local, regional and Indigenous business in our operating communities.

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**Type of engagement**

Innovation & collaboration

**Details of engagement**

Other, please specify (Consultation of stakeholders on priority issues of concern through confidential surveys)

**% of suppliers by number**

Less than 1%

**% of total procurement spend**

1-25

**Rationale for the coverage of your engagement**

Our identification of shared priority issues is intended to improve the understanding of our stakeholders' objectives and information needs. To this end, we regularly conduct shared priorities assessments to identify the sustainability topics that matter most to our internal and external stakeholders. Stakeholder issues and related expectations are identified and prioritized through a series of confidential, one-on-one, in-depth surveys with individuals representing suppliers, among others. A comprehensive update of our shared priorities assessment was completed in 2020. During each of these exercises, we reach out to suppliers representing a significant portion of our procurement spend.

**Impact of the engagement and measures of success**

Overall, there were not significant changes in suppliers' shared priorities since our last assessment. While suppliers did not rate water as a top priority compared to forest management, environmental compliance and the rights of Indigenous peoples, they ranked water management and withdrawals as of mid-range importance. Our largest suppliers, as a percentage of procurement spend, were engaged in this process, including multi-national transportation, fiber and chemical suppliers.

**Comment**

Our assessment of our stakeholders' shared priorities was completed in November 2020, and will be updated in 2022.

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**W1.4c**

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**(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Resolute's fundamental goal is to generate value for the company and shareholders while driving economic activity in a sustainable and responsible way. Our success supports community economic growth and prosperity, social well-being and advancement, as well as shared environmental benefit.

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. Engaging with our 7,000 employees helps Resolute attract results-driven and action-oriented talent.

Resolute is committed to continually reviewing our procurement and supplier engagement practices, and in 2022, we have publicly committed to a number of targets that directly relate to engagement with stakeholders in our value chain.

As stated in our Code of Business Conduct, we are accountable for our performance and for our behavior. 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. Integrity, ethics and compliance are everyone's responsibility and key to our sustainability.

Building on existing procurement policies and procedures, we are committed to further integrating sustainability practices in our procurement process in order to better track the sustainability of vendors' own supply chains, including ensuring suppliers are committed to data reporting, information-sharing, chain of custody and environmental tracking.

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 Indigenous peoples and businesses.

**W2. Business impacts**

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**W2.1**

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**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

**W2.2**

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**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

**W3. Procedures**

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**W3.3**

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**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

**W3.3a**

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**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations  
Supply chain

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
Enterprise risk management  
International methodologies and standards  
Databases

**Tools and methods used**

EcoVadis  
WRI Aqueduct  
WWF Water Risk Filter  
Enterprise Risk Management  
ISO 14001 Environmental Management Standard

**Contextual issues considered**

Water availability at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Water regulatory frameworks  
Status of ecosystems and habitats

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Regulators  
Suppliers  
Water utilities at a local level  
Other water users at the basin/catchment level

**Comment**

Overall responsibility for risks and opportunities at the mill level resides with our vice president, Environment, Energy and Innovations. A top-down approach is in place for assessing risks and opportunities - which relate primarily to regulatory changes, strategic capital investments, consumer preference changes, reputation and weather- and climate-related challenges - through our enterprise risk management system (ERM) process, which allows us to address risk factors identified by the disclosure committee, executive management, as well as the board of directors' audit committee. These risks are outlined annually in our Form 10-K. At each Resolute facility, facility managers and environment coordinators strive to ensure our facilities comply fully with environmental regulations, working with local, regional and national regulatory authorities, as well as water utilities, as applicable.

In 2022, we conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas to consider water-related risks for our facilities through 2040. With the exception of our Hialeah and Sanford (Florida) tissue mills - deemed low to mid risk - water risks related to our facilities are currently considered low. Through 2040, risk levels escalate for our Menominee recycled pulp mill in Michigan (from low to high), our Florida tissue mills in Hialeah and Sanford (from low/mid to mid/high), and our Grenada newsprint mill in Mississippi (from low to mid/high). Generally speaking, water-related risks are increasing in these operating regions due to rising demand caused by population and industrial growth. In collaboration with mill management at these facilities, we will continue to monitor this.

We also conducted a risk assessment using the WWF-DEG Water Risk Filter tool in July 2019, finding similar results to the WRI Aqueduct tool. As part of the Global Reporting Initiative (GRI) reporting process, Resolute also conducts targeted stakeholder outreach to better understand the sustainability issues of greatest importance to the company. Our latest assessment placed water management as a mid-range priority, below forest management, economic performance and employee health, safety and wellness.

At the site level, risks and opportunities identified during the development of environmental management systems certified to the ISO 14001:2015 standard are assessed by likelihood of occurrence and gravity of impact, including water-related risks.

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**W3.3b**

**(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

At Resolute, environmental performance is managed at the local level with oversight by the organization’s senior management. Our vice president, Environment, Energy and Innovation, has overall responsibility for water risks and opportunities at the mill level. A top-down approach is in place for assessing risks and opportunities - which relate primarily to regulatory changes, strategic capital investments, consumer preference changes, reputation and weather- and climate-related challenges.

Guided by the company’s Environmental Policy, our environment coordinators and mill managers have on-the-ground responsibility for compliance with local laws and regulations and for facilitating continuous improvement. Corporate environment managers and coordinators work closely with each mill environment coordinator to identify and manage the issues most relevant to specific operations.

On an annual basis, each facility sets water reduction and intensity targets. Facilities can also set additional targets on issues most relevant to their specific local issues. This approach was chosen to reflect the different geographic and technological realities of each operation. Key performance indicators (KPIs) are monitored at both the mill and corporate levels. At the mill level, greenhouse gas (GHG) emissions, water usage, air emissions and waste generation are the most material areas of focus. We monitor our performance closely to maintain continuous improvement across our KPIs, and we conduct regular environmental risk audits as part of our proactive, preventative approach to environmental management.

Our enterprise risk management (ERM) process is a framework for identifying dangers and potential other hazards that may interfere with our operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. Our Internal Audit team coordinates the annual ERM exercise by asking senior management to identify the most important risks and related mitigation plans to inform the audit committee of the major risks with which the company is faced. Risks identified by management are taken into account in the development of the annual audit plan, and subsequently disclosed in the company’s annual Form 10-K once they have been approved by Resolute’s disclosure and audit committees as well as the executive team.

We also assess our water-related risks through WRI’s Aqueduct Water Risk Atlas. For 2021, we adjusted the weighting to better reflect our exposure, which is mainly quantity-related and reputational. Lower water levels, especially during the summer, can impact Resolute’s intake and effluent discharge limits, which can have a significant effect on our operations. Additionally, legislation relating to the protection of species at risk or endangered species is a factor for Resolute given the potential for regulation to emerge that further regulates water use, and for reputational risks associated with non-compliance (or negative publicity despite compliance).

Resolute also conducts risk and opportunity assessments as part of our facilities’ environmental management systems (EMS), which are certified to ISO 14001:2015 standards. The likelihood, gravity and type of impacts are considered in order to develop a comprehensive list of risks and opportunities at the operational levels. Individual facilities that are in the process of certifying their EMS to the ISO14001:2015 standard use a matrix developed at the corporate level to complete their risk and opportunity assessments, ultimately informing the development of site-specific risks and risk mitigation strategies.

