

resolute

Forest Products

WHAT GETS MEASURED GETS DONE

2013 ANNUAL REPORT



PAGE	TABLE OF CONTENTS
2	Resolute at a Glance
4	Consolidated Earnings
8	Sustainability Highlights
10	Letter from the Chairman and the President and Chief Executive Officer
14	Our Vision and Values
15	What Defines Resolute
16	Our Operations
21	BUSINESS SEGMENTS
22	Newsprint
26	Specialty Papers
28	Market Pulp
31	Wood Products
32	Business and Sustainability Strategy
34	SUSTAINABILITY PERFORMANCE
36	About this Section
38	Sustainability Oversight and Commitments
42	Fiber and Forestry
48	Energy and Climate Change
53	Mill Environmental Performance
56	Product Stewardship
58	Human Resources
60	Health and Safety
61	Community Involvement
66	Board of Directors
66	Corporate Officers
67	Shareholder Information

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

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

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

Resolute completed a life cycle assessment (LCA) of the Align paper grades comparing Align with competitive papers across four categories of environmental impact: climate change, human health, energy and ecosystem quality. The results of the LCA indicated that our Align grades had significantly less environmental impact than competitive freesheet papers. Visit alignpaper.com for more information.



WHAT GETS MEASURED GETS DONE

When we're focused on progress and finding solutions, it's essential to have a clear vision and well-defined goals. Achieving major objectives requires establishing numerous milestones and tracking performance along the way.

At Resolute, we're taking measure of every mile we have traveled.

Every milestone we pass tells us where we have been and where we are going.

We use each measure we take to map our progress and adjust our course.

It's an approach that creates shared value for investors, employees and communities alike. And it's a course that ensures a sustainable future for the environment and our customers, as well as other stakeholders and business partners. As a leading and diversified producer of pulp, paper and wood products, Resolute's commitment to sustainability and profitability is further reflected in our discipline to measure our progress in a constantly evolving market. Our focus on measuring what we do has transformed our words into action.



RESOLUTE AT A GLANCE



Adjusted EBITDA¹ of

\$377 million



Net pension and OPEB liability decreased by

\$672 million²



45%

of adjusted EBITDA from market pulp
and wood products businesses



100%

of the forests we manage are certified

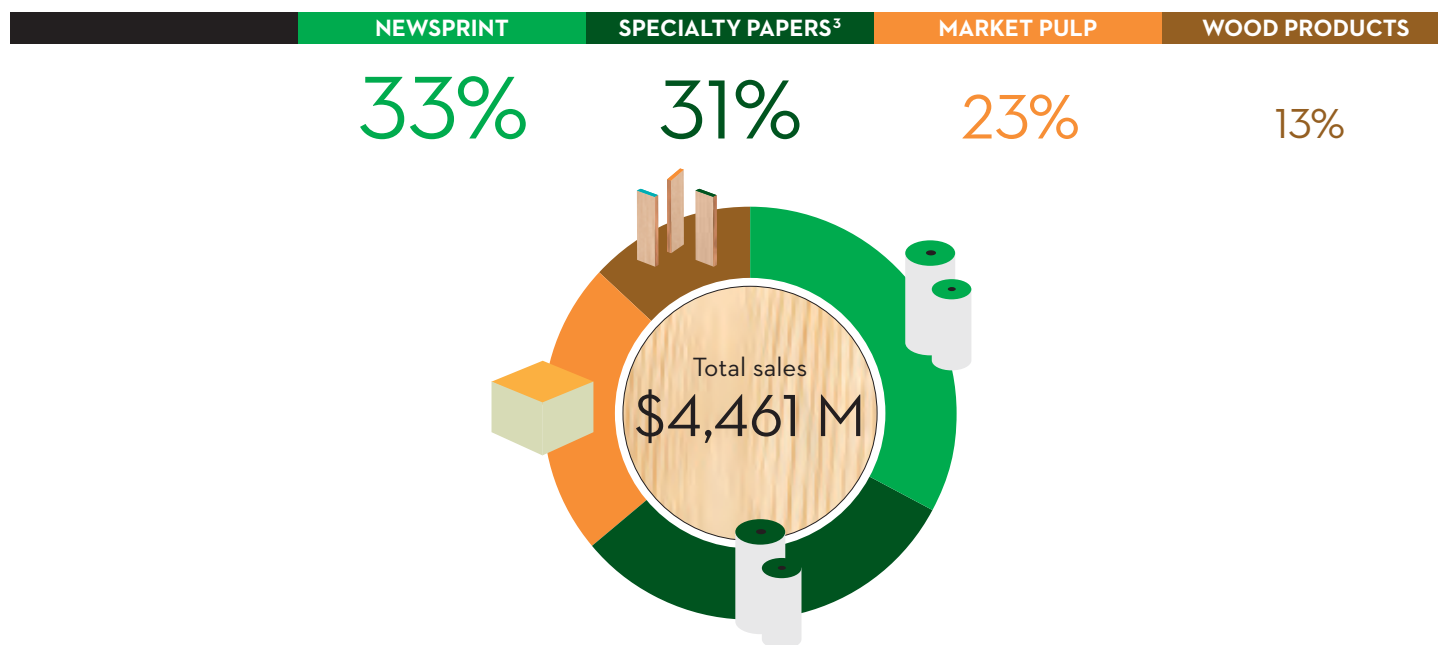


71%

of energy is sourced from renewable sources

1. Adjusted EBITDA, a non-GAAP financial measure, is defined and reconciled below. For more information on the calculation and the reasons we include this measure, see note 9 on page 4.
2. OPEB means "other postretirement benefits." For more information on pension and OPEB liabilities, see note 14, "Pension and Other Postretirement Benefit Plans" in our annual report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC") and the Canadian securities regulatory authorities.

DISTRIBUTION OF 2013 SALES BY % OF REVENUE



DISTRIBUTION OF 2013 SALES BY REGION

	NEWSPRINT	SPECIALTY PAPERS	MARKET PULP	WOOD PRODUCTS
United States	46%	88%	61%	55%
Latin America	24%	4%	6%	
Asia	15%	2%	8%	
Canada	9%	5%	9%	45%
Europe	5%		14%	
Other Countries	1%	1%	2%	

2014 TOTAL CAPACITY⁴

	NEWSPRINT	SPECIALTY PAPERS	MARKET PULP	WOOD PRODUCTS
	2.9 million metric tons	2.0 million metric tons	1.7 million metric tons	2.7 billion board feet ⁵

- As of the fourth quarter of 2013, the results from our coated papers operations have been integrated with the specialty papers segment. This better reflects management's internal analysis, given the increasingly high degree of substitution with supercalender grades, and the diminishing percentage coated papers represents in our product portfolio.
- Represents capacity for pulp and paper manufacturing facilities and sawmills we owned or operated as of December 31, 2013 (excluding facilities and paper machines that had been permanently closed as of December 31, 2013). For more information, please see Part 1, Item 1, "Business" in the company's Annual Report on Form 10-K.
- Our current supply of fiber, particularly in light of Quebec's new forest tenure system, limits our operating capacity to about 2 billion board feet per year. In 2013, we shipped 1.5 billion board feet of wood products.

CONSOLIDATED EARNINGS

SELECTED ANNUAL FINANCIAL INFORMATION

Years Ended December 31, (in millions, except per share amounts, adjusted EBITDA margin and ROE)	2013	2012 ⁶	2011 ⁶
Sales ⁷	\$ 4,461	\$ 4,503	\$ 4,756
Operating income (loss) per segment			
Newsprint	40	97	89
Specialty papers	35	85	122
Market pulp ⁷	42	(43)	91
Wood products	41	26	(25)
Corporate / other	(160)	(193)	(70)
Total	(2)	(28)	207
Net (loss) income ⁷	(639) ⁸	1	47
Net (loss) income per common share			
Basic	\$ (6.75)	\$ 0.01	\$ 0.48
Diluted	(6.75)	0.01	0.48
Cash and cash equivalents	\$ 322	\$ 263	\$ 369
Total assets	5,385	6,333	6,304
Adjusted EBITDA ⁹	\$ 377	\$ 393	\$ 490
Adjusted EBITDA margin ⁹	8.5%	8.7%	10.3%
ROE, adjusted for special items ¹⁰	2.8%	2.6%	4.8%

6. In 2013, we changed our accounting policy for repair and maintenance costs associated with planned major maintenance activities. Previously, all repair and maintenance costs, including those associated with planned major maintenance, were expensed as incurred. We elected to change our accounting policy for planned major maintenance costs to the deferral method, whereby the costs of each planned major maintenance activity are amortized on a straight-line basis over the estimated period until the next planned major maintenance activity. All other routine repair and maintenance costs continue to be expensed as incurred. We believe that the deferral method is preferable as the economic benefit associated with planned major maintenance activities is more appropriately recognized over the period of future benefit, which is not limited to the period the expense is incurred. In addition, the deferral method enhances the comparability of our financial results with our peer companies. In accordance with the guidance in FASB ASC 250, "Accounting Changes and Error Corrections," we have applied the change in accounting policy retroactively by adjusting our comparative consolidated financial statements for the effect of this change.
7. We have included Fibrek Inc.'s results of operations in our consolidated financial statements, in the market pulp segment, as of May 2, 2012, the date we acquired a controlling interest. Fibrek's sales, operating income and net income in our results for 2013 were \$456 million, \$40 million and \$40 million, respectively. Its sales, operating loss and net loss in our 2012 results were \$268 million, \$9 million and \$9 million, respectively.
8. Includes a \$604 million non-recurring, non-cash income tax charge, taken largely in the third quarter, to reduce the value of deferred income tax assets on our balance sheet. For more information, see our annual report on Form 10-K.
9. Earnings before interest expense, income taxes and depreciation, or "EBITDA," adjusted EBITDA and adjusted EBITDA margin are not financial measures recognized under generally accepted accounting principles, or "GAAP." EBITDA is calculated as net income (loss) including noncontrolling interests from the consolidated statements of operations, adjusted for interest expense, income taxes and depreciation and amortization. Adjusted EBITDA means EBITDA, excluding special items such as foreign exchange translation gains and losses, severance costs, closure costs, impairment and other related charges, inventory write-downs related to closures, start-up costs of idled mills, gains and losses on dispositions of assets, net loss on extinguishment of debt, transaction costs and other charges or credits that are excluded from our segments' performance from GAAP operating income (loss). Adjusted EBITDA margin is adjusted EBITDA expressed as a percentage of sales. We believe that using measures such as EBITDA, adjusted EBITDA and adjusted EBITDA margin are useful because they are consistent with the indicators management uses internally to measure the company's performance and they allow the reader to more easily compare our ongoing operations and financial performance from period to period.
10. Return on equity, or "ROE," is a non-GAAP financial measure, calculated by dividing net income (loss), excluding the special items identified on pages 6 and 7, by adjusted shareholders' equity. ROE is a measure of profitability that shows how much profit the company generated as a percentage of shareholder money invested.

Years Ended December 31, (in millions)	2013	2012	2011
Net (loss) income including noncontrolling interests	\$ (639)	\$ (33)	\$ 45
Interest expense	51	66	95
Income tax provision (benefit)	524	(39)	19
Depreciation and amortization	243	233	220
EBITDA	\$ 179	\$ 227	\$ 379
Foreign exchange translation loss (gain)	24	(17)	21
Severance costs	—	5	12
Closure costs, impairment and other related charges	89	185	46
Inventory write-downs related to closures	11	12	3
Start-up costs of idled mills	32	13	—
Net gain on disposition of assets	(2)	(35)	(3)
Net loss on extinguishment of debt	59	—	—
Transaction costs	6	8	5
Other (income) expense, net	(21)	(5)	27
Adjusted EBITDA	\$ 377	\$ 393	\$ 490

CONSOLIDATED EARNINGS (cont'd)

December 31, 2013

(in millions, except ROE)	Net (loss) income	Shareholder's equity	ROE (%)
GAAP as reported	\$ (639)	\$ 2,827	(22.6)%
Adjustments for special items:			
Foreign exchange translation loss	26	26	
Severance costs	—	—	
Closure costs, impairment and other related charges	59	59	
Inventory write-downs related to closures	7	7	
Start-up costs of idled mills	23	23	
Net gain on disposition of assets	(2)	(2)	
Net loss on extinguishment of debt	38	38	
Transaction costs	5	5	
Other income, net	(14)	(14)	
U.S. deferred income tax asset valuation allowance	604	604	
Cumulative past-year adjustments for special items	—	210	
GAAP as adjusted for special items	\$ 107	\$ 3,783	2.8%

December 31, 2012

(in millions, except ROE)	Net income	Shareholder's equity	ROE (%)
GAAP as reported	\$ 1	\$ 3,102	–%
Adjustments for special items:			
Foreign exchange translation gain	\$ (23)	\$ (23)	
Severance costs	4	4	
Closure costs, impairment and other related charges	116	116	
Inventory write-downs related to closures	7	7	
Start-up costs of idled mills	10	10	
Net gain on disposition of assets	(22)	(22)	
Transaction costs	8	8	
Other income, net	(2)	(2)	
Reorganization-related and other tax adjustments	(13)	(13)	
Cumulative past-year adjustments for special items	–	125	
GAAP as adjusted for special items	\$ 86	\$ 3,312	2.6%

December 31, 2011

(in millions, except ROE)	Net income	Shareholder's equity	ROE (%)
GAAP as reported	\$ 47	\$ 3,423	1.4%
Adjustments for special items:			
Foreign exchange translation loss	\$ 23	\$ 23	
Severance costs	8	8	
Closure costs, impairment and other related charges	32	32	
Inventory write-downs related to closures	2	2	
Net gain on disposition of assets	(2)	(2)	
Transaction costs	4	4	
Other expense, net	20	20	
Reorganization-related and other tax adjustments	38	38	
GAAP as adjusted for special items	\$ 172	\$ 3,548	4.8%

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL HIGHLIGHTS ¹¹	2013 ¹²	2012 ¹³	2011
Class 1 environmental incidents ¹⁴	3	2	3
Fuel energy used, TJ	101,118 ¹⁵	81,376	94,665
Electricity used:			
Total purchased, GWh	12,032	11,613	12,636
Net purchased ¹⁶ , GWh	11,231	11,451	12,628
Self-generated or owned, GWh	2,667	2,152	2,394
Renewable energy, % of total energy (including purchased electricity)	71	68	70
Greenhouse gas (GHG) emissions ¹⁷ , thousands of mt CO ₂ e (scope 1 and 2) ¹⁸	4,200	4,036	4,645
Water used ¹⁹ , thousands of m ³	387,394	354,233	385,162
Biochemical oxygen demand (BOD ₅), thousands of mt	7,132	6,698	7,871
Total suspended solids (TSS), thousands of mt	9,457	8,646	11,967
Fiber loss, thousands of mt	295,202	256,700	267,383
Sustainable forest management certification ²⁰ , %	100	100	100
Mills with chain of custody certification ²¹ , %	100	100	100

SOCIAL HIGHLIGHTS	2013	2012	2011
Employees ²²	8,400	8,800	10,400
Occupational Safety and Health Administration (OSHA) incidents, rate per 100 employees	1.02	1.13	1.43
Severity rate, %	25.9	34.01	36.5
Lost time incident cases	24	38	55
Recordable injuries ²³	90	107	145
Employee turnover, %	11.7	12.5	9.94
Employee wages and benefits, \$ millions	734	775	901
Donations, \$ millions	0.9	1.2	0.5

ECONOMIC HIGHLIGHTS	2013	2012	2011
Actual external sales of electricity produced from cogeneration facilities, GWh/year	801	152	8
Sales of Align™ papers, % of total specialty paper sales	4	5	4

11. Environmental data is for pulp and paper mills only, except for environmental incidents, which also include sawmills.
12. The information is preliminary and subject to change; values will be confirmed with our comprehensive sustainability report later this year.
13. With the exception of environmental incidents, data does not include performance in respect of the former Fibrek mills, which we acquired part way through the year.
14. Class 1 incidents include events that present a risk of significant adverse environmental impact, contamination, liability and/or damage to the company's reputation, such as regulatory charges, fines and the initiation of legal action against the company.
15. The increase in fuel energy consumption between 2012 and 2013 is mostly attributable to the addition of the former Fibrek mills acquired in 2012, the restart of operations at our Dolbeau (Quebec) mill in October 2012 and that of our Gatineau (Quebec) mill in May 2013, and the launch of our Thunder Bay (Ontario) cogeneration facility in March 2013.
16. Represents purchased electricity minus actual external sales of electricity produced from cogeneration facilities.
17. GHG emission figures have been adjusted to include landfill and process emissions.
18. Scope 1 GHG emissions are greenhouse gas emissions that come from sources owned or controlled by the company, such as the combustion of fuel at mills to generate heat to dry paper or generate electricity. Scope 2 GHG emissions are greenhouse gas emissions that are the result of company activities occurring at sources owned or controlled by third parties, associated with the production of purchased electricity or steam. Scope 2 emissions physically occur at the facility where electricity or steam is generated.
19. Resolute returns more than 95% of the water it withdraws. The balance remains within products or evaporates during the manufacturing process.
20. All of the forests we manage are certified to at least one of three internationally recognized sustainable forest management (SFM) certification standards: Forest Stewardship Council® (FSC®), Sustainable Forestry Initiative® (SFI®) or Canadian Standards Association (CSA).
21. Resolute instituted fiber-tracking systems at all of our facilities, and all tracking systems are third-party certified according to one or more of three internationally recognized chain of custody (CoC) standards: FSC®, SFI® or Programme for the Endorsement of Forest Certification (PEFC).
22. Excludes unconsolidated entities in which we have noncontrolling interests.
23. Recordable injuries do not include minor, first-aid level incidents.

LETTER FROM THE CHAIRMAN AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Bradley P. Martin
Chairman

Richard Garneau
President and Chief Executive Officer

2013

Throughout 2013, we continued to strengthen Resolute, solidifying our financial position, improving the efficiency of our operations and reinforcing our commitment to safety and sustainability. We set goals, measured results and delivered.

Despite competitive and challenging market conditions, the company generated adjusted EBITDA of \$377 million in 2013, down only slightly from \$393 million in 2012. Excluding special items of \$746 million²⁴, our net income increased by 24%, compared to 2012, to \$107 million for the year.

STRONGER FINANCIAL POSITION

During 2013, we further improved our balance sheet. The rising interest rate environment, strong asset returns, our 2013 funding, favorable currency fluctuations, and amendments to other post-employment benefit (OPEB) plans all contributed to a \$672 million reduction in net pension and OPEB liabilities compared to 2012. The company also reached an agreement-in-principle with pension regulators and other parties in Quebec and Ontario. We will replace the corrective measures mechanism under our funding relief regulations with more stable, predictable and balanced pension funding requirements for our Canadian plans, which represented about 75% of our unfunded pension obligations at year-end 2013.

With cash and cash equivalents of \$322 million and availability of \$561 million under the company's asset-based lending credit facility, we believe we have sufficient resources to finance our business plan. We are committed to pursuing growth opportunities that make sense financially, reduce costs, produce synergies or support diversification into growth markets.

Taking advantage of favorable interest rates last year, we refinanced, on a very timely basis, all of our outstanding secured debt with \$600 million of unsecured notes, at 5.875% interest, reducing our annual interest costs by \$16 million, adding five more years to maturity and improving our financial flexibility.

COMPETITIVE, SYNERGISTIC AND DIVERSIFIED OPERATIONS

In addition to disciplined capital management, we continued to work diligently throughout 2013 to maximize the profitability and competitiveness of our operations by investing in our most competitive mills, diversifying our product offering, and idling or restructuring higher-cost facilities.

Resolute made key investments at pulp and paper operations in Augusta (Georgia), Baie-Comeau and Saint-Félicien (Quebec), Coosa Pines (Alabama) and Grenada (Mississippi). In addition, three investment projects for our wood products business in Northwestern Ontario continued to progress: the construction of a new sawmill at Atikokan; work related to the upgrade and restart of our idled Ignace sawmill; and the building of a wood pellet plant at our Thunder Bay sawmill. We expect this growth in our wood products business will create approximately 600 direct and indirect jobs, as well as important economic opportunities for First Nations in the region.

During the year, Resolute completed the ramp-up of four power generation assets, including the \$65 million cogeneration facility in Thunder Bay. This strategic investment will reduce operating costs, as well as optimize our woodlands, sawmill and pulp and paper operations by fully utilizing site-generated and forest-based biomass to produce green electricity. External sales of power produced by the four power generation assets reduced our costs overall by about \$45 million in 2013.

Given evolving market trends in the forest products sector, we made the necessary decisions to produce only what we can sell to our customers and to optimize our operating platform. Since 2012, we adjusted our newsprint capacity by idling two machines and restarting the Gatineau (Quebec) mill, for a net annual reduction of approximately 285,000 metric tons. In specialty papers, we idled three machines and restarted the Dolbeau (Quebec) mill, for a net annual reduction of about 220,000 metric tons.

We restructured manning at two more sites in 2013 without reducing operating capacity. This effort alone represents an annual savings of about \$17 million. Together, our asset optimization and mill restructuring efforts reduced Resolute's operational costs by \$42 million compared to 2012.

Consistent with our diversification strategy, through our 2012 purchase of Fibrek Inc., we grew our pulp capacity by 70%. In 2013, Resolute restructured and significantly improved the performance of the three pulp mills we acquired. In fact, 45% of our adjusted EBITDA came from our market pulp and wood products businesses last year. Furthermore, by the time our Atikokan and Ignace sawmills are operational in 2015, and along with other capacity initiatives, our annual sawmill capacity will have grown by about 30%.

24. This reflects a \$604 million non-recurring, non-cash income tax charge, taken largely in the third quarter, to reduce the value of deferred income tax assets on our balance sheet. This reduction in no way affects our underlying tax attributes, including \$1.8 billion of U.S. net operating loss (NOL) carryforwards, and it does not hinder our ability to use these NOLs to shield future earnings.

LETTER TO SHAREHOLDERS (cont'd)**HEALTH
AND SAFETY**

For Resolute, safety is an absolute priority and one where no compromise is acceptable. We strive for zero incidents at all our operations and are pleased to report that 2013 was the company's best safety year on record. Resolute recorded an Occupational Safety and Health Administration (OSHA) incident rate of 1.02, which is generally considered world class. Through continued focus at all levels, we will improve our risk assessment and safety follow-up efforts and have set a 2014 OSHA incident rate target of 0.99.

**BALANCING
ENVIRONMENTAL,
SOCIAL AND
ECONOMIC
NEEDS**

Placing increasing importance on sustainable practices and disclosure on sustainability performance is in line with our values and market expectations. Resolute will continue raising the bar on its sustainability efforts and transparency, ensuring a balanced approach to environmental, social and economic considerations, as thoroughly detailed in this annual report.

We're closing in, ahead of schedule, on the goal we set as a member of the World Wildlife Fund Climate Savers program to reduce our greenhouse gas (GHG) emissions by 65% by 2015, compared to 2000 levels. The progress we have made reflects a company-wide focus on improved energy efficiency and has led to switching from fossil fuels to cleaner renewable energy sources,

such as hydroelectricity and carbon-neutral biomass. Our 65% goal is an industry-leading GHG reduction target and represents the equivalent of taking 1.57 million cars off the road.

In 2014, we have set a goal to reduce the number of mill environmental incidents by 10% compared to 2013. Our inclusive approach to fiber certification also remains an important focus, with 100% of the woodlands we manage certified to internationally recognized sustainable forest management (SFM) standards. It's important to note that Canadian producers are global leaders in manufacturing forest products under very strict environmental rules. In fact, a Yale University study and a comparative study by Helsinki-based Indufor Oy have cited Canada's forestry regulatory environment as one of the most stringent in the world.²⁵

Notwithstanding the strength of the current forest management regime in Canada, we recognize that the road ahead is not without hurdles, and we will work hard to meet regulatory and market expectations for our SFM practices. During 2013, a certification for the Abitibi River Forest in Ontario brought Resolute's total Forest Stewardship Council® (FSC®) certification of managed forests to 76%, as compared to the company's commitment to achieve 80% FSC certification by 2015. However, late in the year, the company received notice of temporary suspensions on certain FSC certificates in place. None of the issues raised in relation to these certificates involves our on-the-ground practices or our compliance with any laws or regulations. Resolute is working diligently to reinstate these certificates where possible and remains committed to our FSC certification goal.

During 2013, Resolute was an active and committed participant in the Canadian Boreal Forest Agreement (CBFA), which brings together environmental groups and forest products companies to identify solutions for sustainable development in Canada's boreal forest. Despite a disruption in negotiations among parties in May 2013 on joint plans to further support conservation efforts and forest economies in north-central Quebec and northwestern Ontario, Resolute remains a strong supporter of a collaborative approach. We believe that to achieve successful outcomes, the CBFA must do a better job of directly engaging First Nations groups, the communities whose livelihoods are most impacted by the discussions and provincial governments.

Resolute is a strong advocate for partnering with First Nations. In fact, in 2013, our Opitciwan (Quebec) joint-venture sawmill was awarded the Aboriginal Forest Products Business Leadership Award by the Forest Products Association of Canada and the Canadian Council for Aboriginal Business. We also celebrated the 10th anniversary of our Thunder Bay sawmill, a unique partnership between Resolute and the Fort William First Nation. The facility is the first to operate under regulations in the First Nations Commercial and Industrial Development Act, which facilitates industrial development with First Nations on their land.

Another ongoing priority for the company is workforce recruitment and retention. Resolute's long-term competitiveness depends on the ability to attract, retain and develop the right employees with the right skills to replace our retiring workers. Last year alone, we hired over 900 new employees, which was made possible by new recruitment and human resource practices as well as integrated communications efforts.

25. Indufor Oy, *Comparison of Selected Forest Certification Standards*, Helsinki, Finland, July 3, 2009. See also Cashore, Benjamin, *Global Environmental Forest Policies: Canada as a Constant Case Comparison of Select Forest Practice Regulations*, Yale University, 2004.

THE YEAR AHEAD

We believe that with diligence and hard work, we will navigate market conditions, generate value for investors and enhance our competitive edge.

OUR FIVE KEY BUSINESS PRIORITIES FOR 2014 REMAIN IN LINE WITH THOSE WE IDENTIFIED LAST YEAR:

1. Increase efficiencies, set manufacturing cost targets and benchmark performance at all operations;
2. Manage production and inventory levels;
3. Pursue sales strategy to produce only what our customers order;
4. Identify and support disciplined capital investments at our most competitive facilities; and
5. Pursue opportunistic growth to complement our product mix or improve the competitiveness of existing assets.

2014 is an important year for labor negotiations. We are working in close partnership with union representatives to renew many of our collective agreements with the goal of remaining both a competitive manufacturer and employer. In February 2014, we announced a five-year renewal of the master collective agreement covering four unionized pulp and paper mills in the United States. These operations, together with the company's other U.S. pulp and paper operations – none of which has an expiring collective agreement – represent almost half of our pulp and paper production capacity.

This year is filled with both opportunities and challenges for Resolute. We will continue to focus on enhancing our competitiveness by optimizing our manufacturing assets to maximize capacity utilization and margins. We will also position the company to take advantage of long-term market trends, including expected growth in the pulp and wood products segments.

We have made measurable progress and are proud of everything our employees have accomplished, giving their all to get things done. We are confident that our greatest achievements are still to come, as we work as one team with one vision where profitability and sustainability drive our future.

Sincerely,



Bradley P. Martin

Chairman



Richard Garneau

President and Chief Executive Officer



OUR VISION

AT RESOLUTE FOREST PRODUCTS, WE ARE ONE TEAM WITH ONE VISION

WHERE PROFITABILITY AND SUSTAINABILITY DRIVE OUR FUTURE.

AND VALUES



WORK SAFELY

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



BE ACCOUNTABLE

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



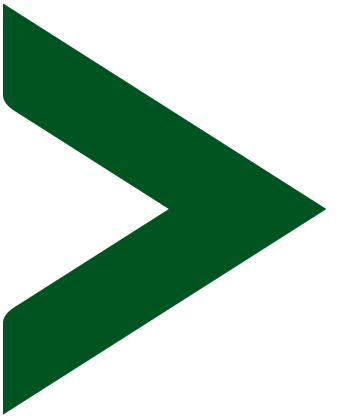
ENSURE SUSTAINABILITY

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



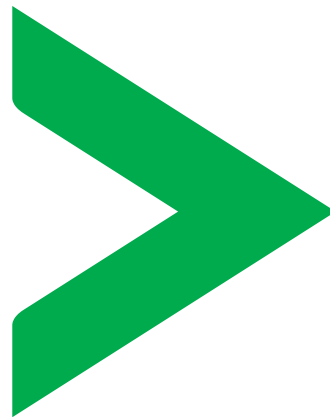
SUCCEED TOGETHER

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



Our vision and values capture our business approach and our shared sense of purpose. They guide our decisions, actions and behaviors, and drive our culture of performance, growth and sustainability.

WHAT DEFINES RESOLUTE



We are guided by our vision and values, focusing on safety, profitability, accountability, sustainability and teamwork. These are the elements that we believe best define us:

COMPETITIVE COST STRUCTURE

As a result of aggressive cost reductions and mill rationalizations, today we compete as a leading, lower-cost North American producer. Maintaining this competitive advantage is our key focus. By challenging ourselves to optimize assets – maximizing the utilization of our most cost-effective mills and streamlining production to adapt to changing market dynamics – we seek to remain an industry cost leader and to maximize shareholder value and earnings power.

SYNERGISTIC AND DIVERSIFIED ASSET BASE

Our harvesting rights and extensive network of Canadian sawmills not only make us a significant lumber producer in eastern North America, but also give us the fiber management advantage of integration from the harvested log through the finished pulp or paper product at more than half of our facilities. In the U.S., we source primarily from the lower-cost southeastern fiber basket. The diversified and complementary nature of our asset base also provides earnings from multiple products.

FINANCIAL STRENGTH

We make disciplined capital management a priority; we believe in maintaining a flexible and conservative capital structure.

OUR OPERATIONS

Ponderay, WA

CANADA

UNITED STATES

PULP AND PAPER

CANADA

QUEBEC

Alma / Amos / Baie-Comeau / Clermont / Dolbeau / Gatineau / Kénogami / Laurentide / Saint-Félicien

ONTARIO

Fort Frances / Iroquois Falls / Thorold / Thunder Bay

UNITED STATES

Augusta, Georgia / Calhoun, Tennessee / Catawba, South Carolina / Coosa Pines, Alabama / Fairmont, West Virginia / Grenada, Mississippi / Menominee, Michigan / Ponderay, Washington

SOUTH KOREA

Mokpo

WOOD PRODUCTS

QUEBEC

Abitibi LP (Larouche and Saint-Prime) / Château-Richer / Comtois / Girardville – Normandin / La Doré (2 facilities) / Maniwaki / Mistassini / Opitciwan / Outardes / Produits Forestiers Mauricie / Produits Forestiers Petit-Paris / Roberval / Saint-Félicien / Saint-Fulgence / Saint-Hilarion / Saint-Thomas / Senneterre

ONTARIO

Thunder Bay

COGENERATION FACILITIES

(external sales)

CANADA

QUEBEC

Dolbeau / Gatineau / Saint-Félicien

ONTARIO

Thunder Bay

COGENERATION FACILITIES

(internal consumption)

CANADA

ONTARIO

Thunder Bay

UNITED STATES

Calhoun, Tennessee / Catawba, South Carolina / Coosa Pines, Alabama

HYDROELECTRIC FACILITIES

CANADA

QUEBEC

Hydro-Saguenay (7 hydroelectric dams)

For the full list of our company locations, visit resolutefp.com.

Kansas City, KS

Tulsa/Oklahoma City, OK

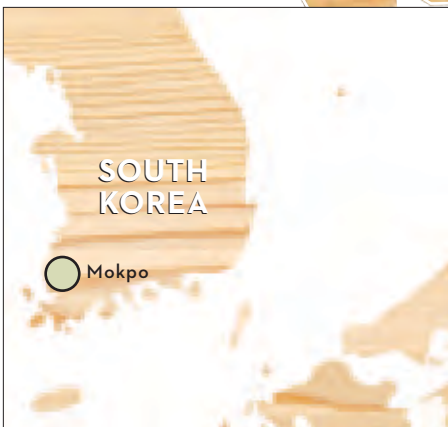
Dallas/Fort Worth, TX

San Antonio/Austin, TX

Houston, TX

SOUTH KOREA

Mokpo









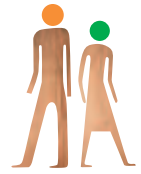
PART OF YOUR EVERYDAY

Our forest products are connected to every aspect of the way we live our daily lives. We make the lumber that frames houses and the pulp found in tissues, coffeemaker liners and diapers. We make the newsprint that shares news from every corner of the globe and the specialty papers on which books, magazines, and catalogs are printed. Our pulp and paper is also in: the cup that holds your 8:30 a.m. coffee, the 12:30 p.m. napkin in your lunchbox, the 3:00 p.m. presentation on your desk, and the 5:30 p.m. air filter in your car.

It's easy to see how our forest products connect to every part of our daily living. It's hard to think of another renewable resource with as much impact on how we live.

Q&A

With **Carlos de Cordoba**,
Vice President, International Paper Sales



TELL US ABOUT YOUR CAREER IN THE FOREST PRODUCTS INDUSTRY.

My father sold paper for Abitibi-Price, one of our predecessor companies, for 20 years. I saw how much he loved the work and enjoyed meeting all the many interesting people involved in the industry. That always stayed with me. I studied law and practiced for three years, but when an opportunity to get into paper came up, I took it. I started in customer service with Abitibi-Price's purchasing office in White Plains, New York. That was 18 years ago. After the merger of Abitibi-Price and Stone-Consolidated in 1997, I was offered a sales position in Europe, where I worked for six years until I was given the opportunity to be vice president of sales and regional manager for Latin America. When Resolute was formed, I became vice president of international sales.

WHAT ARE THE CHALLENGES OF SELLING PAPER INTERNATIONALLY?

One of the fascinating and challenging aspects of international paper sales is that you have to stay on top of global events. Political instability, major currency fluctuations, natural disasters – all these developments affect your customers and the logistics of how you get paper to them. In fact, logistics are a big part of the overall delivery cost on the international side. We operate a very efficient network of mills. That helps to manage our logistics and makes us competitive.

HOW DO SALES COORDINATE WITH OPERATIONS?

We're well integrated. We are constantly connecting to ensure sales and operations are aligned, that the work is balanced and that everyone is coordinated. Also, the fact that all our salespeople are working under one umbrella – whether domestic or international – is a positive advantage.

This is the most confident I have felt about the viability and the quality of the product our mills are producing since I first started with the organization. I think the recent quality-improvement work and cost-competitiveness moves Resolute has made has also helped to make our sales team better equipped to succeed, giving us more to work with than ever before.

WHAT GOES INTO ENSURING CUSTOMER SATISFACTION?

Security and reliability of supply are key in satisfying our international customer base. Because many of these customers rely heavily on us for their most important raw material, they have to be able to trust us, and that trust has been built up over many years of delivering quality product on time. Going the extra mile for customers has a way of cementing relationships and creating institutional memory and goodwill that become long-term assets for the company.

PRICING IS ESSENTIAL TO CUSTOMERS, BUT WHAT OTHER FACTORS ARE IMPORTANT? WHAT ABOUT THE ENVIRONMENTAL ATTRIBUTES OF OUR PRODUCTS?

The need for environmentally sound practices is really ingrained in our operating approach. You have to have sustainable practices in place or people won't do business with you. Customers want to know they are dealing with a company that is committed to sustainability.

INTERNATIONAL SALES HAVE BEEN GROWING. WHAT DOES THIS MEAN FOR RESOLUTE AND YOUR TEAM?

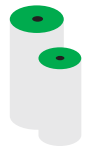
By starting up Gatineau (Quebec) and making quality investments in Augusta (Georgia) and Baie Comeau (Quebec), Resolute has increased our ability to be cost and quality competitive in markets across the globe. We will continue to sell where it makes the most sense for us, but, clearly, our ability to profitably export will help Resolute adjust to evolving market conditions.