As part of our commitment to sustainability, Resolute announced in 2018 a \$7 million investment to restore the dam located on the Malbaie River, in the Charlevoix region of Quebec, adjacent to our Clermont newsprint mill. In addition to restoring the dam, the investment ensured the preservation of the river’s natural surroundings and regular dam safety planning, which seeks to ensure compliance with the provincial government’s Dam Safety Act. Following a comprehensive assessment, we established a plan that is optimal from both an environmental and economic perspective, and that allows us to maintain a sufficient water supply for our production and fire protection needs. Resolute works closely with the Malbaie River Salmon Corporation to take necessary precautions to respect wildlife, including spawning salmon swimming up the Malbaie River. An annual \$30,000 contribution from Resolute allows the project to be monitored, and progress to be achieved.

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## W4. Risks and opportunities

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### W4.1

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**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

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### W4.1a

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**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Resolute defines substantive financial and strategic impact as factors materially affecting direct operations, leading for instance to an impact on the company's financial condition or financial results. Impacts like these may affect our ability to meet financial obligations and mitigate exposure to broad risks, including: volatility in foreign currency exchange rates, interest rates and commodity prices; capital structure; and credit and liquidity risk, including risk related to cash management, extension of credit, collections, credit ratings, and availability and cost of funding. Related examples include the new credit facility module we announced in December 2021 that is based on environment, social and governance (ESG) factors, which could include metrics related to water management. We have also been required to pay cash deposits for estimated countervailing duties and anti-dumping duties on the vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills since April 28, 2017, and June 30, 2017, respectively. In 2021, we made \$154 million in softwood lumber duty deposits for cumulative deposits of \$397 million through the end of 2021. These cash deposit requirements to the U.S. for estimated countervailing and anti-dumping duties are the result of petitions filed by U.S. softwood lumber products producers and forest landowners with the U.S. Department of Commerce and the U.S. International Trade Commission.

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

Our enterprise risk management (ERM) process is a framework for identifying dangers and potential other hazards that may interfere with our operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. Our Internal Audit team coordinates the annual ERM exercise by asking senior management to identify the most important risks and related mitigation plans to inform the audit committee of the major risks with which the company is faced. Risks identified by management are taken into account in the development of the annual audit plan, and subsequently disclosed in the company's annual Form 10-K once they have been approved by Resolute's disclosure and audit committees as well as the executive team.

As stated in the charter of our board of directors' audit committee, the audit committee is responsible for overseeing general risk assessment and management, as well as reviewing contingent liabilities and risks that may be material to the company. The committee also considers major legislative and regulatory developments that could materially impact contingent liabilities.

The environmental, health, safety and sustainability (EHSS) committee assists the board in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters. It provides overall guidance on our sustainability strategy, reviewing and assessing sustainability-related risks brought to its attention by management, including water-related risks.

With respect to the pandemic, while we have been able and expect to continue to operate in all of our business segments in Canada and the U.S., we had to reduce our operational footprint to levels consistent with sanitary constraints or reduced needs, including the temporary or indefinite idling of certain machines or facilities and implementing temporary or permanent layoffs. Further adjustments to our operational footprint, temporary or permanent, could be made as the COVID-19 pandemic and resulting economic conditions develop.

For additional information related to substantive financial and strategic impacts, please see p. 12 of the company's 2021 Form 10-K: [https://www.resolutefp.com/uploadedFiles/Investors/Financial\\_Reports/2021\\_10-K\\_Resolute-RFP.pdf?v=1](https://www.resolutefp.com/uploadedFiles/Investors/Financial_Reports/2021_10-K_Resolute-RFP.pdf?v=1)

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	6	1-25	<p>We generate electricity at hydroelectric facilities. There can be no certainty that we will be able to maintain the water rights necessary for our hydroelectric power generating facilities, or to renew such rights or power sales contracts on favorable conditions. The closure of certain machines or facilities located in Quebec could trigger the exercise of termination rights by the Quebec government under water rights agreements. The amount of electricity we can generate at our hydroelectric facilities is also subject to the volume of rain or snowfall and is therefore variable from one year to the next. Two of our paper mills, Dolbeau and Kénoyami, are in part powered by these facilities.</p> <p>In 2021, we renewed five agreements with the Quebec government for the following dams: Jim-Gray, Adam Cunningham, Murdock-Wilson, Lac Onatchiway and Chute-aux-Galets.</p> <p>According to the risk assessment we conducted using the WRI Aqueduct Water Risk Atlas in June 2022, four of our facilities are subject to water-related risks through 2040. For Hialeah and Sanford tissue mills in Florida, risk levels are forecasted to increase slightly through 2040 from low/mid to mid/high risk. However, these facilities use a very small quantity of water compared to our other operations - ie. 0.1% of the company total. In addition, our Grenada (Mississippi) mill's water risk is also projected to increase through 2040, from low to mid/high, while our Menominee (Michigan) recycled pulp mill is located in a region where water availability risks are projected to increase significantly through 2040 (from low to high). Management at these mills is making sustained and continuous efforts in water management, and will develop contingency plans to manage risk over the longer term. Resolute is also committed to managing water efficiently at these facilities by establishing annual water reduction targets.</p>

**W4.1c**

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

**Country/Area & River basin**

Other, please specify (Menominee River)
---

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. Our Menominee (Michigan) recycled pulp mill is our only facility located in a region where water availability risks are projected to increase significantly through 2040 (from low to high). It is our only facility in the region, and with 44 facilities overall, represents less than 3% of our total operations. Management at Menominee is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

**Country/Area & River basin**

Mississippi River
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. Our Grenada (Mississippi) mill's water risk is projected to increase through 2040, from low to mid/high. It is our only facility in the Mississippi River basin, and with 44 facilities overall, represents less than 3% of our total operations. Management at Grenada is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

**Country/Area & River basin**

St. Johns River
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. For our Sanford (Florida) tissue mill, risk levels

are forecasted to increase slightly through 2040 from low/mid to mid/high risk. However, this facility uses a very small quantity of water compared to our other operations - ie. 0.1% of the company total. Our Sanford mill is located in the St. Johns River basin, and is our only facility in the region. Management at Sanford is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

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**Country/Area & River basin**

Other, please specify (Everglades River Basin)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. For our Hialeah (Florida) tissue mill, risk levels are forecasted to increase slightly through 2040 from low/mid to mid/high risk. However, this facility uses a very small quantity of water compared to our other operations - ie. 0.1% of the company total. Our Hialeah mill is located in the Everglades River basin, and is our only facility in the region. Management at Hialeah is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

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**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

Saguenay (Riviere)
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**Type of risk & Primary risk driver**

Increased difficulty in obtaining withdrawals/operations permit
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**Primary potential impact**

Increased operating costs

**Company-specific description**

We generate electricity at hydroelectric facilities. There can be no certainty that we will be able to maintain the water rights necessary for our hydroelectric power generating facilities, or to renew such rights or power sales contracts on favorable conditions. The closure of certain machines or facilities located in Quebec could trigger the exercise of termination rights by the Quebec government under water rights agreements. The amount of electricity we can generate at our hydroelectric facilities is also subject to the volume of rain or snowfall and is therefore variable from one year to the next. Two of our paper mills, Dolbeau and Kénogami, are in part powered by these facilities.

In 2021, we renewed five agreements with the Quebec government for the following dams: Jim-Gray, Adam Cunningham, Murdock-Wilson, Lac Onatchiway and Chute-aux-Galets.

**Timeframe**

Unknown

**Magnitude of potential impact**

Medium

**Likelihood**

Very unlikely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

24000000

**Potential financial impact figure - maximum (currency)**

28500000

**Explanation of financial impact**

We produce electricity at six cogeneration facilities and seven hydroelectric dams. The output is consumed internally or sold under contract to third parties. This allows us to reduce our costs by generating energy internally at a lower cost compared to open market purchases. The output capacity (based on installed capacity and operating expectations in 2022) of these facilities is 220 MW, with 170 MW of capacity obtained via our hydroelectric facilities and available for internal consumption. We estimate that the approximate annualized cost savings to our operations attributable to internal consumption from our cogeneration assets and hydroelectric facilities is between \$32 million and \$37 million. The estimated financial impact noted above (\$24 million to \$28.5 million) is the portion of this related to the hydroelectric facilities specifically.

**Primary response to risk**

Engage with regulators/policymakers

**Description of response**

Resolute is committed to building solid relationships with a broad range of stakeholders by maintaining ongoing outreach and developing strategic partnerships through a variety of formal and informal channels, including regulators and policymakers. Our focus is on ensuring we have a Resolute voice in public policy discussions that impact company operations and employees, as well as engaging and supporting our operating communities and partners across North America. In 2021, we renewed five agreements with the Quebec government for the following dams: Jim-Gray, Adam Cunningham, Murdock-Wilson, Lac Onatchiway and Chute-aux-Galets.

**Cost of response**

10548000

**Explanation of cost of response**

Engagement with regulators and policymakers is undertaken as part of our public affairs program. In addition to the costs associated with this engagement, our hydroelectric dams incur annual operational costs, on which this figure is based.

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W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>Fiber sourcing represents the most significant hypothetical risk in our value chain. Resolute's Wood and Fiber Sourcing Policy, applied in conjunction with our 100% chain-of-custody certified tracking systems at our facilities that process virgin fiber, ensures our ability to trace all the wood fiber processed at our facilities. We do not rely on irrigated forests or plantations for our fiber needs. Most of the virgin fiber consumed by our operations in Canada is sourced from Resolute's directly and indirectly managed forests, which are 100% certified to internationally recognized forest management standards. For our operations in the United States, much of the fiber is sourced externally, through a supplier network, from numerous small, non-industrial private forest landowners.</p> <p>We use ISO 14001:2015 to consider local and regional supply chain risks as well as the WRI Aqueduct Water Risk Atlas and the WWF-DEG Water Risk Filter to consider water quantity and quality risks in the regions and countries where our products are produced.</p> <p>Severe prolonged droughts could impact wood availability, but the various risk assessment tools used did not indicate drought as a high risk in the regions where we operate. Long term, none of these sourcing regions register as high or extreme risk with respect to water, with the exception of three facilities: our Menominee (Michigan) recycled pulp mill and our Florida tissue mills in Hialeah and Sanford. However, Menominee's supply chain does not rely on virgin fiber, and our Florida tissue mills source most of their fiber through our internal virgin and recycled fiber network, or from Brazil (Eucalyptus), where water risk is negligible.</p>

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

Steam and electrical power constitute the primary forms of energy used in pulp, paper and tissue production. Process steam is produced in boilers using a variety of fuel sources, as well as heat recovery units in mechanical pulp facilities. All of our operating sites generate 100% of their own steam requirements. In 2021, our Alma, Calhoun, Coosa Pines, Dolbeau, Gatineau, Kénogami, Saint-Félicien and Thunder Bay operations also collectively consumed close to two thirds of their electrical requirements from internal sources, notably through on-site cogeneration and hydroelectric dams. We purchased the balance of our electrical energy needs from third parties. Six of our sites operate cogeneration facilities that generate green energy primarily from renewable biomass.

Our sustainability strategy is designed to enhance our competitive position by focusing on, among other things, improving resource efficiency, ie. "making the most of what we have". As part of our operational excellence activities, in particular, we look for opportunities to reduce water consumption in our pulp, paper and tissue mills, as well as our wood products facilities. When the amount of water that needs to be heated can be reduced, we do so, which often results in a reduction of the amount of boiler fuel required - usually a mixture of fossil fuel and biofuel - consequently reducing greenhouse gas emissions as well. In parallel, by achieving reductions in fiber losses, we can also reduce the amount of water we consume. After meeting our ambitious 2021 target, we set a company-wide target to record fiber losses of no more than 39 kg per metric ton of production for 2022, and fiber loss targets are established annually at each applicable operation.

We continue to make significant investments in the energy efficiency of our operations. In 2018, the company announced an injection of \$20 million into the company's Thunder Bay (Ontario) pulp and paper mill and \$45 million in the Saint-Félicien (Quebec) pulp mill to improve energy efficiency and reduce greenhouse gas emissions, maintain assets and complete major maintenance. In 2020, we also announced a C\$11 million investment to enhance our Kénogami (Quebec) paper mill's short-term competitiveness by modernizing the operation's equipment, and in March 2021, another C\$5.5 million to optimize the mill's pulp-refining process with pressurized refiners and to generate energy from the recovered steam.

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

18000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Investments at our Saint-Félicien (Quebec) pulp mill have improved several areas of the operation, increasing the average daily production capacity by 76 metric tons and reducing greenhouse gas (GHG) emissions from the use of fossil fuels by 20% - a significant cost savings thanks to a 25% reduction in natural gas usage that has translated to more than \$7 million dollars in savings over the last five years.

At the Thunder Bay (Ontario) pulp and paper mill, we expect to reduce the mill's overall annual GHG emissions by over 20% as well, or approximately 43,000 metric tons of CO2 equivalents per year. The thermal energy project has allowed us to reduce our natural gas consumption at the mill by approximately 800,000 GJ per year over the last three years, resulting in savings of close to \$11 million.

The investment at our Kénogami (Quebec) mill is being made in conjunction with the construction of the new commercial plant specialized in the production of cellulose filaments that we expect to complete in late 2022. Recovering steam for energy will translate to an approximate decrease of 10,000 metric tons of CO2 equivalents each year, reducing GHG emissions and costs.

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#### Type of opportunity

Markets

#### Primary water-related opportunity

Stronger competitive advantage

#### Company-specific description & strategy to realize opportunity

Access to water is crucial for our pulp, paper and tissue operations, which is why our mills are located alongside bodies of water. In addition to providing a reliable water supply, water is the foundation of our hydroelectric generation and transmission network, Hydro-Saguenay in the Saguenay – Lac-Saint-Jean region of Quebec, which provides the company with access to electricity via seven generating stations with 170 MW of capacity. Including our six cogeneration facilities, our network of 13 power generation assets has a total installed capacity of 440 MW.

The water rights agreements required to operate our hydroelectric facilities typically range from 10 to 25 years and, subject to certain conditions, are generally renewable for additional terms. In some cases, the agreements are contingent on the continued operation of the related paper mills and a minimum level of capital spending in the region. For the other facilities, the right to generate hydroelectricity stems from our ownership of the riverbed on which these facilities are located.

In 2021, we renewed five agreements with the Quebec government for the following dams: Jim-Gray, Adam Cunningham, Murdock-Wilson, Lac Onatchiway and Chuteaux-Galets.

#### Estimated timeframe for realization

Current - up to 1 year

#### Magnitude of potential financial impact

High

#### Are you able to provide a potential financial impact figure?

Yes, an estimated range

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

32000000

#### Potential financial impact figure – maximum (currency)

37000000

#### Explanation of financial impact

We estimate that the approximate annualized cost savings to our operations attributable to internal consumption from our hydroelectric facilities and cogeneration assets is between \$32 million and \$37 million.