IS HELPING NEWS ORGANIZATIONS SHARE VIEWS AND INFORMATION PERSONALLY REWARDING TO YOU?

Yes. That was part of the original allure of the business. When I was a kid I remember watching coverage of the Nicaraguan revolution with my father. When the newscaster started talking about the assassination of a publisher there, my father told me the person had been his friend. The company had done what it could to keep the newspaper supplied and relevant – and it was an important thing. Our customers have important roles to play in the lives of the people in their communities, in the history of their countries.



BUSINESS SEGMENTS



NEWSPRINT

When it is not carrying the day’s headlines, Resolute newsprint is used for a variety of printing needs such as inserts, flyers and other print products.

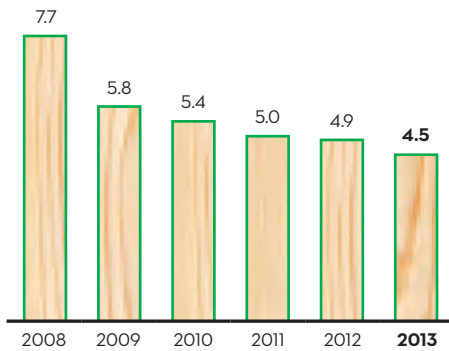
We produce newsprint at 11 facilities in North America and one facility in South Korea. With total capacity of approximately 2.9 million metric tons, or approximately 10% of total worldwide capacity, we are the largest producer of newsprint in the world. We are also the largest North American producer of newsprint, with total capacity of approximately 2.7 million metric tons, or approximately 40% of total North American capacity. In 2013, approximately 44% of our total newsprint shipments were to markets outside of North America.

Total North American demand for newsprint fell by 10% in 2013, with a 10% reduction in demand from newspaper publishers and 6% from other users. Globally, demand was down by 5%; Western Europe was down by 6% and Latin America by 7%, but demand was up 7% in India. An 11% increase in exports helped North American producers ship only 4% less overall than in 2012, with a 31% increase in shipments to Asia and 2% to Latin America. Accordingly, the shipment-to-capacity ratio in North America remained at 92% for the year, compared to the global average of 90%.

#1
We are the largest producer of newsprint in the world by capacity.

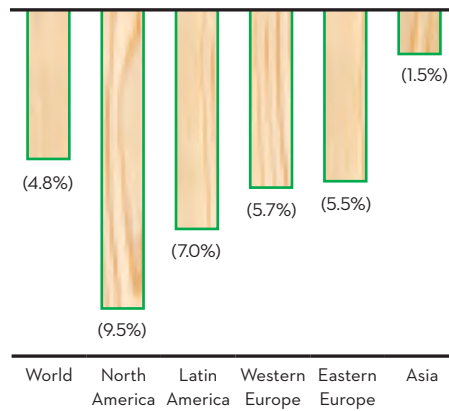
MARKET TRENDS

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

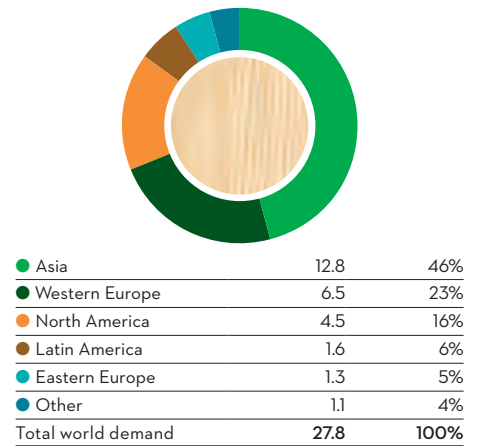


Source: Pulp and Paper Products Council (PPPC)

2013 WORLD NEWSPRINT CHANGE IN DEMAND BY GEOGRAPHIC MARKET
(% change over 2012)



2013 NEWSPRINT DEMAND DISTRIBUTION
(millions of metric tons)



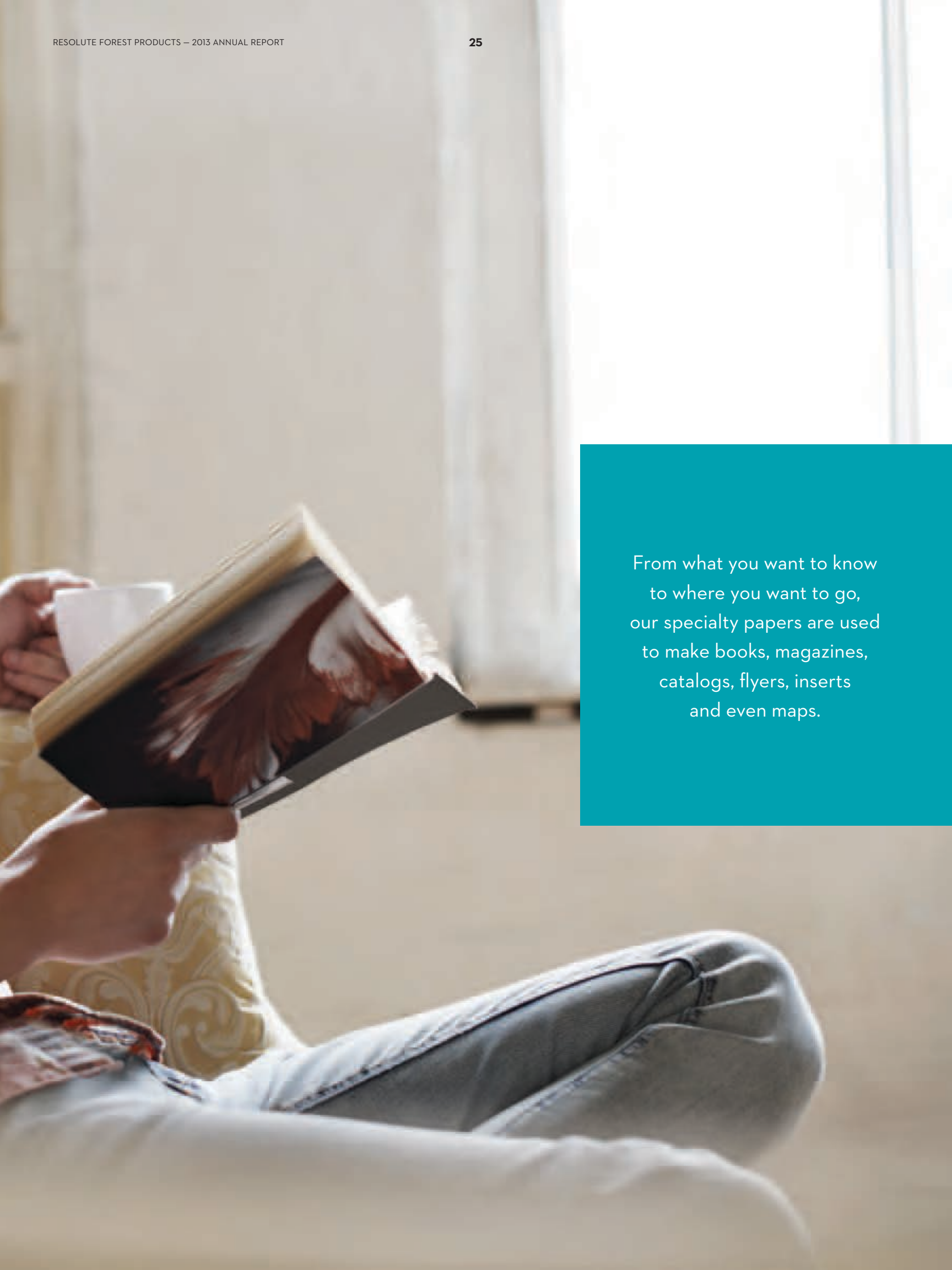
Our newsprint connects,
informs and entertains
the readers of some of the
world's most widely
circulated papers.



Thunder Bay (Ontario) pulp and paper mill

PLEASE KEEP 6 FEET AWAY FROM





From what you want to know
to where you want to go,
our specialty papers are used
to make books, magazines,
catalogs, flyers, inserts
and even maps.

SPECIALTY PAPERS



Major printers, publishers, catalogers and retailers look to Resolute to support their diverse communication needs with paper products that provide an excellent value proposition. Working together with our customers to design versatile products, we produce papers for a multitude of end uses.

We produce specialty papers at eight facilities in North America. We have 2.0 million metric tons of capacity in specialty papers, which include uncoated mechanical and coated mechanical grades.

With total capacity of approximately 1.4 million metric tons, or approximately 34% of total North American capacity, we are the largest producer of uncoated mechanical papers in North America, and the third largest in the world. Approximately one third of our production of uncoated mechanical papers is high-gloss (or supercalender) paper, mainly used for magazines, coupons, retail inserts and newspaper supplements. We produce another third of high-bright papers for general commercial printing, educational textbooks, digital printing and

tradebooks. The last third includes papers for directories, paperback books and other commercial applications.

With 580,000 metric tons of capacity, or approximately 18% of total North American capacity, we are North America's third largest producer of coated mechanical papers.

North American demand for uncoated mechanical papers rose by 3% in 2013, with a 14% increase in demand for high-gloss (supercalender) grades, as certain customers substituted down from coated mechanical grades. Demand was down by 3% for standard grades. The industry shipment-to-capacity ratio was 92% for 2013, unchanged from 2012.

Demand for coated mechanical grades was down 7% in the year. After being higher through three quarters, imports fell significantly in the fourth quarter, finishing the year down 11% overall. The industry shipment-to-capacity ratio dropped 4% in 2013, to 89%.

#1

We are the largest producer of uncoated mechanical papers in North America, and the third largest in the world.

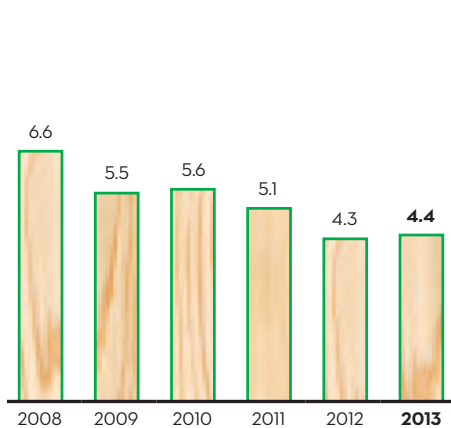
#3

We are North America's third largest producer of coated mechanical papers.

MARKET TRENDS

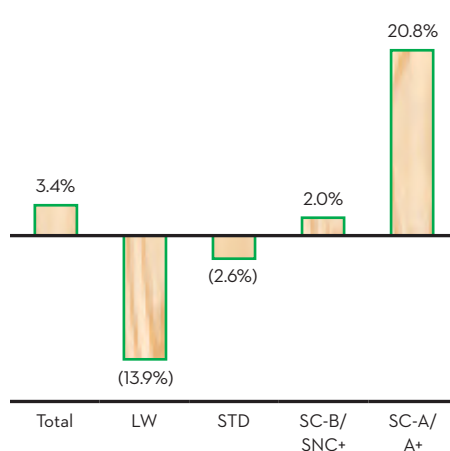
TOTAL N.A. UNCOATED MECHANICAL DEMAND

(millions of short tons)



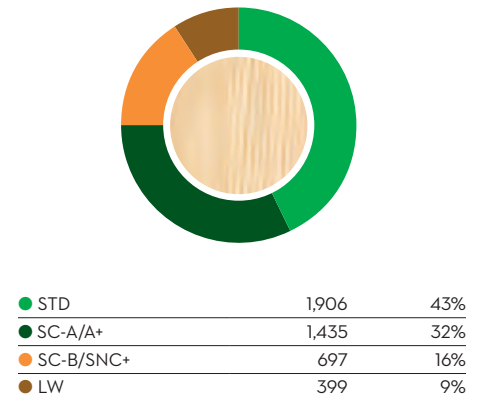
2013 TOTAL CHANGE IN N.A. UNCOATED MECHANICAL DEMAND, BY GRADE

(% change over 2012)



2013 N.A. UNCOATED MECHANICAL DEMAND DISTRIBUTION, BY GRADE

(thousands of short tons)



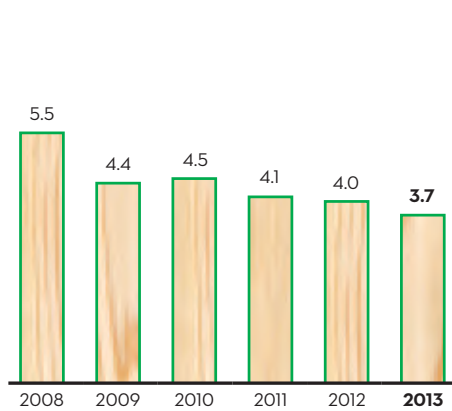
Source: PPPC



Kénogami (Quebec) paper mill

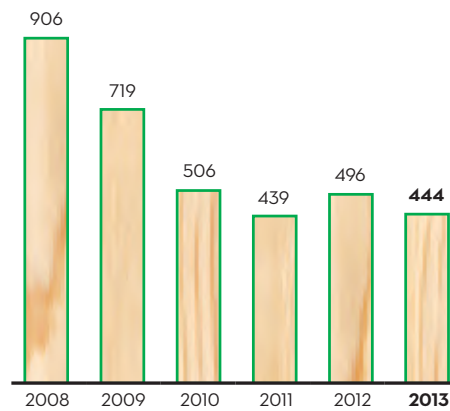
N.A. COATED MECHANICAL PAPER DEMAND

(millions of short tons)



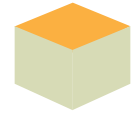
N.A. COATED MECHANICAL PAPER IMPORTS

(thousands of short tons)



Source: PPPC

MARKET PULP



Resolute has grown its pulp capacity by over 70% with the 2012 acquisition of Fibrek. We produce market pulp at seven facilities in North America, with total capacity of approximately 1.7 million metric tons, or approximately 10% of total North American capacity, making us the third largest pulp producer in North America. Approximately 80% of our virgin pulp capacity is softwood-based: northern bleached softwood kraft pulp (NBSK), southern bleached softwood kraft pulp (SBSK) and fluff pulp. We are also a competitive producer of northern bleached hardwood kraft pulp (NBHK) and southern bleached hardwood kraft pulp (SBHK), and a leading producer of recycled bleached kraft pulp (RBK).

Our market pulp – the pulp we produce but do not consume internally – is used to make a range of consumer products, from tissues, paper towels, diapers and other absorbent products to packaging and specialty paper products. Approximately 32% of our 2013 market pulp shipments were exported outside of North America, including significant exports to Europe (14%), Asia (8%) and Latin America (6%).

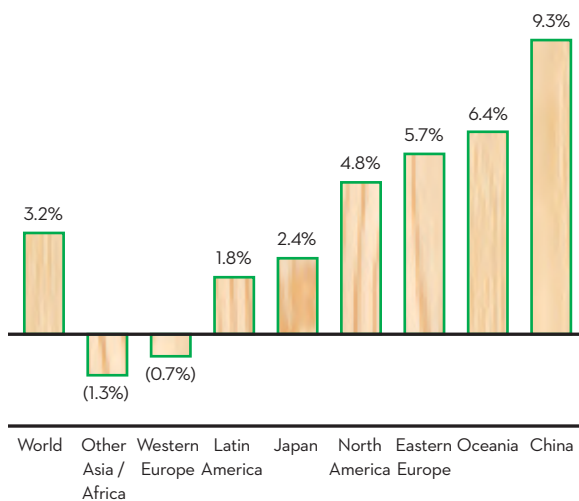
The chemical pulp market grew by over 1.5 million metric tons in 2013, up 3%. Regionally, North American demand was up 5%, China, 9%, while Western Europe was down 1%. Softwood mills operated at a strong 94% ratio in 2013.

Resolute has grown its pulp capacity by over **70%** with the 2012 acquisition of Fibrek.

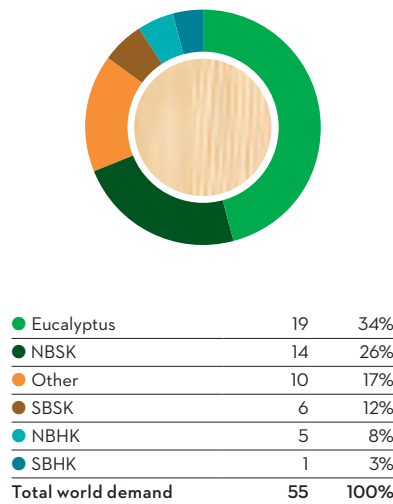
#3
We are the third largest pulp producer in North America.

MARKET TRENDS

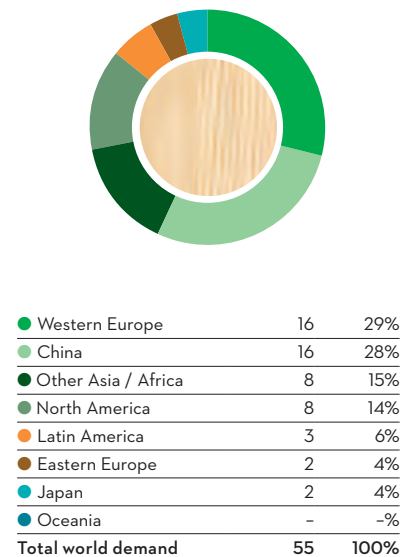
2013 WORLD CHEMICAL PULP DEMAND
(% change over 2012)



2013 WORLD CHEMICAL PULP DEMAND DISTRIBUTION, BY GRADE
(millions of metric tons)



2013 WORLD CHEMICAL PULP DEMAND DISTRIBUTION, BY REGION
(millions of metric tons)



Source: PPPC



From facial tissues and diapers to paper towels and fine stationery, our pulp products are renewable and biodegradable, and touch every part of daily living.



Thunder Bay (Ontario) pulp and paper mill





Thunder Bay (Ontario) sawmill

From home construction and household remodeling to commercial I-joists and bed frame components, Resolute's wood products help build the spaces we live in.



WOOD PRODUCTS



We operate 16 sawmills in Canada that produce construction-grade lumber sold in North America, mostly on the East Coast. Resolute is the largest lumber producer east of the Rockies. Our sawmills produce dimension spruce-pine-fir lumber and are a major source of wood chips for our pulp and paper mills and wood residue for fuel in our power cogeneration assets and other operations. In 2013, we shipped 1.5 billion board feet of construction-grade lumber within North America. We also operate two engineered wood products facilities in Canada that produce I-joists for the construction industry and two remanufacturing wood products facilities in Canada that produce bed frame components, finger joints and furring strips.

100%
of the woodlands we manage or on which we hold significant harvesting rights are third-party certified to one or more internationally recognized sustainable forest management standards.

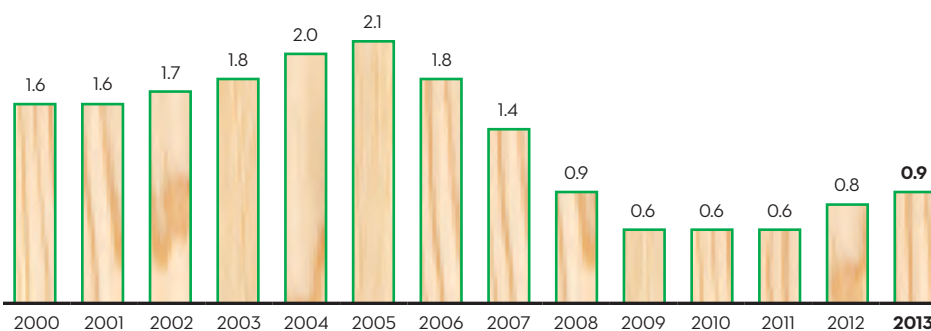
We are in the process of building or refurbishing two sawmills in Northern Ontario, Canada. By the time they begin production in early 2015, along with other capacity initiatives we're working on, we expect our annualized sawmill capacity to be around 1.9 billion board feet, a

30%
increase above 2013.

MARKET TRENDS

NEW PRIVATELY OWNED HOUSING UNITS STARTED

(millions of units)



Source: U.S. Census Bureau

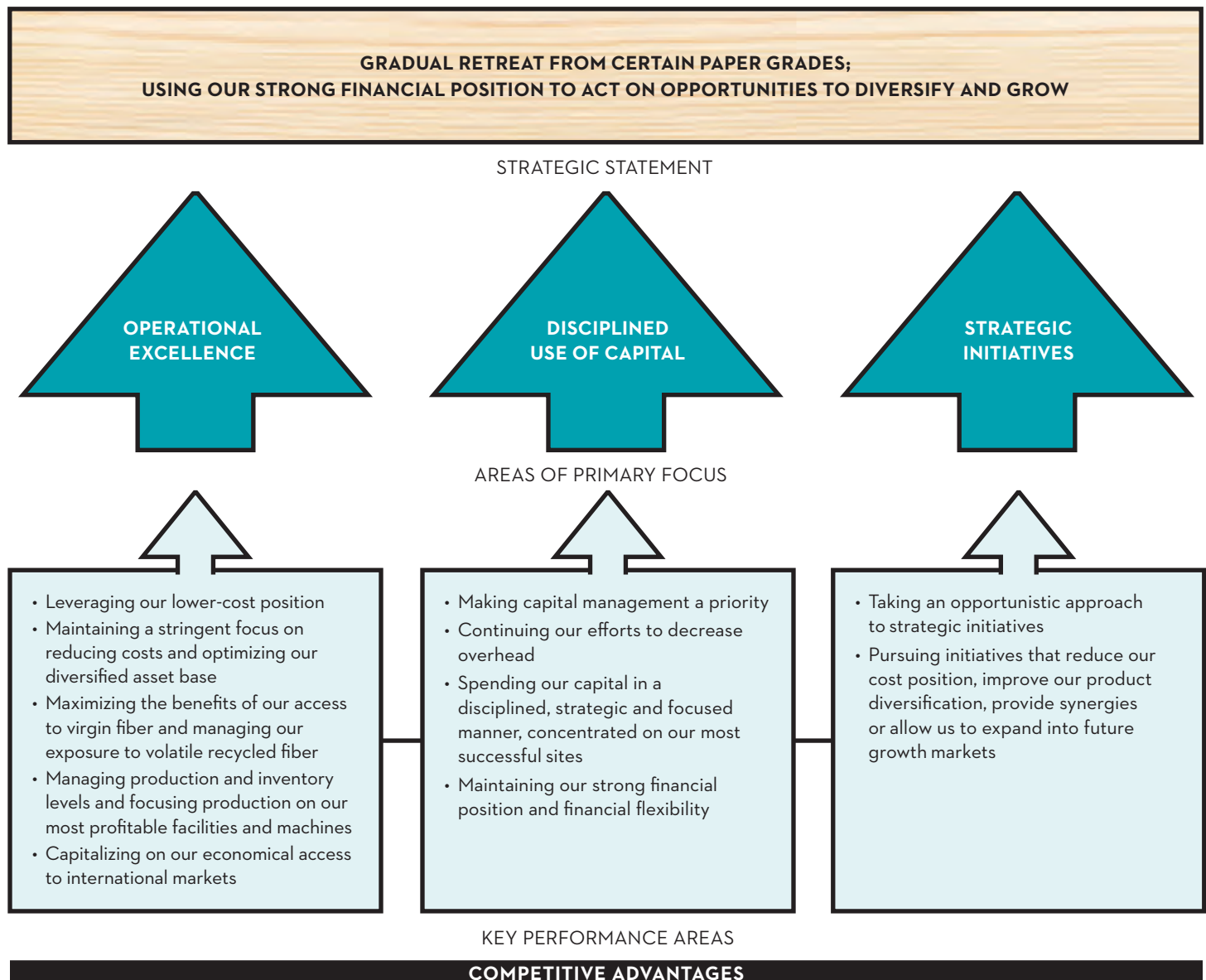
Actual U.S. housing starts in 2013 were 923,000, 18% higher than in 2012.

BUSINESS AND SUSTAINABILITY STRATEGY

SUSTAINED PROFITABILITY

Resolute’s business strategy includes, on the one hand, a gradual retreat from certain paper grades, and on the other, using our strong financial position to act on opportunities to diversify and grow. This strategy is based on three core themes: operational excellence, disciplined use of capital and strategic initiatives.

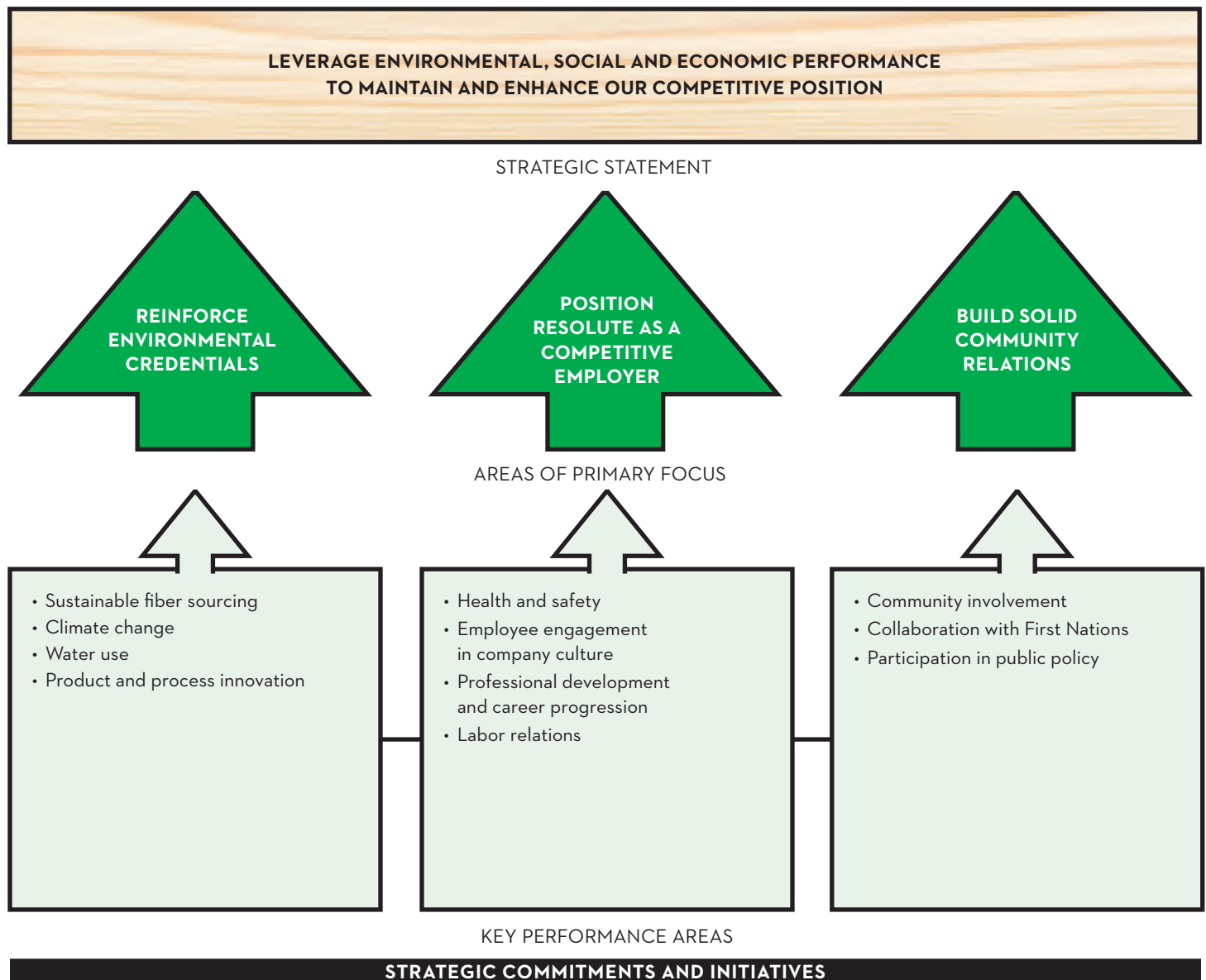
BUSINESS STRATEGY



Our sustainability strategy is aligned with our business strategy. The company's sustainability approach aims to balance environmental, social and economic performance in order to maintain and enhance our competitive position. Resolute's sustainability strategy has three areas of primary focus, supported by public commitments made in a number of key performance areas:

- Reinforce our environmental credentials, taking appropriate steps to responsibly manage our environmental footprint;
- Position Resolute as a competitive employer, attracting and retaining employees based on opportunities to quickly learn and grow within a dynamic organization; and
- Build solid community relations, recognizing that economically viable and civically involved companies support long-term regional prosperity.

SUSTAINABILITY STRATEGY



SUSTAINABILITY PERFORMANCE

BALANCING THE NEED FOR A SUSTAINABLE FUTURE

At Resolute, sustainability is reflected in our company's vision, our corporate values and in the way we do business every day. By carefully balancing environmental, social and economic priorities, we believe that we will ultimately become a more efficient company, a better employer, a stronger partner for our customers and an active member of the communities in which we live and work.

This is Resolute's second annual report combining both financial and sustainability performance reporting in one document, aligning with our belief that the two are linked together.

ABOUT THIS SECTION

BOUNDARIES AND SCOPE

We report sustainability performance results for all operations we owned or operated as of December 31, 2013.²⁶ Our 2013 sustainability performance data is preliminary and subject to change. The information will be confirmed in our comprehensive sustainability report later this year, along with all of our other sustainability performance indicators, consistent with Global Reporting Initiative (GRI) reporting disclosure guidelines.

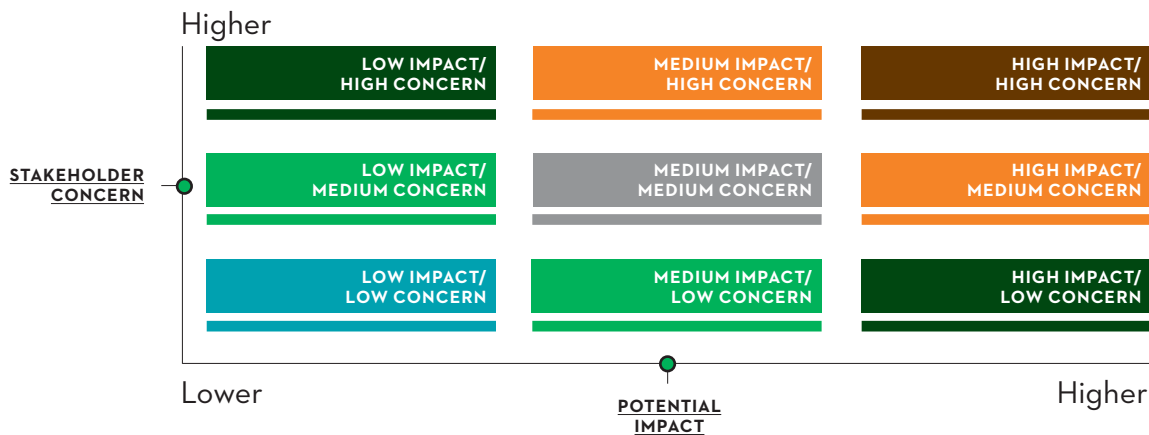
MATERIALITY ANALYSIS AND RESULTS

We report sustainability performance on issues we considered material, based on a detailed materiality analysis we completed in 2014 as part of our GRI disclosure. The results of our latest materiality assessment will guide our future priority-setting, in line with our sustainability strategy and our reporting on performance going forward.

Resolute defines “material” sustainability issues to be those that 1) are of high concern to internal and external stakeholders, and 2) have the potential to impact our business financially. Identifying an issue as having a lower level of materiality does not mean it is unimportant or that we will not monitor company performance in that area. Rather, a lower level of materiality simply indicates the topic is of lower immediate concern to our operations or stakeholders compared to other issues. As the materiality of issues can change over time, our objective is to monitor materiality on a continuous basis, for example, through regular interactions with stakeholders.

Stakeholder expectations are identified and prioritized through a series of confidential, one-on-one, in-depth interviews with individuals representing the research community, industry, government, First Nations, customers, ENGOs, organized labor and investors. The interviews were conducted by a third party to ensure unbiased discussions, and only aggregate, unattributed responses were shared with Resolute. Stakeholder interview results were combined with a detailed industry scan of sustainability issues and a benchmarking of North American and international peer company reports. Using these assessments as a foundation, Resolute’s Sustainability Report Working Group (SRWG) added its own insight to create a list of issues of material importance to the company.

MATERIALITY GRID



26. See “Our Operations” on page 16 for more information.

MATERIALITY ISSUES

<p style="text-align: center;">MATERIAL ISSUES</p> <p style="text-align: center;">HIGH IMPACT/ MEDIUM CONCERN HIGH IMPACT/ HIGH CONCERN MEDIUM IMPACT/ HIGH CONCERN</p>	<p style="text-align: center;">MODERATELY MATERIAL ISSUES</p> <p style="text-align: center;">HIGH IMPACT/ LOW CONCERN MEDIUM IMPACT/ MEDIUM CONCERN LOW IMPACT/ HIGH CONCERN</p>	<p style="text-align: center;">LESS MATERIAL OR IMMATERIAL ISSUES</p> <p style="text-align: center;">MEDIUM IMPACT/ LOW CONCERN LOW IMPACT/ LOW CONCERN LOW IMPACT/ MEDIUM CONCERN</p>
<p><u>ENVIRONMENTAL</u></p> <ul style="list-style-type: none"> • Biodiversity • Conservation/protected areas • Environmental regulatory compliance • Energy consumption • Environmental incidents • GHG emissions • Raw material supply chain (especially fiber) • Sustainable forest management (to third-party certification standards) • Water consumption and protection of water resources <p><u>SOCIAL</u></p> <ul style="list-style-type: none"> • Community and stakeholder engagement • Employee health and safety • First Nations relations and economic partnerships • Impact of entering or exiting operating communities • Labor relations • Pension obligations • Transparency and communication • Workforce turnover and recruitment needs <p><u>ECONOMIC AND GOVERNANCE</u></p> <ul style="list-style-type: none"> • Corporate economic viability • Code of conduct and business ethics 	<p><u>ENVIRONMENTAL</u></p> <ul style="list-style-type: none"> • Environmental impacts of transportation • Green, responsible procurement/ investment policies • Lower-environmental-impact products • Non-GHG emissions, effluent and waste • Renewable energy (biofuels) <p><u>SOCIAL</u></p> <ul style="list-style-type: none"> • Community feedback mechanisms • Economic contribution through wages, taxes, etc. • Employee benefits and programs • Non-discrimination and diversity • Social supply chain • Workforce training and education <p><u>ECONOMIC AND GOVERNANCE</u></p> <ul style="list-style-type: none"> • Economic risks associated with climate change • Involvement in public policy • Policies on bribery and corruption 	<p><u>SOCIAL</u></p> <ul style="list-style-type: none"> • Customer privacy • Philanthropy • Product health and safety

SUSTAINABILITY OVERSIGHT AND COMMITMENTS

SUSTAINABILITY OVERSIGHT

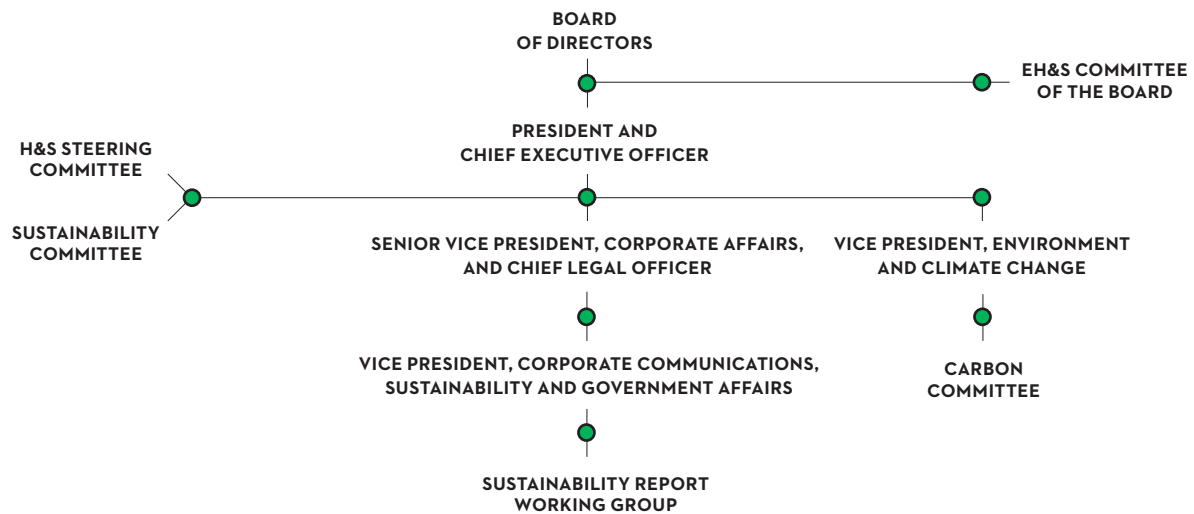
As with its other committees, the board of directors reviews the Environmental, Health and Safety (EH&S) Committee's mandate and provides oversight of the company's overall performance. The EH&S Committee meets a minimum of three times annually and conducts a thorough review of established key performance indicators (KPIs), incidents, audits, liabilities, stakeholder relations, public policy issues and other developments. A monthly report summarizing KPIs is also provided to the executive team and senior management.