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#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased supply chain resilience

#### Company-specific description & strategy to realize opportunity

We are proud of taking concrete actions to reduce our environmental footprint by managing water efficiently and contributing as stewards of the watersheds in which our operations are located. In 2018, Resolute announced a C\$7 million investment to restore the dam located adjacent to our Clermont (Quebec) newsprint mill on the Malbaie River. The work was undertaken in accordance with the Dam Safety Act and by working closely with the Malbaie River Salmon Corporation to take all necessary precautions to respect wildlife, including salmon swimming up the Malbaie River to spawn.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

7000000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact

We recognize that being proactive for the environment means steadily reducing Resolute's environmental footprint, making measurable performance improvements and ensuring the careful stewardship of the resources in our care. The impact of our Clermont initiative will be measured over the medium to long-term according to the health and vitality of the watershed. In 2018, we announced a C\$7 million investment to restore the dam located adjacent to our Clermont (Quebec) newsprint mill on the Malbaie River. The work was undertaken in accordance with the Dam Safety Act and by working closely with the Malbaie River Salmon Corporation to take all necessary precautions to respect wildlife, including salmon swimming up the Malbaie River to spawn.

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#### Type of opportunity

Resilience

#### Primary water-related opportunity

Increased resilience to impacts of climate change



**Company-specific description & strategy to realize opportunity**

Toundra Greenhouse, in which we hold a 49% interest, is a greenhouse in Saint-Félicien (Quebec) that fulfills 90% of its water requirements through rain water and snow recovery to produce approximately 100 million cucumbers annually. The complex already covers about 2 million square feet (17 hectares) and employs 180 workers. In 2020, Toundra Greenhouse announced a \$50-million phase 3, which will increase the surface area to 25.5 hectares, the number of employees to more than 230, and the total investment to \$175 million. Once all four construction phases are completed, the greenhouse could cover as many as 4 million square feet (34 hectares) and account for approximately 300 jobs in the Lac-Saint-Jean region.

**Estimated timeframe for realization**

4 to 6 years

**Magnitude of potential financial impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

By fulfilling 90% of its water requirements through rain water and snow recovery to produce close to 100 million cucumbers annually, Toundra Greenhouse significantly decreases the costs related to producing hydroponically-produced cucumbers. The greenhouse also pulls excess heat from our adjacent Saint-Félicien pulp mill, which generates steam from its water processing.

**W5. Facility-level water accounting**

**W5.1**

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name (optional)**

Menominee

**Country/Area & River basin**

Other, please specify (Menominee River)
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**Latitude**

45.101833

**Longitude**

-87.60961

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

4415

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

4222

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

193

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

4159

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

3977

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

182

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

256

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. Our Menominee (Michigan) recycled pulp mill is our only facility located in a region where water availability risks are projected to increase significantly through 2040 (from low to high). It is our only facility in the region, and with 44 facilities overall, represents less than 3% of our total operations. Management at Menominee is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

**Facility reference number**

Facility 2

**Facility name (optional)**

Grenada

**Country/Area & River basin**

Mississippi River
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**Latitude**

33.833148

**Longitude**

-89.816108

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

6797

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

6797

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

6402

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

6402

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

394

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. Our Grenada (Mississippi) mill's water risk is projected to increase through 2040, from low to mid/high. It is our only facility in the Mississippi River basin, and with 44 facilities overall, represents less than 3% of our total operations. Management at Grenada is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

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**Facility reference number**

Facility 3

**Facility name (optional)**

Hialeah

**Country/Area & River basin**

Other, please specify (Everglades River )
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**Latitude**

25.857914

**Longitude**

-80.260607

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

274

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

274

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

258

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

258

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

16

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. For our Hialeah (Florida) tissue mill, risk levels are forecasted to increase slightly through 2040 from low/mid to mid/high risk. However, this facility uses a very small quantity of water compared to our other operations - ie. 0.1% of the company total. Our Hialeah mill is located in the Everglades River basin. Management at Hialeah is making sustained and continuous efforts in water management, and is developing contingency plans to manage risk over the longer term.

**Facility reference number**

Facility 4

**Facility name (optional)**

Sanford

**Country/Area & River basin**

St. Johns River
-----------------

**Latitude**

28.803923

**Longitude**

-81.307791

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

92

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

92

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

87

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

87

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

5

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

We conducted a full risk assessment using the WRI Aqueduct Water Risk Atlas in June 2022 to consider risks through 2040. For our Sanford (Florida) tissue mill, risk levels are forecasted to increase slightly through 2040 from low/mid to mid/high risk. However, this facility use a very small quantity of water compared to our other operations - ie. 0.1% of the company total. Our Sanford mill is located in the St. Johns River basin. Management at Sanford is making sustained and continuous efforts in water

management, and is developing contingency plans to manage risk over the longer term.

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**Facility reference number**

Facility 5

**Facility name (optional)**

Hydro-Saguenay

**Country/Area & River basin**

Saguenay (Riviere)
--------------------

**Latitude**

48.42929

**Longitude**

-71.06546

**Located in area with water stress**

No

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

0

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

We generate electricity at seven hydroelectric facilities. These facilities do not consume water, rather they use the water through their dams to produce energy and generate electricity.

The output is consumed internally or sold under contract to third parties. This allows us to reduce our costs by generating energy internally at a lower cost compared to open market purchases. The output capacity (based on installed capacity and operating expectations in 2022) of these facilities is 170 MW.

The amount of electricity we can generate at our hydroelectric facilities is subject to the volume of rain or snowfall and is therefore variable from one year to the next. Two of our paper mills, Dolbeau and K enogami, are in part powered by these facilities.

## W5.1a

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(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

### Water withdrawals – total volumes

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water withdrawals – volume by source

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water withdrawals – quality by standard water quality parameters

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water discharges – total volumes

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water discharges – volume by destination

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water discharges – volume by final treatment level

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water discharges – quality by standard water quality parameters

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

### Water consumption – total volume

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

## W6. Governance

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W6.1

**(W6.1) Does your organization have a water policy?**

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

W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	<p>Reference to international standards and widely-recognized water initiatives</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p> <p>Other, please specify (EMS certification and audits, collaboration with our suppliers to encourage them to reduce their own environmental footprint)</p>	<p>For Resolute, responsible environmental stewardship is both an ethical obligation and a business imperative. We recognize that the long-term future of our company and the communities where we operate depend on the sustainability of the natural resources in our care and the performance of our operations. Our operations are subject to physical, financial and regulatory risks associated with global, regional, and local weather conditions, and climate change. We use international tools, such as WRI's Water Risk Atlas, to assess that risk, as well as our enterprise risk management process.</p> <p>Resolute's company-wide water policy is a combination of our Environmental Policy and the public sustainability commitments we have made. The Policy is available online and applies to all of our facilities:  <a href="https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf">https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf</a></p> <p>Our company-wide environmental commitments, including our annual and long-term water-related targets, are available on our Public Commitments page:  <a href="https://www.resolutefp.com/Sustainability/Our_Approach_to_Sustainability/Public_Commitments/">https://www.resolutefp.com/Sustainability/Our_Approach_to_Sustainability/Public_Commitments/</a></p> <p>In 2021, we integrated the United Nation's Sustainable Development Goals (SDG) into our sustainability reporting strategy. Resolute is focused on leveraging its sustainability performance to support the achievement of these goals and the relevant SDG targets. Two of our GRI-based reporting metrics align with SDG target 6.4: by 2030, substantially increase water-use efficiency across all sectors; and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. We will monitor our progress regularly in this respect, updating our performance in conjunction with our annual sustainability reporting.</p>

W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board Chair	<p>The chair leads the board of directors, which together with its environmental, health, safety and sustainability (EHSS) committee and its human resources and compensation/nominating and governance committee, are responsible for overseeing the company's sustainability plans and strategies as well as the company's ESG performance. The EHSS committee reports to the board on the company's sustainability performance, more specifically, the identification and management of risks and opportunities relating to environmental, health, safety and sustainability matters.</p> <p>The chair of the board has extensive experience in sustainability and forest products, having previously been CEO of another important forest products company.</p> <p>In addition to leading the board of directors in its oversight of the company's ESG plans, strategy and performance in 2021, the chair commissioned the sustainability committee to provide third-party ESG training for all directors, officers and members of the sustainability committee. Trainings were completed in early 2022.</p> <p>Furthermore, the board, led by the board chair, approves Resolute's short-term incentive plan (STIP) and related bonus payouts for all eligible employees, which are calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. A portion of the STIP is based on our Occupational Safety and Health Administration incident rate, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill.</p> <p>The board met ten times in 2021.</p>
Board-level committee	<p>The environmental, health, safety and sustainability (EHSS) committee assists the board of directors in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters.</p> <p>The EHSS committee provides overall guidance on our sustainability strategy and results by reviewing established key performance indicators (KPIs), incidents, audits, liabilities, stakeholder relations, public policy issues and other developments. The committee is instrumental in enhancing board oversight of our sustainability strategy, including our environmental, social and governance performance. The committee reviews the company's annual and longer-term sustainability targets, including our commitment to establishing water reduction targets for each of our pulp, paper and tissue mills. Quarterly performance is reported to the committee by our vice president, Environment, Energy and Innovation.</p> <p>The EHSS committee met four times in 2021 and is composed of five board members. The president &amp; CEO, executive managers (senior vice presidents of Operations, HR, Legal and Corporate Affairs) and four senior managers (from Environment, Energy and Innovation; Communications, Sustainability and Government Affairs; Human Resources; and Legal Affairs) participate in meetings to support the committee in delivering its mandate, and to report progress on the company's water targets.</p> <p>As a former executive in the forest products industry, the chair of the EHSS committee has extensive experience in environmental sustainability, including fiber and water management.</p>
Chief Executive Officer (CEO)	<p>The president &amp; CEO is a member of the board of directors and leads the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies, which are reviewed by our board of directors. The overall responsibility for our performance resides with our president &amp; chief executive officer, who sits on the board as a member, with oversight from the board of directors' environmental, health, safety and sustainability (EHSS) committee and the full board.</p> <p>Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management who consider each issue for inclusion in Resolute's financial reporting. Risks identified by management (including the president &amp; CEO and executive team) are also raised.</p> <p>Our vice president, Environment, Energy and Innovation, who has overall responsibility for environmental risks and opportunities at the mill level, reports to the president &amp; CEO, including tracking and reporting water-related KPIs and targets. In 2021, all pulp, paper and tissue mills established targets for water consumption and intensity.</p>
Board-level committee	<p>The audit committee assists the board of directors in fulfilling its oversight responsibilities, including the committee's primary duties and responsibilities of reviewing senior management's plans to manage Resolute's exposure to financial risk, including water-related risks. The committee discusses and considers the company's policies with respect to general risk assessment and risk management, and reviews contingent liabilities and risks that may be material to the company as well as major legislative and regulatory developments that could materially impact the Company's contingent liabilities.</p> <p>In 2021, as part of the enterprise risk management process presented to the audit committee, the committee reviewed water-related risks and related mitigation actions. The committee met seven times in 2021 and is composed of four board members. Four members of the executive team (president &amp; CEO, CFO, CAO, CLO) and the vice president, Internal Audit, also attend the meetings.</p>

**W6.2b**



**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	<p>Resolute’s board of directors executes its oversight responsibility for risk assessment and risk management through its committees, including the environmental, health, safety and sustainability committee. Risks are considered through risk-based methods and processes integrating concepts of internal control, transparency and strategic planning, which are intended to allow the board to identify and assess environmental, social and governance (ESG) risks, namely regulatory changes, strategic capital investments, consumer preference changes, reputation and weather-related challenges.</p> <p>The board is guided by Resolute’s core values, including sustainability, which helps to ensure Resolute’s continued growth and success, while reinforcing our vision that profitability and sustainability drive our future. Sustainability drives the organization’s activities, including its approach to health and safety, community relations and environmental impacts. Tone from the top plays a vital role: the president &amp; CEO and executive team actively promote the sustainability strategy, and company policies are signed by the president &amp; CEO (ex. Environmental Policy, Health &amp; Safety Policy, Indigenous Peoples Policy).</p> <p>The board approves Resolute’s Short Term Incentive Plan (STIP) and related bonus payouts for all eligible employees, which are calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. Upon recommendation from the board’s human resources and compensation/nominating and governance committee, a portion of the STIP is based on the company’s Occupational Safety and Health Administration’s incident rate, our greenhouse gas emission reductions, and the number of environmental incidents we report relative to our annual targets, all of which are considered high impact issues by our stakeholders. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill.</p>

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Four members of the board have experience with sustainability and ESG issues, including our president &amp; CEO who was a member of Resolute’s sustainability committee prior to becoming the general manager of our Thunder Bay (Ontario) pulp and paper mill where he oversaw water-related issues.</p> <p>As a former executive in the forest products industry, the current chair of the environmental, health, safety and sustainability (EHSS) committee has extensive experience in environmental sustainability, including fiber and water management at pulp, paper and tissue mills. She has been instrumental in enhancing board oversight of our sustainability strategy, and our environmental, social and governance (ESG) performance since 2019. Her 30-plus years of experience in the forest products sector – including leadership positions with companies, industry associations and a government committee tasked with establishing 2030 greenhouse gas emission reduction targets – has proved beneficial to Resolute as we establish and deliver on our sustainability commitments.</p> <p>In addition, the chair of the board has experience in sustainability and forest products, having previously been CEO of another important forest products company, while a fourth director brings general knowledge on sustainability/ESG to the table.</p>	<Not Applicable>	<Not Applicable>

**W6.3**

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

The overall responsibility for our sustainability performance, which includes water-related issues, resides with our president & CEO, with oversight from the board of directors' environmental, health, safety and sustainability (EHSS) committee and the full board.

Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management. In addition, through our enterprise risk management process, senior management considers risks for inclusion in Resolute's annual financial reporting, which are subject to approval and signoff from the CFO and president & CEO.

The vice president, Environment, Energy and Innovation reports progress on water-use reduction goals to the president & CEO on a monthly basis, as well as quarterly to the board's EHSS committee.

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**Name of the position(s) and/or committee(s)**

Other, please specify (Vice president, Environment, Energy and Innovation)

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

For Resolute, responsible environmental stewardship is both an ethical obligation and a business imperative.

The vice president, Environment, Energy and Innovation reports directly to our president & CEO and bears overall responsibility for environmental risks and opportunities, including water-related issues. The vice president is responsible for the development and distribution of a monthly report to the executive team and senior management. This monthly report measures the company's performance against key indicators, including those related to fiber, energy and water consumption. Progress on water-use reduction goals is reported by the vice-president to the president & CEO as part of this governance structure.

The vice president is also a member of Resolute's sustainability committee, and chairs Resolute's carbon committee.

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**Name of the position(s) and/or committee(s)**

Sustainability committee

**Responsibility**

Managing water-related risks and opportunities  
Other, please specify (Setting water-related goals to be approved by executive team)

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

While overall responsibility for our sustainability performance resides with our president & CEO, with oversight from the board of directors' environmental, health, safety and sustainability (EHSS) committee, we rely on our sustainability committee to support the delivery of our key commitments and implement related plans. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs, who reports to the EHSS committee on a quarterly basis.