SUSTAINABILITY COMMITTEE

The overall responsibility for our sustainability performance resides with our president and chief executive officer, but we rely on our sustainability committee, established in 2011, to ensure we deliver on our key commitments and implement our strategies in this area. The committee is a cross-functional group comprised of senior managers from sales and human resources to purchasing, engineering and environment, among other departments. It is accountable to the executive team and chaired by the vice president, corporate communications, sustainability and government affairs.

The committee's mandate is to recommend strategies, set goals and measure results, oversee reporting and communications, ensure continuous improvement, and assess stakeholder expectations and sustainability trends. The committee is also charged with providing project oversight on the company's key sustainability commitments.

SUSTAINABILITY STRUCTURE



SUSTAINABILITY COMMITMENTS

KEY TRENDS IMPACTING RESOLUTE		CARBON/ENVIRONMENTAL FOOTPRINT AND RESOURCE MANAGEMENT			
STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS		COMMITMENTS	PERFORMANCE IN 2013	2013 RATING	
<p>Reinforce our environmental credentials, taking appropriate steps to responsibly manage our environmental footprint</p>	<p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <ul style="list-style-type: none"> • Sustainable forest management (to third-party certification standards) • Fiber supply access • Biodiversity • Conservation and protected areas • GHG emissions • Energy consumption • Water consumption and protection of water resources • Environmental regulatory compliance • Environmental incidents 	<ul style="list-style-type: none"> • Maintain 100% certification of Resolute-managed woodlands to sustainable forest management (SFM) certification standards 	<ul style="list-style-type: none"> • 100% of managed forests certified to either SFI®, FSC® and/or CSA 	=	
		<ul style="list-style-type: none"> • Maintain chain of custody certification, either to Sustainable Forestry Initiative® (SFI®), Programme for the Endorsement of Forest Certification (PEFC) or Forest Stewardship Council® (FSC®) at all North American pulp and paper mills and wood products facilities under company management 	<ul style="list-style-type: none"> • Instituted fiber-tracking systems at all facilities, all of which are third-party certified according to one or more of three internationally-recognized CoC standards, namely SFI, PEFC and FSC 	=	
		<ul style="list-style-type: none"> • Increase FSC® forest certification of managed forests from 18% in 2010 to 80% by 2015 	<ul style="list-style-type: none"> • 76% of tenures FSC-certified; however, late in the year, the company received notice of temporary suspensions on certain FSC certificates in place 	>	
		<ul style="list-style-type: none"> • Achieve a 65% absolute reduction of scope 1 and 2 GHG emissions by 2015 over the 2000 base year 	<ul style="list-style-type: none"> • Reduced total GHG emissions by over 64% since 2000 and closing in on 65% reduction target ahead of schedule 	>	
		<ul style="list-style-type: none"> • Implement standard scope 3 GHG accounting and begin full scope 3²⁷ reporting by 2015 	<ul style="list-style-type: none"> • Progressing in our work to track scope 3 emissions; full reporting planned to begin in 2015 	>	
			<ul style="list-style-type: none"> • Provide disclosure on regulatory infractions in our woodlands operations and set a target for annual infractions, with a long-term goal of zero infractions 	<ul style="list-style-type: none"> • New commitment established in 2014 	>
			<ul style="list-style-type: none"> • Continue to improve our understanding of our water footprint; continue to voluntarily report to the Carbon Disclosure Project's (CDP) Water Disclosure program 	<ul style="list-style-type: none"> • Voluntarily reported to CDP Water Disclosure program 	=
			<ul style="list-style-type: none"> • Reduce environmental incidents by 10% in 2014 compared to the 2013 baseline, with a long-term goal of zero incidents 	<ul style="list-style-type: none"> • Fell short of our reduction target over 2012, recording 3 class 1 incidents and 61 class 2 incidents 	-
			<ul style="list-style-type: none"> • Implement ISO 14001-certified environmental management system (EMS) at all our pulp and paper, sawmill and woodlands operations 	<ul style="list-style-type: none"> • 18 out of 22 pulp and paper mills, 9 out of 18 wood products facilities²⁸ and 8 out of 9 woodlands operations have implemented an ISO 14001-certified EMS 	>

27. Scope 3 GHG emissions are all indirect greenhouse gas emissions not covered in scope 2, such as emissions from the production of purchased materials, or transportation activities in vehicles not owned or controlled by the company.

28. Total wood products facilities does not include Opitciwan (Quebec), Produits Forestiers Petit-Paris (Quebec), and Manseau (Quebec), which closed in 2013. Total ISO 14001-certified wood products facilities does not include our La Doré (Quebec) remanufacturing site.

LEGEND

 Continuing Commitment	 New Commitment	 Surpassed Target	 Achieved Key Milestone	 Maintained Achievement	 Ongoing Progress	 Target Unattained
---	--	--	--	---	--	---

SUSTAINABILITY COMMITMENTS (cont'd)

KEY TRENDS IMPACTING RESOLUTE > PUBLIC ENVIRONMENTAL AND SOCIAL CONSCIOUSNESS

		COMMITMENTS	PERFORMANCE IN 2013	2013 RATING
<p>STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS</p> <p>Build solid community relations, recognizing that economically viable and civically involved companies support long-term regional prosperity</p> <p>Reinforce our environmental credentials, taking appropriate steps to responsibly manage our environmental footprint</p>	<p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <ul style="list-style-type: none"> Community and stakeholder engagement First Nations and economic partnerships Transparency and communications 	<ul style="list-style-type: none"> By end of 2015, enhance information-sharing community groups at all company operations; embed community stakeholder outreach efforts across organization, sharing best practices and monitoring activities 	<ul style="list-style-type: none"> Established information-sharing community groups at the majority of company sites 	➤
		<ul style="list-style-type: none"> Identify business opportunities with First Nations and identify means to increase Aboriginal employment 	<ul style="list-style-type: none"> In addition to other partnerships, signed memorandum of agreement with six First Nations groups in the Atikokan region of Ontario – agreement expected to generate significant mutually beneficial economic opportunities 	+
		<ul style="list-style-type: none"> Make yearly charitable contributions with emphasis on environmental stewardship, and health and education programs 	<ul style="list-style-type: none"> Made charitable contributions of approximately \$1 million 	=
		<ul style="list-style-type: none"> Ensure and sustain ongoing outreach with stakeholders and develop key strategic partnerships 	<ul style="list-style-type: none"> Maintained regular engagement with key stakeholder groups such as: employees/unions, investors, governments, NGOs, First Nations, local communities, suppliers/partners and customers Maintained partnership with WWF Climate Savers and implemented Living Planet @ Work program, among others 	=
		<ul style="list-style-type: none"> Develop innovative products that help our customers reduce their environmental footprint 	<ul style="list-style-type: none"> Explored options to add more grades under the Align™ umbrella and continued to offer lower-environmental-impact products Worked to have our recycled kraft pulp meet U.S. Food and Drug Administration criteria for the food packaging market 	➤
		<ul style="list-style-type: none"> Maintain effective sustainability oversight and management practices 	<ul style="list-style-type: none"> Sustainability committee continues to monitor sustainability performance and recommend areas for improvement 	=
		<ul style="list-style-type: none"> Maintain annual sustainability reporting practices and transparency 	<ul style="list-style-type: none"> Issued third GRI-compliant annual sustainability report 	=
		<ul style="list-style-type: none"> Roll out communications on our Supplier Guidelines and measure dissemination 	<ul style="list-style-type: none"> New commitment established in 2014 	➤

LEGEND

 Continuing Commitment	 New Commitment	 Surpassed Target	 Achieved Key Milestone	 Maintained Achievement	 Ongoing Progress	 Target Unattained
---	--	--	--	---	--	---

KEY TRENDS IMPACTING RESOLUTE > **DEMOGRAPHIC CHANGES AND LABOR RELATIONS**

	COMMITMENTS	PERFORMANCE IN 2013	2013 RATING
<p>STRATEGIC AREA OF PRIMARY SUSTAINABILITY FOCUS</p> <p>> Position Resolute as a competitive employer, attracting and retaining employees based on opportunities to quickly learn and grow within a dynamic organization</p> <p>Build solid community relations, recognizing that economically viable and civically involved companies support long-term regional prosperity</p>	<ul style="list-style-type: none"> Through 2015, implement new human resource practices to support workforce renewal and retention, and engage employees in company's sustainability-focused vision and values Renew expired or expiring collective agreements at pulp, paper and wood products operations, ensuring our competitiveness as an employer while supporting our long-term viability Train 100% of employees on our new Code of Business Conduct; provide additional training on anti-bribery, corruption and whistleblower programs Roll out communications on new diversity, equal employment, anti-discrimination and harassment policies 	<ul style="list-style-type: none"> Hired over 900 new employees and raised company profile as a competitive employer through new recruitment practices Launched new internship and co-op programs New commitment established in 2014 New commitment established in 2014 New commitment established in 2014 	<p>></p> <p>></p> <p>></p> <p>></p>
<p>MOST MATERIAL ISSUES AFFECTING BUSINESS</p> <p>> Workforce turnover and recruitment needs</p> <ul style="list-style-type: none"> Labor relations Pension obligations Code of conduct and business ethics Impact of entering and exiting operating communities Employee health and safety 	<ul style="list-style-type: none"> Achieve an Occupational Safety and Health Administration (OSHA) incident rate of 0.99 or below through 2014, with a long-term goal of zero incidents, zero injuries; achieve a severity rate of 27 in 2014; increase disclosure around our near-miss reporting Ensure employees submit 2 to 3 near-miss reports annually 	<ul style="list-style-type: none"> Achieved an OSHA incident rate of 1.02 Achieved a severity rate result of 25.85 Implemented a near-miss reporting system to improve how we track performance New commitment established in 2014 	<p>+</p> <p>></p>

LEGEND

	Continuing Commitment		New Commitment		Surpassed Target		Achieved Key Milestone		Maintained Achievement		Ongoing Progress		Target Unattained
---	-----------------------	---	----------------	---	------------------	---	------------------------	--	------------------------	---	------------------	---	-------------------

FIBER AND FORESTRY

OUR COMMITMENT

We are committed to protecting the forest for future generations. We do so by responsibly managing the woodlands entrusted to our care by:

- Maintaining our current sustainable forest management (SFM) certifications;
- Increasing Forest Stewardship Council® (FSC®) certification of our managed forests;
- Promoting and supporting certification efforts of the third-party suppliers and landowners from whom we source fiber; and
- Tracking carefully the sources of our fiber supply.

WHAT WE ARE DOING

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

- 100% of the woodlands we manage are certified to SFM certification standards; almost all of these lands are in Canada;
- 100% of our North American manufacturing facilities are third-party certified to chain of custody (CoC) tracking systems;
- 91.4% of our wood for sawmills and 46% of our virgin wood fiber inputs for pulp and paper mills are SFM-certified;
- 40% of our total internal and external fiber inputs for pulp and paper mills are sourced from sawmill chips; and
- 12.5% of our total fiber inputs for pulp and paper mills are sourced from recovered paper.²⁹

WOOD AND VIRGIN FIBER SUPPLY

Our sources of wood and virgin fiber include the following:

- Crown land on which we hold harvest rights, short-term volume allocations and auction sales;
- Purchases from private forest landowners;
- Wood chips from our own sawmills and from external suppliers; and
- Property we own or lease.

Our harvest rights on Crown land are all in Canada. As of December 31, 2013, we had long-term harvest rights for approximately 5.28 million cubic meters of supply from Crown land in Ontario. In Quebec, as of April 1, 2013, timber supply and forest management agreements have been replaced by timber supply guarantees. As of that date, we were allocated 4.47 million cubic meters of supply through these timber supply guarantees.

ENSURING THE SUSTAINABILITY OF OUR WOOD AND VIRGIN FIBER SUPPLY

In Canada, we operate under very strict forest management and wood fiber sourcing rules. In fact, a Yale University study released in 2004 and a comparative study by Indufor Oy released in 2009 have cited Canada's forestry regulatory environment as one of the most stringent in the world.³⁰

Our sustainable forest management certifications, which seek to balance environmental, social and economic considerations, along with our chain of custody certifications, serve as a confirmation of our sustainable forestry practices.

Sustainable Forest Management Certification

As of December 31, 2013, Resolute held SFM certificates covering 22.1 million hectares (54.5 million acres) of forest lands in Canada and the U.S. All of our managed forests are certified to one or more of three internationally-recognized SFM certification standards. These standards are: the Sustainable Forestry Initiative® (SFI®); the Forest Stewardship Council® (FSC®); and the Canadian Standards Association (CSA). Third-party SFM audits are conducted at our operations on a yearly basis.

In 2010, Resolute made a commitment to increase FSC certification of our managed forests and the tenures on which we hold significant harvest rights from 18% to 80% by 2015. As of December 31, 2012, 63% of our tenures were FSC-certified. During 2013, a dual FSC and SFI certification was awarded for the Abitibi River Forest in Ontario, Canada, a large tenure in which Resolute holds significant harvest rights. This additional certification brought Resolute's total FSC certification to 76%. Late in the year, the company received notice of upcoming temporary suspensions on certain FSC certificates in place. None of the issues raised in relation to these certificates involves our on-the-ground practices or our compliance with any laws or regulations. Resolute is working diligently to reinstate these certificates where possible and remains committed to our FSC certification goal.

29. Includes recycled bleached kraft pulp (RBK).

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



We are committed to protecting the forest for future generations. We do so by responsibly managing the woodlands entrusted to our care.



FIBER AND FORESTRY (cont'd)**VIRGIN WOOD FIBER SOURCING FOR PULP AND PAPER MILLS****2013 CONSUMPTION AND SOURCING OF VIRGIN WOOD FIBER (PULP AND PAPER MILLS)**

	Total fiber consumed (odmt)	Proportion of fiber consumed with SFM certification, %	Total fiber externally sourced (odmt)	Proportion of externally sourced fiber with SFM certification, %	Proportion of total fiber supply that is sourced through FSC® controlled wood, PEFC due diligence or SFI® sourcing requirements, %
Canada	3,533,755	74.7%	1,427,864	52.9%	100%
United States	3,371,489	15.9%	3,303,521	14.5%	100%
TOTAL	6,905,244	46%	4,731,385	26.1%	100%

WOOD SOURCING FOR SAWMILLS**2013 CONSUMPTION AND SOURCING OF WOOD (SAWMILLS)**

	Total wood consumed (m ³)	Proportion of wood consumed with SFM certification, %	Proportion of wood that is externally sourced, %	Proportion of total wood supply that is sourced through FSC® controlled wood, PEFC due diligence or SFI® sourcing requirements, %
Canada	7,049,331 ³¹	91.4%	31.5%	100%

Chain of Custody Certification

We have instituted fiber-tracking systems at all of our facilities, which are all third-party certified according to one or more of three internationally recognized CoC standards, namely FSC, SFI and Programme for the Endorsement of Forest Certification (PEFC).

For both our internal and external wood and fiber sources, 100% is procured through the FSC® Controlled Wood standard, the PEFC due diligence requirements or the SFI® fiber sourcing requirements, and in some cases a combination of these standards.

WE VALUE BIODIVERSITY

It is possible to harvest trees while maintaining biodiversity and protecting social and environmental forest values. In the Canadian provinces where Resolute has tenures, monitoring of biodiversity is usually carried out by provincial agencies

responsible for wildlife policies and wildlife management. But the protection of biodiversity and forest habitat is also an important component of our own SFM certifications. Our SFM standards require third-party audits and are aimed at safeguarding biodiversity, water quality, wildlife habitat, species at risk and forests with exceptional conservation value.

We have adopted strategies to safeguard biodiversity, which include identification of protected areas, implementation of selected management practices (such as partial or progressive cuts, retention of trees for nesting, buffering around eagle nests, leaving riparian green belts, etc.), as well as natural and planted forest regeneration.

For more information on our biodiversity initiatives, please refer to our 2012 GRI-compliant sustainability report at resolutefp.com/sustainability.

WE ARE A LEADING RECYCLER

12.5% of our fiber supply comes from recovered fiber, including ONP (old newspapers), SOP (sorted office paper) and OMG (old magazines). In addition to other facilities that utilize recycled fiber, we operate two (Thorold, Ontario, and Mokpo, South Korea) newsprint mills that use 100% recycled furnish. We are also the only producer of air-dried recycled bleached kraft pulp in North America (Fairmont, West Virginia, and Menominee, Michigan).