The sustainability committee is a cross-functional group of senior managers whose mandate is to recommend strategies, set goals and measure results, oversee reporting, ensure continuous improvement, and assess stakeholder expectations. In 2021, the committee approved establishing annual water reduction targets for each of our pulp, paper and tissue mills.

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**Name of the position(s) and/or committee(s)**

Facilities manager

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

As important matters arise

**Please explain**

Resolute remains committed to managing water efficiently by continuing to establish annual water reduction targets for each of our pulp, paper and tissue mills. We rely on our general managers supported by site environmental coordinators to deliver on our key commitments and implement plans relating to our water targets. Environment coordinators work to ensure operations comply fully with environmental regulations, such as those related to water intake and effluent discharges. General managers propose annual water targets for corporate approval, and once in place, work with site environmental coordinators to track, review and report on progress.

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**Name of the position(s) and/or committee(s)**

Environment/Sustainability manager

**Responsibility**

Assessing future trends in water demand

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Our director, Sustainability and Public Affairs, who reports to the vice president, Corporate Communications, Sustainability and Government Affairs, as well as the sustainability committee, monitors and assesses future water trends, including assessments using the WRI Aqueduct tool. The findings of these assessments are shared with relevant facility managers and reported in sustainability reporting, including Resolute's corporate website and its CDP Water Security questionnaire. The director, Sustainability and Public Affairs, is also responsible for annual sustainability reporting, including disclosing water-related targets and performance in accordance with the Global Reporting Initiative Standards.

## W6.4

### (W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	As part of Resolute's Short Term Incentive Plan (STIP), bonus payouts for all eligible employees are calculated using economic key performance indicators, such as income from operations, in addition to environmental and social performance. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident rate, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill.

## W6.4a

### (W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer (Chief Legal Officer) Other, please specify (All salaried employees)	Other, please specify (Reduction in environmental incidents, which may be water-related)	As part of Resolute's Short Term Incentive Plan (STIP), bonus payouts for all eligible employees are calculated using economic key performance indicators, such as income from operations, in addition to environmental and social performance. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident rate, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill.
Non-monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer (President, Wood Products; Chief Legal Officer; Chief Information Officer; Senior Vice President, Human Resources; Senior Vice President, Sales) Other, please specify (All employees who demonstrate a deserving performance)	Implementation of employee awareness campaign or training program Supply chain engagement Implementation of water-related community project	<p>In recognition of our industry-leading sustainability, environmental and safety performance, Resolute won 32 regional, North American and global awards and distinctions in 2021 alone. We value this recognition because it provides tangible proof that our vision and values are not merely aspirational words; they are the driving force behind our improved performance and global success. The awards garnered speak directly to our core values of working safely, being accountable, ensuring sustainability and succeeding together. Our achievements in sustainable development as well as our business practices reflect the principled leadership of our management team and the hard work and dedication of our employees.</p> <p>In 2021, several individual Resolute employees were recognized for their ongoing commitment to the forest products industry. Nikki Stein, a superintendent at our Thunder Bay (Ontario) pulp and paper mill, received a Rising Star Award from the Forest Products Association of Canada.</p> <p>Lori Kilgour, senior vice president, Process Improvement and chief information officer, received the gold award in the Excellence in Industry, Woman of the Year – Manufacturing category.</p> <p>While these initiatives were not water-related, our facilities and employees could be focused on water-related projects in the future that may merit special recognition.</p> <p>The full list available online: <a href="http://www.resolutefp.com/Awards_and_Recognition/">http://www.resolutefp.com/Awards_and_Recognition/</a></p>

## W6.5

### (W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

We partner with industry and business organizations to share perspectives on policies and issues that affect our industry, our business and the communities where we operate. These partnerships address a number of areas of mutual interest, including wood fiber supply, environmental regulations and carbon emissions management, transportation standards, third-party certification of our products, and the economic impact of our operations on all levels.

The vice president, Environment, Energy and Innovation has the responsibility to represent the company with several trade associations and scientific institutions on water issues, including FPInnovations, American Forest & Paper Association (AF&PA), Forest Products Association of Canada (FPAC), Ontario Forest Industries Association (OFIA), National Council for Air and Stream Improvement (NCASI), and Québec Forest Industry Council (QFIC).

Given the direct responsibilities and extended involvement in these organizations, the vice president plays a key role in influencing the business strategy; ensuring Resolute properly and consistently represents our water policies, procedures and commitments; and reporting any inconsistencies to the executive team. Any risks that are identified by management are raised at quarterly meetings and considered for inclusion in Resolute's ongoing financial reporting.

**W6.6**

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

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

**W7. Business strategy**

**W7.1**

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	21-30	<p>At Resolute, our business and sustainability strategies have been expressly developed to align our efforts in environmental stewardship and social responsibility with our business objectives. This approach reinforces our vision that profitability and sustainability drive our future.</p> <p>Our corporate strategy is focused on value creation by growing in wood products and pulp, maintaining a disciplined approach to capital allocation and maximizing cash generation from our paper assets, while investing in product innovation. The company is transitioning away from mature product markets, reviewing its strategic options for its tissue segment, and expanding its presence in long-term growth markets, operating a competitive portfolio of manufacturing assets and enhancing financial performance in a sustainable way over the long run.</p> <p>As part of the Global Reporting Initiative (GRI) reporting process, Resolute conducts targeted stakeholder outreach to better understand the shared priority sustainability issues of great importance to the company and our stakeholders, and how stakeholders perceive the way we manage these issues. We updated our stakeholders' priorities in early 2020, a process that confirmed water management is a mid-range concern for our stakeholders. We have placed a greater emphasis on watershed management and water quality to align with greater public interest in these issues.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	<p>Building a strong reputation as a leader in sustainability and positioning the company as an environmental supplier of choice is fundamental to our ongoing approach. We strive to go beyond legal and regulatory compliance to mitigate environmental and social impacts. We do so by minimizing our consumption of resources and our generation of waste, air emissions and water discharge. An increased emphasis is placed on effluent flow reduction and effluent discharge limits. This approach has made us a more efficient company, a better employer, a stronger partner for our customers, and an engaged member of the communities in which we live and work.</p> <p>We monitor our performance closely, targeting continuous improvement across our key performance indicators, and we conduct regular environmental risk audits as part of our proactive, preventative approach to environmental management.</p> <p>In addition to the public disclosures we provide through the CDP Water Security questionnaire, water consumption, discharge and emissions are disclosed publicly and annually on our corporate website.</p>
Financial planning	Yes, water-related issues are integrated	21-30	<p>Our pulp, paper and tissue operations have all been in place for more than 25 years, with the exception of our Calhoun (Tennessee) and Sanford (Florida) tissue mills. All of our facilities are strategically located close to plentiful supplies of surface water. However, potential changes to water quality and/or effluent limits are considered in financial planning of capital expenditures.</p> <p>Our Menominee (Michigan) recycled pulp mill, as well as our Grenada (Mississippi) newsprint mill and Florida tissue mills are the only operations where the WRI Aqueduct tool predicts an increase in future water stress by 2040. However, that increase is projected to be high risk in only one of those operating basins: Menominee. We will continue to monitor these trends on an ongoing basis, managing our assets and planning capital investments in water management accordingly.</p>