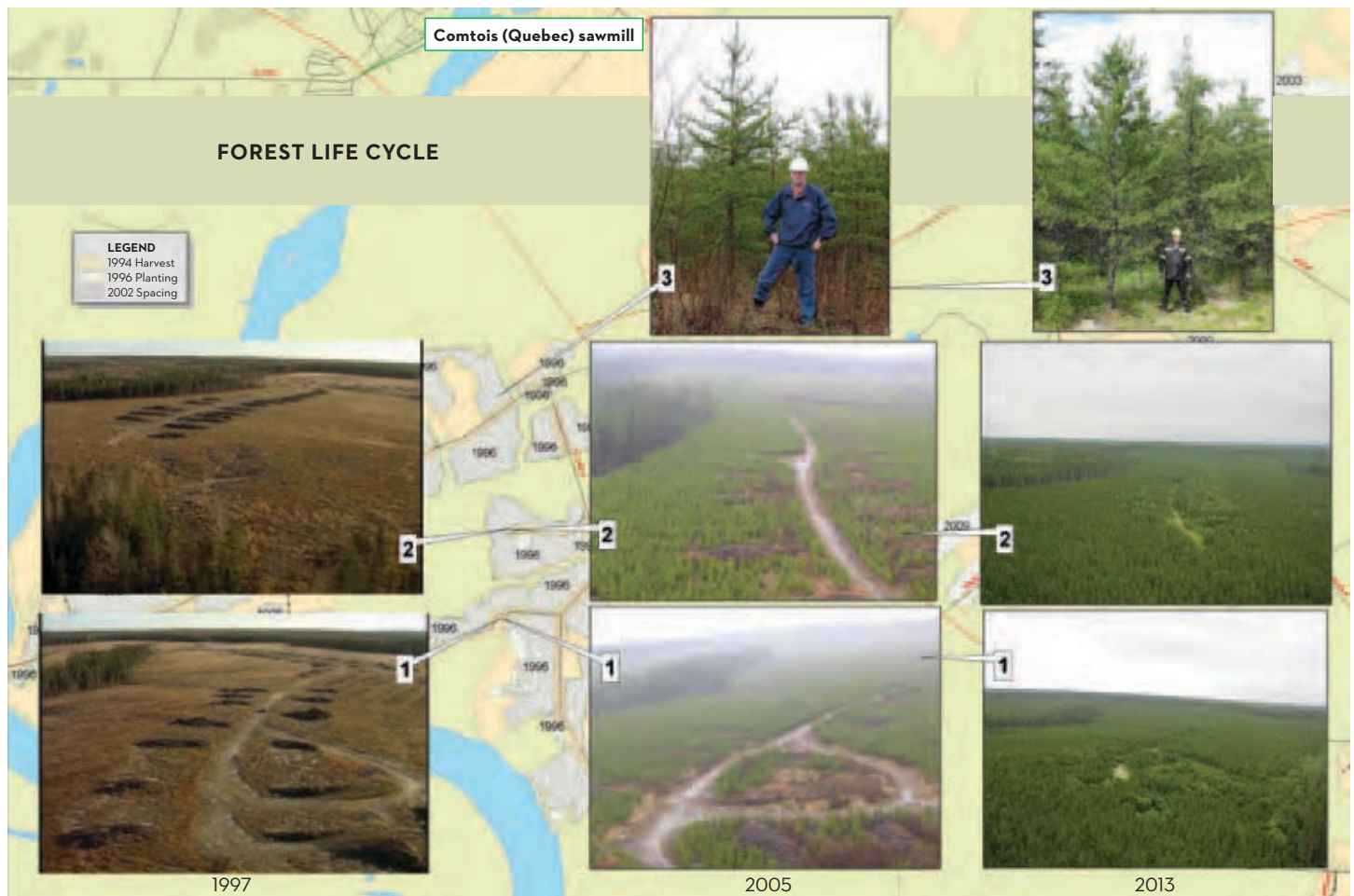
In 2013, we used 1.1 million metric tons of recovered paper in our production processes, and the recycled fiber content in the newsprint we produced averaged 18%.

31. Does not include Opitciwan (Quebec) and Produits Forestiers Petit-Paris (Quebec) joint ventures. Does not include our remanufacturing wood products facilities at Château-Richer (Quebec) and La Doré (Quebec) as well as our engineered wood products facilities, Abitibi-LP Engineered Wood Inc. and Abitibi-LP Engineered Wood II Inc. (Quebec).

**OUR PERSPECTIVE
ON REFORESTATION**

Every year, approximately 0.2% of the boreal forest in Canada is impacted by industrial activities.³² In comparison, about five times that area is naturally disturbed every year by insects, forest fires or disease.³³ Nature itself is responsible for the renewal of thousands of hectares of forest. In fact,

approximately 75% of the area harvested through forestry grows back naturally. The rest is promptly reforested via seeding or planting of seedlings. Responsibly managing timberlands, utilizing wood before natural disturbances occur and salvaging wood after such natural disturbances occur can safeguard the forest's natural life cycle and ensure its sustainability.



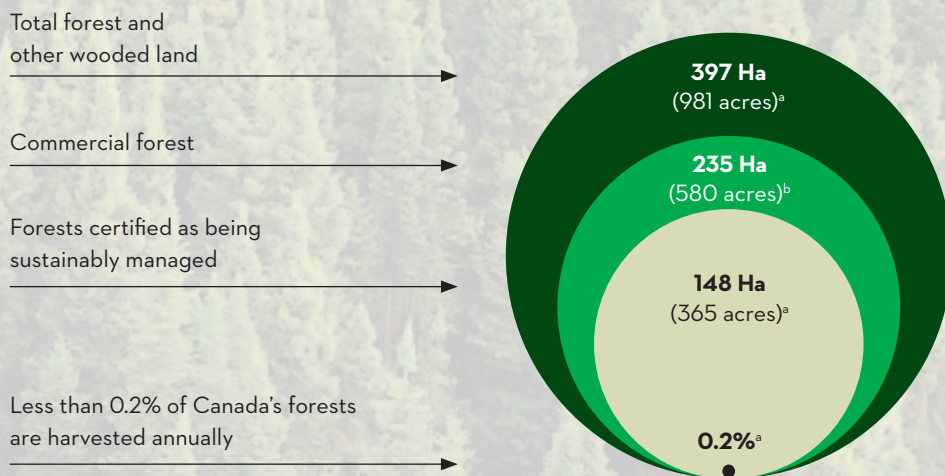
32. Natural Resources Canada (NRCan). The State of Canada's Forests: Annual Report 2012. Canadian Forest Service, Ottawa, 2012, p. 7. Available at cfs.nrcan.gc.ca/publications.

33. Natural Resources Canada (NRCan). Boreal Forest, Natural Disturbances. Canadian Forest Service, 2012. Available at cfs.nrcan.gc.ca/pages/258.



Less than 0.2% of Canada's forests are harvested annually

FOREST CLASSIFICATION IN MILLIONS OF HECTARES (MILLIONS OF ACRES)



a. The State of Canada's Forests: Annual Report 2013, Natural Resources Canada, Canadian Forest Service.

b. Human Activities in Ecosystems - Productive Forest Land Use, Natural Resources Canada, 2010.

ENERGY AND CLIMATE CHANGE

OUR COMMITMENT

As part of our membership in the World Wildlife Fund (WWF) Climate Savers program, we are committed to achieving a reduction in absolute greenhouse gas (GHG) emissions (scope 1 and 2)³⁴ of 65% below 2000 levels by 2015. This is an industry-leading GHG reduction target, and is the equivalent of taking 1.62 million cars off the road.³⁵

WHAT WE ARE DOING

We are implementing operational excellence initiatives aimed at enhancing the energy efficiency of our operations as well as investing in clean energy projects that contribute to controlling power costs and reducing GHG emissions.

Some key highlights of our 2013 work include:

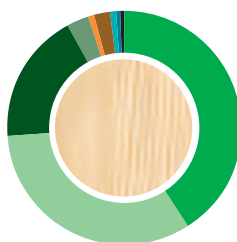
- Reduction of total GHG emissions by approximately 64.6% since 2000. We are closing in on our WWF reduction target ahead of schedule.
- Sourcing 71% of our total energy needs from renewable sources.³⁶
- Deriving 75% of our fuel energy usage from biomass.³⁷

ENERGY SOURCES

Steam and electrical power constitute the primary forms of energy used in pulp and paper production. We buy fuel, electricity and steam from external suppliers, but we also make electricity at our hydroelectric dams and cogeneration facilities. The latter allows us to extract more energy from our biomass, by producing both thermal and electrical energy. This, in turn, reduces the amount of harmful GHG released into the atmosphere.

All but two – Iroquois Falls and Thorold (Ontario) – of our mills produce 100% of their own steam requirements principally from combustibles, including biomass and fossil fuels. In 2013, our Alma (Quebec), Calhoun (Tennessee), Catawba (South Carolina), Coosa Pines (Alabama), Dolbeau (Quebec), Fort Frances (Ontario), Gatineau (Quebec), Kénogami (Quebec), Saint-Félicien (Quebec) and Thunder Bay (Ontario) operations collectively met approximately 44% of their electrical requirements from internal sources, notably on-site cogeneration and hydroelectric dams.

FUEL USE FOR STEAM PULP AND PAPER, 2013



● Black liquor solids	41
● Bark and biosolids	33
● Natural gas	18
● Coal	3
● Bunker C oil	2
● Purchased steam	1
● Landfill gas	1
● Tire-derived fuel	0.5
● Plastics	0.4
● Light fuel oil	0.03

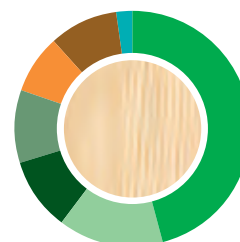
We also use alternative energy sources such as methane from landfills, used oils, tire-derived fuel and waste plastics, recovering their energy value to reduce consumption of fossil fuels.

USING AND PRODUCING ELECTRICITY

Overall, we produce 18% of our electricity needs internally (owned and self-generated). The remainder is purchased from third parties. In 2013, the combined amount of purchased and self-generated electricity we used in our pulp and paper mills totaled approximately 14,000 GWh.

We produce electricity at seven cogeneration facilities and seven hydroelectric dams. The output is consumed internally, sold at contracted fixed prices and/or sold on the spot market. This allows us to reduce our costs by generating energy internally at a lower cost compared to open market purchases, and by producing revenue from external sales of some of the power.

ELECTRICITY USE PULP AND PAPER, 2013



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

34. See note 18 for more information.

35. Based on an estimated reduction of 7,707,036 metric tons of CO₂. Visit epa.gov/cleanenergy/energy-resources/calculator.html for more information.

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

37. Does not include wood products. Includes bark and sludge, black liquor and landfill gas.

This table provides a breakdown of the output capacity (based on installed capacity and operating expectations in 2014) available for internal consumption at our existing production facilities.

INTERNAL CONSUMPTION

	Type	Energy	
		Capacity (MW)	Consumption (MWh/year)
Calhoun, Tennessee	Cogeneration	64	373,000
Catawba, South Carolina	Cogeneration	55	430,000
Coosa Pines, Alabama	Cogeneration	30	105,000
Hydro-Saguenay, Quebec (7 dams)	Hydroelectric	170	1,050,000
Thunder Bay, Ontario	Cogeneration	51	220,000

This table shows the facilities where we currently produce electricity to sell externally as power produced from renewable sources at favorable rates, almost all of which we buy back for use in our operations:

EXTERNAL SALES

	Type	Energy	
		Capacity (MW)	Annualized sales (MWh/year)
Dolbeau, Quebec	Cogeneration	28	192,000
Gatineau, Quebec	Cogeneration	15	110,000
Saint-Félicien, Quebec	Cogeneration	43	300,000
Thunder Bay, Ontario	Cogeneration	65	390,000

Together, all four of our cogeneration assets from which we sell electricity externally reduced our costs by approximately \$45 million, not including other operational efficiencies realized with the operation of the cogeneration assets.

A good example of our investments in renewable energy projects is the construction of an industrial wood pellet plant adjacent to our Thunder Bay sawmill. This new plant will convert sawdust and shavings into a reliable source of renewable energy. We have a 10-year agreement to supply Ontario Power Generation's Atikokan station with 45,000 metric tons of pellets annually.

TRACKING AND REDUCING GREENHOUSE GAS EMISSIONS

Reducing our carbon footprint by enhancing the energy efficiency of our facilities is an important focus of our operational strategy. Having a positive environmental impact through climate mitigation efforts and energy-efficiency projects aligns well with company efforts to manage operating costs and GHG emission reductions.

Our participation in the WWF Climate Savers program has enhanced our GHG reduction commitment. Our industry-leading emission reduction target positions

Resolute as an environmental supplier of choice and contributes to strengthening our overall competitiveness. At the end of 2013, our total GHG emissions were reduced by 64.6% since 2000, and our total yearly GHG emissions amounted to 4.2 million metric tons of carbon dioxide equivalents (CO₂e).

ENERGY AND CLIMATE CHANGE (cont'd)

We are also constantly evaluating and improving our manufacturing processes in light of their energy efficiency by implementing effective projects in order to reduce our manufacturing costs and carbon footprint. Examples include:

- A \$12 million investment at our Coosa Pines (Alabama) mill replacing four coal-fired boilers with two new natural gas-fired package boilers.
- A \$10 million investment at our Saint-Félicien (Quebec) mill to convert from heavy fuel oil to natural gas.
- A \$16 million investment at our Grenada (Mississippi) newsprint operation to convert the thermo-mechanical pulp (TMP) to inter-stage screening long-fiber refining. This technology will allow us to reduce our electrical energy consumption used to manufacture mechanical pulp at this site. This, in turn, will directly contribute to reducing our scope 2 emissions.

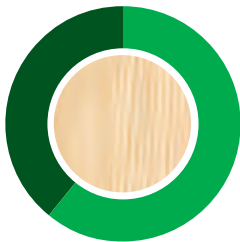
In addition to incremental improvements around energy efficiency, having a detailed inventory of our scope 1 and 2 emissions is crucial to identifying where they stem from and to evaluating where there is potential for emission reductions. We are also progressing in our work to track scope 3 emissions³⁸ and full reporting is planned to start in 2015.

Total GHG emissions were slightly higher in 2013 compared to 2012 as a result of the addition, as of 2013, of data from the three mills we acquired with Fibrek, as well as the restart of the Dolbeau and Gatineau (Quebec) mills in October 2012 and May 2013, respectively.

When measured on a per-ton basis, our total direct and indirect GHG emissions decreased by 3% compared to 2012 levels.

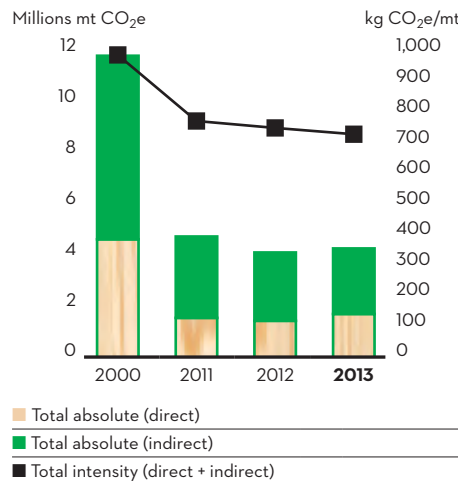
Other mill environmental performance indicators were also affected by the closure of four paper machines at four of our mills during the course of 2013. Closing one machine in a multi-machine mill site often results in incrementally higher water consumption and fiber loss for the remaining machine(s) on a tons-produced basis because of a loss of efficiencies of scale.

CARBON FOOTPRINT PULP AND PAPER MILLS, 2013



- Scope 1: Direct emissions from production 40%
- Scope 2: Indirect emissions related to purchased electricity and steam 60%

GREENHOUSE GAS EMISSIONS OVER 2000 LEVELS PULP AND PAPER MILLS, 2000-2013



38. Scope 3 GHG emissions are all indirect greenhouse gas emissions not covered in scope 2, such as emissions from the production of purchased materials, or transportation activities in vehicles not owned or controlled by the company.



“Being a member of WWF’s global Climate Savers program requires a substantial and meaningful commitment, as well as sectoral leadership. Resolute’s target to reduce GHG emissions by 65% below 2000 levels demonstrates just that. In making tangible progress toward that target, Resolute is not only increasing their own efficiencies, and cutting costs as a result, but also raising the bar for other companies in their industry.”

— World Wildlife Fund (WWF) Canada



Kénogami paper mill and Hydro-Saguenay hydroelectric operations (Quebec)



Kénogami (Quebec) paper mill

MILL ENVIRONMENTAL PERFORMANCE

OUR COMMITMENT

Our operations have an environmental impact through the consumption of resources and the generation of waste, as well as through air emissions. We seek to minimize these impacts and to go beyond minimum requirements by focusing on continuous improvement and by establishing environmental management systems (ESM) at all our operating sites.

WHAT WE ARE DOING

In addition to our EMS structure, we are implementing mill-level efforts to continuously improve environmental performance in five key areas:

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

ENVIRONMENTAL MANAGEMENT SYSTEMS

Environmental performance is managed at the local level with oversight from the highest levels of the organization. Guided by our environmental policy, mill environment coordinators are responsible for ensuring compliance with local laws and regulations, as well as facilitating continuous improvement. The coordinators work closely with corporate environment managers to identify and manage the issues most relevant to a specific operation. Each facility identifies key performance indicators (KPIs) for which reduction targets are set annually. This approach was chosen to best reflect the different geographic and technological contexts of each operation. KPIs are monitored at both the mill and corporate levels.

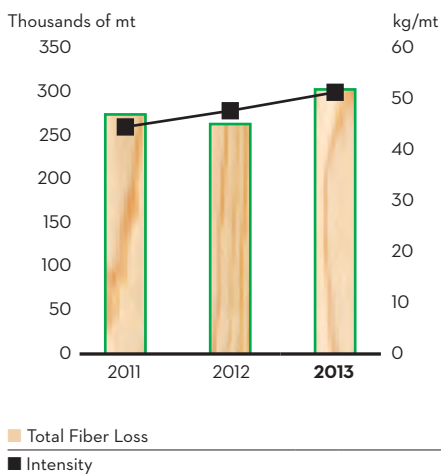
All of our operations have an EMS in place. In 2013, 18 out of 22 pulp and paper mills, 9 out of 18 wood products facilities³⁹ and 8 out of 9 woodlands operations had implemented an ISO 14001-certified EMS.

Two of the Fibrek mills acquired in 2012 as well as our Dolbeau (Quebec) and Gatineau (Quebec) paper mills, which resumed operations in 2012 and 2013, respectively, and 8 wood products facilities are in the process of implementing an ISO 14001-certified EMS.

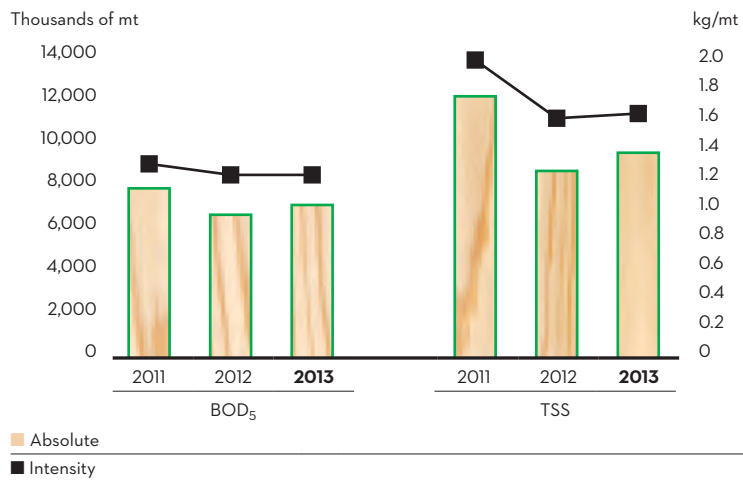
Air Emissions and Waste Generation

The pulp and paper manufacturing process produces emissions such as carbon dioxide (CO₂), sulfur dioxide (SO₂), nitrogen oxides (NO_x) and total particulate matter (TPM). We manage these emissions primarily through generally accepted pollution control technologies, such as electrostatic precipitators, and by reducing our consumption of fossil fuels. In fact, we are in the process of phasing out coal at our Calhoun (Tennessee) and Coosa Pines (Alabama) mills by switching to natural gas. This will contribute to reducing company-wide emissions of SO₂, TPM and CO₂.

FIBER LOSS PULP AND PAPER MILLS, 2011-2013



TOTAL SUSPENDED SOLIDS, BIOCHEMICAL OXYGEN DEMAND PULP AND PAPER MILLS, 2011-2013



39. Total wood products facilities does not include Opitciwan and Produits Forestiers Petit-Paris (Quebec), nor Manseau (Quebec), which closed in 2013. Total ISO 14001-certified wood products facilities does not include our La Doré (Quebec) remanufacturing site.

MILL ENVIRONMENTAL PERFORMANCE (cont'd)

The U.S. Environmental Protection Agency enacted the Boiler Maximum Achievable Control Technology (MACT) rule in December 2012 that will impose new limits on emissions of various contaminants, including particulate matter, carbon monoxide, mercury and hydrogen chloride from boilers as of 2016. We are in the process of implementing our company-wide compliance strategy. With the exception of our Augusta (Georgia) and Catawba (South Carolina) mills, the rest of our U.S. facilities are already operating in compliance with this rule.

We have an opportunity to reduce waste through the efficient use of fiber. By reducing the amount we lose through processing, we can minimize the cost of effluent treatment and minimize the waste sent to landfill. The company's operational excellence team conducts fiber loss blitzes at priority mills to drive efficiency, and senior management reviews progress toward the achievement of fiber efficiency on a monthly basis.

We will report on air emissions and landfilled waste in our upcoming 2013 GRI-compliant sustainability report.

Water Management

Papermaking is a water-intensive process. We reuse water as much as possible and return 95% to the environment. The remaining 5% is captured in the end product or evaporated in manufacturing. All the water we use passes through primary and secondary effluent treatment prior to being returned to the environment. In addition, we voluntarily report to the Carbon Disclosure Project's (CDP) Water Disclosure program and continually work to improve our understanding of the impact of our water footprint.

Environmental Incidents

Every incident at our pulp and paper mills, sawmills and woodlands operations, as well as at our hydroelectric power facilities, is tracked. In 2013, we fell short of our 10% reduction target over 2012. There were 3 class 1 incidents and 61 class 2 incidents.⁴⁰

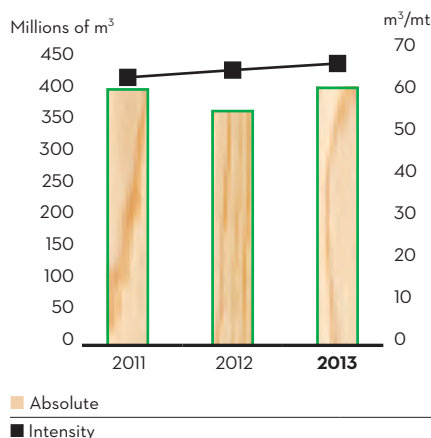
This increase can be explained in part by the restart of operations at our Gatineau and Dolbeau (Quebec) mills, and by the acquisition of the three Fibrek mills, which expanded our mill network.

For 2014, we set a target to reduce environmental incidents by 10% over 2013. To support this goal, we have incorporated environmental risk audits into our three-year compliance audit to identify improvement areas. We have also incentivized employees to reach our 2014 environmental incident reduction goal by incorporating the target as an element of our annual short-term incentive plan.

Key Chemicals

Our manufacturing processes require the use of chemicals to improve the brightness of our pulp, to treat our effluent and for pH control. Below is a list of the key chemicals we used in 2013.

WATER DISCHARGED PULP AND PAPER MILLS, 2011-2013



KEY CHEMICALS⁴¹

KEY CHEMICALS ⁴¹	2013
Sodium hydroxide (thousands of dry metric tons)	116
Sodium chlorate (thousands of dry metric tons)	79
Sulfuric acid (thousands of dry metric tons)	69
Sodium bisulfite (thousands of dry metric tons)	16
Urea (thousands of metric tons)	14
Sodium hydrosulfite (thousands of dry metric tons)	11
Sulfur (thousands of dry metric tons)	5.3
Borol (thousands of dry metric tons)	2.8
Sulfur Dioxide (thousands of dry metric tons)	1.4

40. Class 2 incidents include events that present a risk of moderate adverse environmental impact, contamination, liability and/or damage to the company's reputation, such as regulatory charges, fines and the initiation of legal action against the company.

41. Materials used for pulp and paper production only, except for logs (supplied to sawmills). Unlike other information provided in this report, all data is based on 100% of production, including unconsolidated entities in which we have noncontrolling interests.

CARE MORE SPEND LESS

Still buying commodity offset?

Then it's time you maximized your savings while minimizing your environmental impact. With a lower carbon footprint and up to 50% less wood fiber, the environmental impact of Align is significantly smaller than freesheet – which makes these papers a smart choice for everyday applications.

Offering great runnability, coated and uncoated Align grades from Resolute Forest Products have a higher opacity than freesheet at a lighter basis weight, still delivering the savings you need.

To give you an even wider range of smarter choices, we now offer Hybrid and Alternative – the newest additions to the Align portfolio of eco-friendly and environmentally-friendly papers.

For samples or more information, please visit AlignPaper.com or email us at AlignPaper@ResoluteFP.com



ECOPAQUE EQUAL HYBRID RESOLUTE^{MAX} ALTERNATIVE

PRODUCT STEWARDSHIP

OUR COMMITMENT

As part of our commitment to sustainability and product diversification, we are looking into developing innovative products and practices to grow market share and extend the reach of our environmentally friendly products. We strive to offer products that help our customers reduce their environmental footprint.

WHAT WE ARE DOING

FINDING NEW MARKETS IN RECYCLING

To extend the reach of our recycled pulp products, we are looking into broadening their uses. Last year, we began work to have our recycled kraft pulp meet U.S. Food and Drug Administration criteria for the food packaging market.

GROWING OUR ALIGN ECO-FRIENDLY BRAND

Our Align™ family of environmentally responsible papers requires up to 50% less wood fiber than freesheet. With a smaller environmental footprint than traditional offset papers, Align papers also offer higher opacity and bulk at a lower basis weight than traditional freesheet. This helps our users reduce paper, postage and transportation costs.

With our thermo-mechanical pulping process that applies heat and mechanical grinding to wood fibers, 90% of the wood fiber is used. In the chemical process used to make competitive traditional uncoated freesheet (UFS) from kraft pulp, the lignin, which is the organic “glue” that holds the wood fibers together, is removed, and about half of the original wood fiber is used.

The Align brand's thermo-mechanical process, on the other hand, keeps the lignin along with the cellulose. The lignin then serves to give the mechanical pulp two things: higher opacity and greater bulk. And because this process keeps the lignin in the sheet, it requires only half the amount of wood fiber needed to make traditional uncoated freesheet.

It's not just the wood fiber savings that are significant compared to freesheet competitive papers. A life cycle assessment (LCA) demonstrated that the uncoated grades in the Align portfolio (Ecopaque Offset, Ecopaque Laser, Equal Offset and Equal Book) have a carbon footprint that is 85% lower than that of the average UFS over its life cycle. That means that using 100 metric tons of Align uncoated instead of UFS can eliminate the same amount of greenhouse gas emissions as produced annually by 22 passenger cars.

Align uncoated grades are also produced using 63% less energy compared to the average UFS. On coated grades, the LCA found that Align's ResoluteMax paper has a carbon footprint that is 35% lower than that of the average coated freesheet over its life cycle and uses 25% less energy to produce.

In March 2014, we continued to expand our Align™ brand of environmentally responsible and budget-friendly papers by adding two more superbrite grades, Hybrid and Alternative, to our existing offerings of Ecopaque, Equal Offset and ResoluteMax.

Our Calhoun (Tennessee) mill made significant advancements in reducing its environmental footprint in 2013, which qualify certain of its products to become part of the Align family. One of the most important changes involved shifting Calhoun's energy source from coal to natural gas, considerably reducing the mill's GHG emissions.

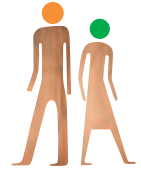
Learn how our Align grades have significantly less environmental impact at alignpaper.com.

EXPLORING FIBER INNOVATION

At Resolute, we promote research projects to facilitate the commercialization of innovative products such as biochemicals, bioenergy and biomaterials. We are currently evaluating opportunities to diversify into renewable energy products. Among these:

- **Biofuel production technologies:**
We are leveraging our strategic expertise in responsible forest harvesting and access to forest biomass to investigate various technologies that could potentially commercially produce biofuels; and
- **Pulp and paper process optimization:**
We are focused on reducing waste and increasing efficiency in our manufacturing processes, while efficiently managing and increasing the value of by-products, including remanufacturing production waste into biochemical and biomaterial products.

Q&A



With **Marie-Philippe Drouin**,
Junior Engineer, Kénogami mill in Jonquière, Quebec

WHAT DO YOU DO AT THE KÉNOGAMI MILL?

I'm a chemical engineer and I work on projects that help make the mill's thermo-mechanical pulping process more efficient. Many of my projects involve optimizing wood fiber length and improving the operation's energy efficiency. One big effort we are currently focused on is improving the fault detection system on our supercalender machine.

HOW DID YOU GET STARTED WITH RESOLUTE?

I studied chemical engineering at Laval University and started working for Resolute through a co-op program in 2013. The mill's general manager at the time, Michel Leroux, came to present a research project opportunity to our class, and I took it on as a grad project. This got me interested in pursuing a career at Resolute, and I eventually applied and got hired as part of the company's internship program for engineers.

WHAT INTERESTED YOU ABOUT WORKING IN THE FOREST PRODUCTS INDUSTRY?

When I was working on my grad project for Resolute, I would often call people at the mill to get information and, interestingly, they didn't always have a ready answer because things are always changing at a pulp and paper mill. It made me realize that papermaking is a dynamic field, always evolving. Before I started working for the company, I thought my challenges would all be pretty straightforward: You take some wood chips, refine and bleach them and make some paper. It's a process that has existed for generations, and I didn't really think there was much to improve upon. But every day we are improving the process, working on the details that will enhance quality, efficiency or cost, and help make us competitive in a challenging marketplace.



WHAT DO YOU THINK OF WORKING IN AN INDUSTRIAL ENVIRONMENT?

I'm not a person who likes to spend all her time behind a desk, and working at the mill is a very active job. There are some great challenges to resolve here. If you don't like routine, this is a great environment. It's also a very 'real' job because you see the raw material at the start and the finished product at the other end.

DID YOU WORRY ABOUT SAFETY?

When friends first heard I was going to work in pulp and paper they would tell me to be careful, that paper mills could be a dangerous place. But Resolute provided me with training before I was even allowed on the mill floor. I have seen the safety work Resolute is doing first hand — all the reporting, the training, the careful use of eye protection, gloves, boots and hats. It's all an important part of the culture here and it's something I personally value. The Kénogami mill recently achieved 996,000 hours of work without OSHA incidents. Some of my hours contributed to that and it makes me proud.

WHAT OPPORTUNITY DOES YOUR WORK OFFER YOU?

I haven't been here six months and already I've seen far more engineering than I ever covered in school. I have friends who went to work for engineering consulting firms. They work on one part of a process and they get a narrower focus. Here, my work goes beyond chemical engineering. I work closely with mechanical and electrical engineers and I'm always learning from them. There's also a lot of retirements coming up so there is opportunity for advancement in this field.

HOW WILL THIS WORK HELP YOUR CAREER?

This is a great opportunity to learn in a collaborative setting. Not everyone gets this kind of framework that supports learning as part of a team. Because my work introduces me to many different areas of engineering, I know I will become a better engineer as a result.

WHAT DO YOU THINK ABOUT WORKING IN THE FOREST PRODUCTS INDUSTRY?

People have been talking about paper disappearing for years, but paper will continue to have its place in communications. Mills that are working to be competitive will always see possibilities. I believe in the viability of Resolute and of the Kénogami mill. Of course it's always hard to know, but I think that if we continue to work the way we are working here and focus on finding efficiencies that bring down our operating costs, we can be here for a long time.



HUMAN RESOURCES

OUR COMMITMENT

Our long-term competitiveness is tied to our ability to recruit, develop and retain top-quality employees with the right skills. We are committed to implementing new human resource practices to ensure employee retention and workforce renewal. We are focused on building a company culture where results-driven and action-oriented employees want to be and where natural leaders can grow.

WHAT WE ARE DOING

Some highlights of our 2013 work include:

- Hired 921 new employees;
- Raised Resolute's profile as an employer using several channels: from enhancing our social media presence (Twitter, Facebook, YouTube) and participating in career days hosted by Cegeps (colleges) and universities to sustaining a recruiting presence in all our operating communities;
- Maintained our labor renewal rate and are on target to hire 4,250 new employees over the 2014-2018 period;
- Launched our official internship and co-op placement programs for engineers;
- Hired our first 10 engineering graduates through our internship program, providing them with opportunities to accelerate their professional development toward leadership roles; and
- Adopted a policy on workplace diversity, and revised and launched our equal employment opportunity, anti-discrimination and harassment prevention policies.

WORKFORCE AND TURNOVER

As of December 31, 2013, we employed approximately 8,400 people, of whom approximately 6,200 were represented by bargaining units.

We experienced a turnover rate of 11.7%, half of which was the result of retirements and the other half was natural attrition.

RENEWAL AND RETENTION STRATEGY

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

Our long-term recruitment strategy includes revitalizing our recruitment processes, leveraging social media, creating new communication tools and promoting our employer brand: "Resolute. Jobs where you grow." Another key aspect of our recruitment strategy is strengthening the close relationships we have with the communities in which we operate.

Our human resource teams frequently participate in employment fairs, open house events at schools and other community activities.

Resolute partnered with Cégep (College) de Saint-Félicien (Quebec) and launched a certificate program in pulp and paper manufacturing in January 2013. The program includes two internships of 120 hours each at one of our mills. 13 students graduated from this program in 2014.

LABOR RELATIONS

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

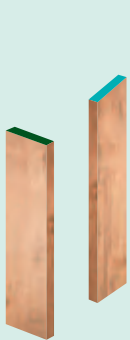
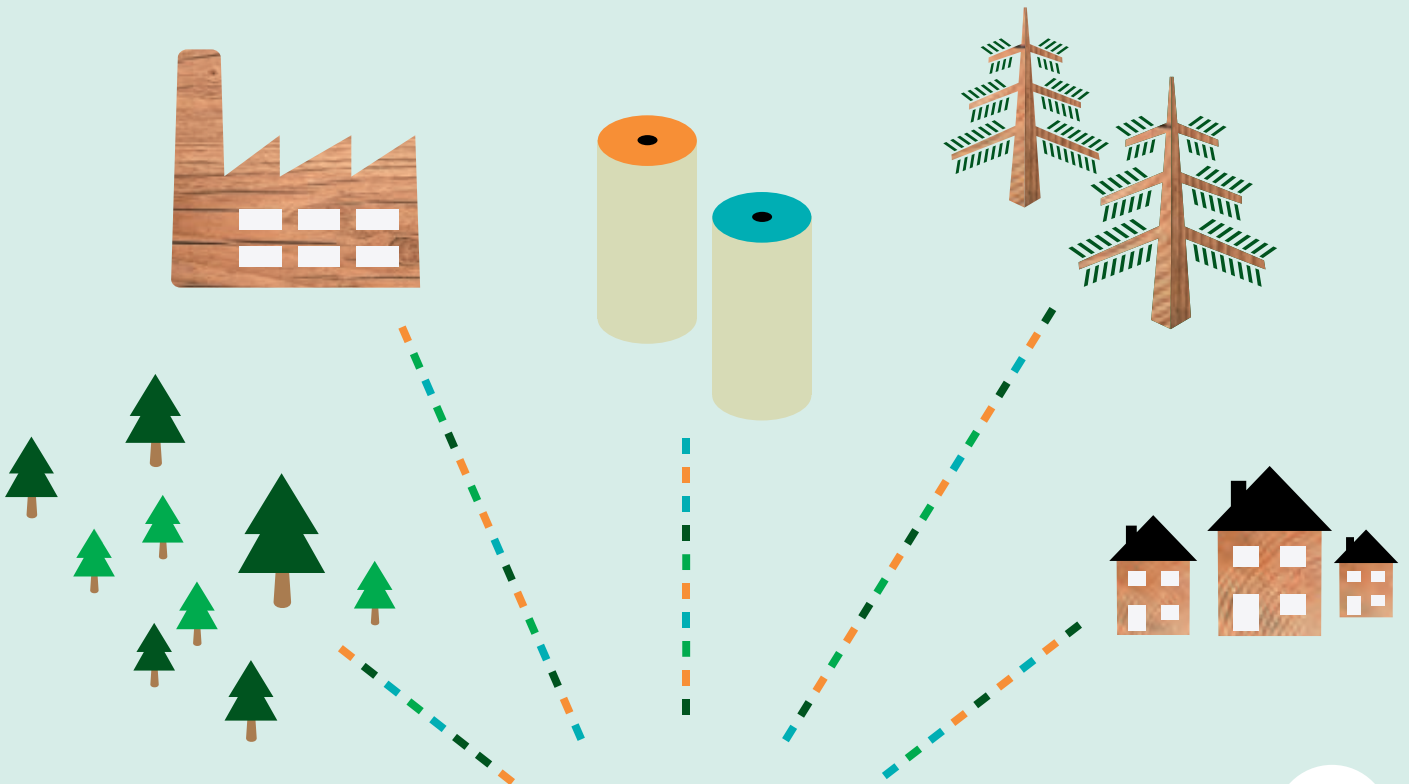
On February 17, 2014, we announced a five-year renewal of the master collective agreement covering four unionized U.S. pulp and paper mills. The agreement covers about 1,500 employees, represented by the United Steelworkers, the International Brotherhood of Electrical Workers and the United Association of Journeymen and Apprentices of the Plumbing, Pipefitting and Sprinkler Fitting Industry of the U.S. and Canada (the "UA"). The four mills, together with our other U.S. pulp and paper operations, none of which has an expiring collective agreement, represent almost half of our pulp and paper production capacity.