**W7.2**

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

We do not track water capital and operating expenses independently of our environment-related capital and operating expenses.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	<p>Strategic climate change, forest and water-related issues are discussed and reviewed on a regular basis at the corporate level. All capital projects considered require an evaluation of climate change impact, and water assessments are performed annually for pulp, paper and tissue mills. The environment, health, safety and sustainability committee of the board of directors reviews environmental, health, safety and sustainability policies as well as strategies and objectives, including climate, forest and water risks, every quarter.</p> <p>As part of these risk analysis structures and procedures, scenario analysis is employed to consider the potential water-related impacts on pulp, paper and tissue mills over the medium- and long-terms through 2040. We undertake risk assessments using the WRI Aqueduct Water Risk Atlas as well as the WWF-DEG Water Risk Filter to consider water quantity and quality risks in the regions and countries where our products are produced.</p>

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Other, please specify (Forest management planning)	<p>We focus our water-related scenario analysis on all of our pulp, paper and tissue mills and their water basins through 2040, focusing on water supply, access and stress. We undertake these risk assessments using the WRI Aqueduct Water Risk Atlas as well as the WWF-DEG Water Risk Filter to consider water quantity and quality risks using a business-as-usual scenario that is compared to the current water conditions under which our facilities operate.</p> <p>Resolute also performs scenario analysis through forest management planning. Species mix and geographic distribution of Canadian forests will likely be affected by climate change. These potential impacts are considered and estimated with help from government research (i.e. <a href="http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price">http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price</a>) and factored into the 25-year harvest plans Resolute drafts for the forests we manage directly and indirectly. These 25-year forest management plans include optimal habitat scheduling, which identifies areas where optimal harvesting sequences can be carried out over a span of 100 to 150 years.</p>	<p>Increased global temperatures will raise surface water temperatures. Our pulp, paper and tissue mills have all been in place for more than 25 years, with the exception of our Calhoun (Tennessee) and Sanford (Florida) tissue mills. Mills are strategically located close to plentiful supplies of surface water. Increased water temperatures could result in increased water treatment costs and other capital expenses such as cooling towers and heat exchangers.</p> <p>Changes in precipitation extremes and long-term droughts make forests more susceptible to forest fires, especially in Canada, where access can be difficult and forest fires can go undetected due to low population density in forested areas.</p> <p>Risk related to the availability of our key raw materials (wood and chemicals) may increase as climate change takes its toll.</p>	<p>One of Resolute’s greatest opportunities to use resources efficiently is reducing the amount of water and fiber we lose through the pulp, paper and tissue making process. This also means minimizing the cost of effluent treatment and reducing the amount of waste sent to landfill. To drive efficiency, each of our mills has a reduction target for their fiber and water losses, while senior management focuses on mill progress towards achievement of fiber efficiency on a monthly basis. In 2021, we also set a company-wide target to record fiber losses of no more than 40 kg per metric ton of production.</p> <p>In addition, Resolute engages in salvage logging, harvesting in fire affected areas to promote regeneration and minimize the greenhouse gas emissions associated with decomposing burned vegetation.</p> <p>For our operations in or near affected areas, we utilize careful logging techniques to minimize soil disturbance and take care to protect natural regeneration. By undertaking harvest activities in areas that have experienced natural disturbances, Resolute helps to minimize the carbon emissions that would otherwise be emitted by dead and decaying vegetation by sequestering significant amounts of biomass in long-lasting wood products like lumber for homes and recyclable paper.</p> <p>A thorough water risk assessment has been performed for all of our mills with the goal of developing sustainable water management plans for each of our operations.</p>

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

Considering the emphasis we put on continuous reduction of water consumption through ongoing public commitments and annual targets on process water consumption, we feel we are on the right path towards ensuring efficiency, improvement and overall sustainability.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	<p>The World Resources Institute defines at least three types of water-related risks: physical, regulatory and reputational. While we declare regulatory risks in section 4 of this disclosure, we consider the products we manufacture to be low risk.</p> <p>Physical: our products do not impact access or scarcity of water in our operating regions.</p> <p>Regulatory: The water rights agreements required to operate our hydroelectric facilities typically range from 10 to 25 years and, subject to certain conditions, are generally renewable for additional terms. We are not faced with, or expect to face, the suspension or withdrawal of our water permits, although there can be no certainty that we will be able to maintain the water rights necessary for our hydroelectric power generating facilities, or to renew such rights or power sales contracts on favorable conditions.</p> <p>Reputational: none at this time.</p> <p>For more information on our procedures for identifying and assessing water-related risks, see section 3.3 of this disclosure.</p>	<Not Applicable>	<p>Water is not a critical ingredient in our final products, and while it is essential in the manufacturing process of pulp, paper and tissue, 94% of the water we withdraw is returned to the environment. The remaining 6% 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, with the exception of cooling water that is entirely contained in piping and returned to the waterway.</p> <p>The availability of our key materials (wood and chemicals) is not significantly affected by quantity or quality of water. We do not rely on irrigated forests or plantations for our fiber needs. Severe prolonged droughts could impact wood availability, but the various risk assessment tools we use do not indicate this as a current or future risk of drought in the regions where we operate.</p>

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	<p>In 2011, we established a set of ambitious commitments reflecting our approach to balancing the company's sustainability priorities. Since then, we have been tracking and reporting our progress annually and updating our commitments and targets, as necessary, in order to promote continuous improvement.</p> <p>All of our pulp, paper and tissue mills have a site specific reduction target on water use per tonne of production. By doing so, we intend to increase our efficiency and reduce both our operational costs and environmental footprint. Incremental mill-specific goals also contribute to meeting the company's overall long-term commitments. In addition, each mill may choose other targets specific to their local issues. This approach was chosen to reflect the different geographic and technological realities of each operation. At the mill level, greenhouse gas emissions, water usage, air emissions, and waste generation are the most material areas of focus. We monitor our performance closely to maintain continuous improvement across our key performance indicators and conduct regular environmental risk audits as part of our proactive, preventative approach to environmental management. Information on these KPIs is aggregated, analyzed and reported to organizations, such as CDP.</p> <p>We are also committed to minimizing our environmental impacts by striving to go beyond legal and regulatory requirements. Our approach is based on continuous improvement and includes implementing ISO 14001:2015 environmental management systems at all of our operating facilities, and establishing targets for reducing environmental incidents, to which our short-term incentive plan is directly linked.</p> <p>Resolute also has company-wide targets for sustainability reporting and transparent disclosure of environmental KPIs, including CDP reporting, GRI sustainability reporting, customer questionnaires, and environmental scorecards, such as EPAT, EPCI, and the Book Chain Project.</p> <p>We also integrated the UN's Sustainable Development Goals (SDG) into our sustainability reporting strategy in 2021. As part of this commitment, we identified SDG target 6.4 for our reporting strategy: by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. We will monitor our progress regularly, updating our performance in conjunction with our annual sustainability reporting.</p>

**W8.1a**

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

Target reference number

Target 1

**Category of target**

Water withdrawals

**Level**

Site/facility

**Primary motivation**

Reduced environmental impact

**Description of target**

We are committed to managing water efficiently by continuing to establish annual water reduction targets for each of our pulp, paper and tissue mill, all of which have a site specific reduction target. By doing so, we intend to reduce our environmental impact and operational costs. Incremental mill-specific goals contribute to meeting the company's overall long-term commitments.

**Quantitative metric**

% reduction in total water withdrawals

**Baseline year**

2020

**Start year**

2020

**Target year**

2021

**% of target achieved**

100

**Please explain**

We are committed to setting mill specific reduction targets on an annual basis and reporting on our company-wide environmental performance. In 2021, Resolute's company-wide water withdrawals decreased by 3%, in part, due to the temporary idling of our Amos and Baie-Comeau (Quebec) newsprint mills, as well as decreased production.

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**Target reference number**

Target 2

**Category of target**

Product water intensity

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

All of our pulp, paper and tissue mills have a site specific reduction target on water use per tonne of production. By doing so, we intend to increase our efficiency and reduce our operational costs and environmental footprint. Incremental mill-specific goals contribute to meeting the company's overall long-term commitments.

**Quantitative metric**

% reduction per product

**Baseline year**

2020

**Start year**

2021

**Target year**

2021

**% of target achieved**

100

**Please explain**

We are committed to setting mill specific reduction targets on an annual basis and reporting on our company-wide environmental performance. In 2021, company-wide water withdrawal intensity increased by 2%, as a result of water withdrawals decreasing at a rate lower than production.

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**Target reference number**

Target 3

**Category of target**

Other, please specify (Environmental incidents )

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

We are committed to reducing environmental incidents, as we continue to work toward our long-term aspirational goal of zero incidents. This ongoing commitment and annual targets are directly tied to our short-term incentive plan. In 2021, we set out to record 15 or fewer class 1 and 2 environmental incidents, recording 12 environmental incidents across the company. Class 1 and 2 incidents include events related to water, such as spills, gas or liquid release, and fish or wildlife kill.

**Quantitative metric**

Other, please specify (Number of environmental incidents)

**Baseline year**

2020

**Start year**

2021

**Target year**

2021

**% of target achieved**

100

**Please explain**

In 2021, our target was to record 15 or fewer environmental incidents, and we recorded 12 environmental incidents across the company. Our environmental incident target includes class 1 and 2 incidents, including incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill. Nine of the 12 incidents recorded in 2021 were water-related.

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**Target reference number**

Target 4

**Category of target**

Other, please specify (Environmental Management System Certification)

**Level**

Company-wide

**Primary motivation**

Risk mitigation

**Description of target**

Resolute is committed to implementing environmental management systems (EMS) at all of our facilities, the scope of which includes water management. In 2020, we set out to complete the certification of our Menominee (Michigan) recycled pulp mill as well as our Florida tissue mills - all three completed certification in early 2021. All of our operations are now certified to the ISO 14001:2015 EMS standard, with the exception of our Hagerstown (Maryland) tissue converting facility and our three U.S. sawmills, all of which were acquired in 2020. We are in the process of implementing EMS at all of these facilities, with the goal of completing certification at our U.S. sawmills in 2022, and at Hagerstown in 2023.

**Quantitative metric**

Other, please specify (% of operations certified to the ISO 14001 Environmental Management System)

**Baseline year**

2012

**Start year**

2020

**Target year**

2023

**% of target achieved**

91

**Please explain**

All of our operations are now certified to the ISO 14001:2015 EMS standard, with the exception of our Hagerstown (Maryland) tissue converting facility and our three U.S. sawmills, all of which were acquired in 2020. We are in the process of implementing EMS at all of these facilities, with the goal of completing certification at our U.S. sawmills in 2022, and at Hagerstown in 2023.

In 2019, we also completed the transition to the new ISO 14001:2015 environmental management system certification at our certified operations, working to comply with the increasingly stringent and far-reaching requirements of the standard.

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**Target reference number**

Target 5

**Category of target**

Product water intensity

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

In 2021, we committed to integrating the United Nation's Sustainable Development Goals (SDG) into our sustainability reporting strategy. As part of this commitment, we identified SDG target 6.4 for integration into our reporting strategy: by 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. Resolute's commitment to managing water efficiently by establishing annual water reduction targets for each of our pulp, paper and tissue mills falls under the scope of this target.

**Quantitative metric**

% reduction per unit of production

**Baseline year**

2020

**Start year**

2021

**Target year**

2030



**% of target achieved**

0

**Please explain**

In 2021, company-wide water withdrawal intensity increased by 2% as a result of water withdrawals decreasing at a rate lower than production. We will monitor our progress regularly, updating our performance in conjunction with our annual sustainability reporting. For more information, visit [https://www.resolutefp.com/Sustainability/Our\\_Approach\\_to\\_Sustainability/UN-SDGs/](https://www.resolutefp.com/Sustainability/Our_Approach_to_Sustainability/UN-SDGs/).

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**W8.1b**

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**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.****Goal**

Promotion of water data transparency

**Level**

Company-wide

**Motivation**

Corporate social responsibility

**Description of goal**

As an industry leader, we are committed to transparency and maintaining annual sustainability reporting, including disclosing water security management practices and data to CDP's Water Security questionnaire.

**Baseline year**

2012

**Start year**

2013

**End year**

2021

**Progress**

We report our sustainability performance annually via our corporate website. Disclosures are prepared bi-annually in accordance with the Global Reporting Initiative's (GRI) Standards. Since our first GRI-compliant report in 2010, we have continuously improved our sustainability reporting practices to follow evolving GRI standards.

Resolute has also reported to CDP since 2006 - and to the Water Security questionnaire since 2013 - and remains committed to disclosing our environmental performance and business strategy. In 2021, we sustained our water security disclosure score to a "B" (Management level), reflecting the actions we have taken to evaluate and manage our environmental risks relating to our use of water.

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**Goal**

Other, please specify (Environmental incident mitigation)

**Level**

Company-wide

**Motivation**

Reduced environmental impact

**Description of goal**

Resolute is committed to meeting and striving to exceed all applicable legal and regulatory requirements, as well as the company's own environmental commitments. Our employees have worked collaboratively across all levels of the organization to instill a preventive and proactive approach to environmental management, including developing and implementing internal environmental risk audits designed to identify potential non-compliances or environmental risks before incidents occur. We are committed to reducing environmental incidents, as we continue to work toward our long-term aspirational goal of zero incidents. The ongoing commitment and annual targets are directly tied to a portion of our short-term incentive plan. In 2022, we are striving to record 12 or fewer class 1 and 2 environmental incidents, including incidents related to water, such as spills, gas or liquid release, and fish or wildlife kill.

**Baseline year**

2021

**Start year**

2021

**End year**

2022

**Progress**

To be reported at the conclusion of 2022.

**Goal**

Engaging with local community

**Level**

Company-wide

**Motivation**

Corporate social responsibility

**Description of goal**

Resolute believes it is essential to have meaningful engagement and partnerships with a wide range of stakeholders and partners in our operating communities. In addition to engaging in dialogue, we strive to have a positive and meaningful impact in the local and regional communities where we operate, and we support many registered charitable organizations each year. 100% of operations reported their engagement activities in 2021. In 2022, we are striving for similar results to ensure all operations

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continue to report their engagement activities consistently and transparently. As part of our outreach strategy, we are focused on developing constructive relationships with Indigenous communities, with whom we work collaboratively to ensure that our forests continue to provide for future generations. Our focus is on developing employment and business opportunities of mutual benefit. We have ongoing consultative relationships and business partnerships with close to 40 Indigenous communities and organizations.

**Baseline year**

2018

**Start year**

2021

**End year**

2022

**Progress**

To be reported at the conclusion of 2022.

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## W9. Verification

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### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

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## W10. Sign off

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### W-FI

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

For more information on Resolute's sustainability and performance, please visit [www.resolutefp.com/sustainability](http://www.resolutefp.com/sustainability).

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### W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

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

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### W10.2

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

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## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

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

**Please confirm below**

I have read and accept the applicable Terms