The collective agreements covering approximately 2,000 employees in Canada are scheduled to expire in 2014, affecting eight of our pulp and paper operations and approximately 35% of our pulp and paper production. We also have collective agreements covering 750 employees in 13 woodlands and sawmill operations in Canada that have either expired or are scheduled to expire in 2014.



resolute
Forest Products

JOBS WHERE YOU GROW



HEALTH AND SAFETY

OUR COMMITMENT

We continue to diligently pursue our goal of establishing a “Total Safety Organization” at Resolute by embedding a day-to-day safety-focused culture, where all employees put safety first in making their daily decisions about performing their job tasks. Our commitment for 2014 is to achieve an OSHA incident rate of 0.99 or below, with a long-term goal of zero incidents and zero injuries in all our operations.

WHAT WE ARE DOING

Our health and safety focus is driven by our company values and our health and safety policy, which is centered on the three pillars of our safety management system (SMS). Those pillars are:

- **One-on-one discussions:** These allow us to strengthen our expectations and employee commitment to work safely;
- **Near-miss reporting system:** Such a system allows for a high level of employee engagement in our health and safety processes; and
- **Hazard recognition:** This is performed prior to undertaking any tasks, allowing employees to evaluate and hedge against safety-related risks, which reduces the potential for injury.

In 2013, we:

- Achieved a 16% reduction in total recordable injuries and a 37% reduction in lost time incident cases; and
- Achieved an OSHA incident rate of 1.02, slightly higher than our established target of 1.0 but also our best annual safety performance on record.

SAFETY MANAGEMENT SYSTEM

Our health and safety policy and management system apply to all employees and contractors worldwide. Our SMS provides for training and awareness, audits and monitoring, and employee engagement through the use of joint health and safety committees at all the operations we manage. All employees receive specific training on safety policies and procedures to ensure compliance with these requirements and expectations for performing their tasks safely. All policies are required to be reviewed annually at each operation, ensuring consistent adherence.

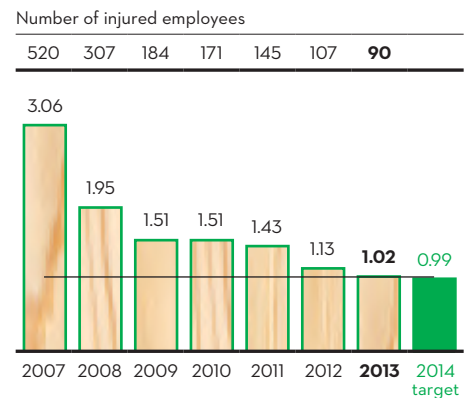
Our board of directors requires audits of each operation for compliance with the SMS, which we carry out in a three-year cycle.

In 2013, our company-wide injury severity rate was 25.85, a 24% reduction compared to 2012.⁴² This severity rate allows us to measure the actual impact from injuries on the health of our employees.

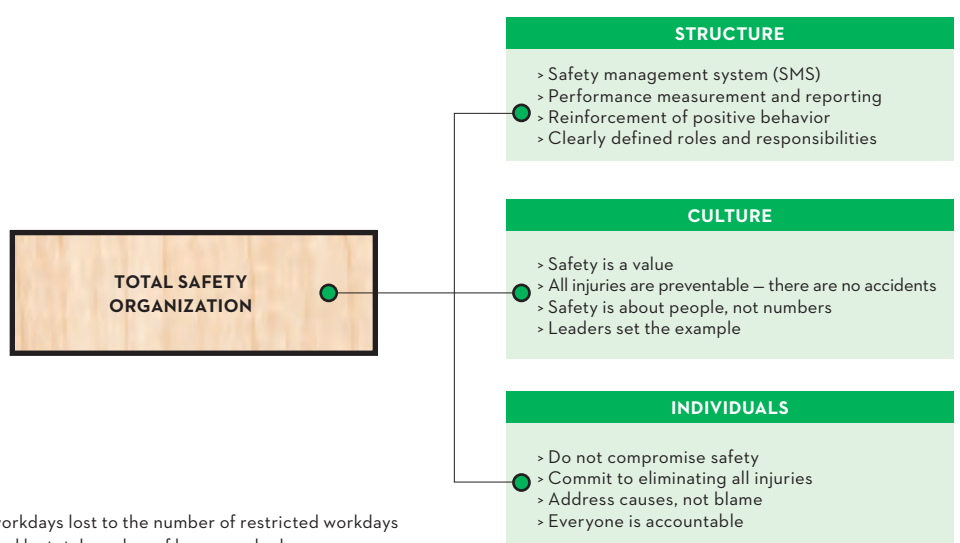
SAFETY INNOVATION

On November 7, 2013, our Maniwaki (Quebec) sawmill won a regional CSST (Quebec’s Health and Safety Commission) award for innovation in workplace safety. The award is linked to a safety improvement at the planer, where workers must replace the knives on a daily basis. The Maniwaki sawmill designed a lifting system that eliminates components without fasteners and allows for a more ergonomic and safe work posture, with minimal physical effort. Innovation has made the task safer and more efficient, and the system can be used by other Resolute sawmills.

OSHA RATE 2007-2013 AND 2014 TARGET PER 100 EMPLOYEES



RESOLUTE’S APPROACH TO BUILDING A “TOTAL SAFETY ORGANIZATION”



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

COMMUNITY INVOLVEMENT

OUR COMMITMENT

We are committed to building solid community relations by maintaining ongoing outreach with stakeholders and developing key strategic partnerships. Following through on our commitment from 2012, we launched information-sharing groups in key operating areas. We also focused on cultivating our relationships with First Nations groups, with whom we share a common interest in ensuring that our forests continue to provide for future generations.

Resolute continues to partner with groups whose actions make a positive difference. And we are constantly inspired by our employees who get involved in their communities, participating in countless events and initiatives and supporting many important causes.

WHAT WE ARE DOING

RESOLUTE'S INFORMATION SHARING PROGRAM

Through Resolute's information-sharing program, we maintain strong relationships with key members of the communities where we operate. The program was launched as part of an initiative to better understand local issues and concerns. Members of each facility's management team meet regularly with local First Nations groups, governments, business partners, chambers of commerce, environmental organizations, educational institutions, representatives from other industries, retirees and others. These meetings are designed to provide a forum for discussion on a range of issues of mutual importance to the participants – from harvest area allocation and energy conservation to controls for noise pollution.

We believe that this collaborative approach fosters trust and partnership with the groups and individuals most directly impacted by our operations. The lines of communication are always open, and we are listening.

DIALOGUE ON SUSTAINABLE FORESTRY

While dialogue at the local level is essential for building trust, it is also important to have open and honest conversations about broader environmental, social and economic issues facing the forest products industry.

During 2013, Resolute remained an active and committed participant in the Canadian Boreal Forest Agreement (CBFA), which brings together environmental groups and forest products companies to identify solutions for sustainable development in Canada's boreal forest. Despite a breakdown in negotiations among parties in May 2013 on joint plans to further support conservation efforts and forest economies, Resolute is still a strong supporter of a collaborative approach. We believe that to achieve successful outcomes, the CBFA must do a better job of directly engaging First Nations groups and the communities whose livelihoods are most impacted by the issues discussed, as well as provincial governments.

While structured initiatives such as the CBFA have the potential to deliver positive and mutually beneficial outcomes, Resolute also supports other forums for open exchange. In keeping with our approach to transparency and sustainability, we launched, in 2013, a social media platform called Forum Boréal to share information about the management of the boreal forest and foster discussion with Quebec communities where the company operates. To participate in this dialogue, visit the French language site at forumboreal.com. An English version of this social media platform will be launched in 2014.

While Resolute strongly believes in the right of free speech and has multiple channels in place to encourage discussion and dialogue, we do not agree that freedom of expression extends to slander and libel. In December 2012, Greenpeace Canada issued a series of misleading, deceptive and factually inaccurate allegations concerning Resolute. Resolute provided clear proof that these allegations were false.

After being cautioned that Resolute would begin legal proceedings, Greenpeace admitted that the allegations in question made by it were untrue and issued a rare formal retraction in March 2013. Since then, unfortunately, Greenpeace has persisted in promoting certain misinformation concerning Resolute.

Resolute has adopted a firm stance in the face of market campaigns by Greenpeace Canada, including proceeding with legal action with respect to falsehoods concerning our operations. This decision was not taken lightly. Resolute has a responsibility to protect its own reputation and that of our valued employees, customers and partners.



Resolute continues to partner with groups whose actions make a positive difference. And we are constantly inspired by our employees who get involved in their communities, participating in countless events and initiatives and supporting many important causes.

COMMUNITY INVOLVEMENT (cont'd)

GIVING BACK TO OUR NATIONAL AND LOCAL COMMUNITIES

Resolute strives to have a positive and meaningful impact in our national and local communities, and supports many registered charitable organizations each year. As strong believers in a balanced approach to sustainability, our major charitable contributions are focused on environmental and social programs. Through a structured approach to donations, we choose programs and partners that reflect our corporate values.

In 2013, we made charitable contributions of approximately \$1 million. At Resolute operations, each facility has its respective contributions budget, provided that 50% of the funded activities fall within our strategic funding areas. Last year, donations made by Resolute facilities supported causes as diverse as environmental conservation, literacy promotion, heart disease research, bullying awareness, local children's hospitals, amateur sports programs, cultural organizations, domestic violence prevention and hunger relief. And proving that even small gestures can make a big difference, Resolute mills further supported their communities in 2013 through actions such as donating rolls of paper for a children's coloring contest, purchasing computers for a classroom, and providing wood chips for a local playground.

As long-time supporters of United Way/Centraide, Resolute encourages site-specific campaigns to raise funds towards the organization's efforts to tackle a wide range of social issues. Recognizing the importance of education, we sponsored scholarship programs at various schools and became leading sponsors of Forces AVENIR, a program that recognizes students who are socially conscious, active and responsible citizens.

We have proudly partnered with the WWF as a member of their Climate Savers program since 2010. (See page 48 for more information.) In 2013, we expanded that partnership to join the organization's Living Planet @ Work program. This program provides support to companies who wish to engage their employees around sustainability. With the support of program representatives, employees at our Montreal corporate office formed a Green Team, and have participated in events and initiatives such as an energy conservation awareness campaign, an office-wide sustainability question-and-answer session, and the Great Canadian Shoreline Clean-Up.

EMPLOYEES WHO INSPIRE

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

Here are just a few examples of efforts undertaken by Resolute employees in 2013:

- **Calhoun (Tennessee):** Employees at our Calhoun mill formed and have operated the Goodfellows program for almost 60 years. Since its beginnings, the program has provided assistance to local families in need. In 2013, the Goodfellows prepared and delivered Christmas baskets to 275 families.
- **Saint-Félicien and Lac-Saint-Jean (Quebec):** Two human resource managers from Resolute teamed up to co-chair 2013's "Bicyclons avec la fondation," a bicycle race designed to raise funds for scholarships at the local college, Cégep de Saint-Félicien. Under their leadership, the campaign raised a record C\$25,000 in support of scholarship programs.

- **Montreal (Quebec):** A group of sustainability-minded employees rallied to support Les Amis de la Montagne in 2013, helping to plant over 100 trees in Montreal's iconic Mount Royal Park and participating in a number of fundraising activities throughout the year, such as the annual Tuques bleues snowshoe race. These activities supported Resolute's donation of C\$50,000 to the organization in 2013.
- In metropolitan areas across the United States, employees from Resolute's recycling divisions worked closely with their local chapters of Keep America Beautiful, with a strong focus on promoting recycling in schools and businesses.
- Resolute employees across the organization served their communities through individual initiatives such as membership in local chambers of commerce, participation in volunteer fire or rescue squads, and volunteering time at shelters for the homeless.

Through Resolute's safety milestones program, facilities receive cash prizes from our corporate office when they achieve 250,000 or 500,000 work hours without an injury. The funds are then donated to local causes of the facility's choosing. Countless deserving organizations have received donations through the program, from the Société Alzheimer de la Sagamie (Sagamie Alzheimer's Foundation) in Alma (Quebec), to the Grenada Soup Kitchen in Grenada, (Mississippi). Over the past five years, through the safety milestones program, our Kénogami (Quebec) mill alone has made C\$60,000 in local charitable contributions to Centraide, the Red Cross and other non-profits.



COMMUNITY INVOLVEMENT (cont'd)**LASTING COLLABORATIONS WITH FIRST NATIONS**

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

As outlined in our Aboriginal Peoples Policy, Resolute is committed to developing and nurturing constructive relationships with First Nations. A key aspect of this commitment is to engage in dialogue with Chiefs, Councils and Elders in each community located in our operating areas. Through collaboration with them, we seek to explore mutually beneficial opportunities.

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

While matters pertaining to authority and title to land are between First Nations and the provincial and federal governments of Canada, Resolute has been referenced in a few cases of territorial claims and disputes, including in Barrière Lake and land east of Mistassini, in Quebec. We take these matters seriously and make every effort to support constructive dialogue in order to help identify positive solutions.

The examples that follow illustrate what is possible when we work together on sustainable economic initiatives.

ONTARIO**Fort William First Nation**

On May 14, 2013, Resolute celebrated the 10th anniversary of its Thunder Bay (Ontario) sawmill, a unique business partnership between Resolute and the Fort William First Nation. In 2012, the Thunder Bay sawmill also became the first facility in Canada to operate under regulations created by the First Nations Commercial and Industrial Development Act, which facilitates industrial development with First Nations on their land. The project's ongoing success is the result of our collaboration over the past 10 years with the Fort William First Nation, the sawmill's 170 employees, the City of Thunder Bay, the governments of Ontario and Canada, and the many contractors and suppliers that service the facility.

**Couchiching First Nation,
Mitaanjigamiing First Nation,
Nigigoonsiminikaaning First Nation,
Seine River First Nation,
Lac La Croix First Nation,
Lac des Mille Lacs First Nation**

In 2013, Resolute signed a memorandum of agreement with these six groups in the Atikokan region of Ontario. The agreement is expected to generate significant mutually beneficial economic opportunities.

Wabigoon Lake Ojibway Nation

Resolute assisted the Wabigoon Lake Ojibway Nation (Ontario) in establishing a tree nursery in their community in the late 1990s. The company has purchased more than one million trees annually from this venture to support regeneration activities, and has expanded this contract to 1.5 million trees per year. In 2013, Resolute forest regeneration coordinator John Lawson led an educational session at the tree nursery, in which children from the local elementary school were invited to learn about sustainable forest management. Members of the community are also engaged in identifying employment opportunities for the restart of our sawmill in Ignace.

QUEBEC**Atikamekw Council of Obedjiwan**

The Obedjiwan (Quebec) sawmill is a unique joint-venture operation that has operated successfully since 1999. The Atikamekw Council of Obedjiwan owns 55%, while Resolute owns 45%. The sawmill is located on reserve land and employs nearly 80 community members. Resolute has contributed to the maintenance of road access to the community, supported infrastructure, assisted in the implementation of the sawmill forestry service and entered into wood purchase agreements with the community. In September 2013, the sawmill was awarded the prestigious Aboriginal Business Leadership Award by the Forest Products Association of Canada and the Canadian Council for Aboriginal Business, in recognition of its exemplary history in the community, its commitment to sustainability, the high quality of its production and a number of other criteria.

Kitigan Zibi Anishinabeg

We have maintained a partnership with the community of Kitigan Zibi Anishinabeg for over 10 years, in which we have carried out forest management and harvesting activities and paid a stumpage fee in exchange for volumes allocated to Kitigan Zibi by the Quebec government.

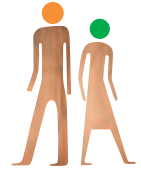
ADDITIONAL PARTNERSHIP OPPORTUNITIES

Resolute has a number of partnerships with members of First Nations communities across Quebec and Ontario beyond those mentioned above. Examples include:

- Working together to identify employment and contracting opportunities;
- Providing support for educational programs;
- Collaborating on wood purchase agreements, harvest planning, road construction and forest regeneration;
- Sharing of expertise in sustainable forest management and certification;
- Facilitating negotiations and providing language translation support; and
- Offering support with mapping of cultural landmarks.

These opportunities vary widely in their scope, from partnerships with one or two individuals to large business contracts.

Q&A



With **Johnny Awashish**,

Process Controller at the Opitciwan sawmill⁴³ in Obedjiwan, Quebec

WHAT DO YOU DO AT OPITCIWAN? WHAT DOES A TYPICAL WORKDAY LOOK LIKE?

I start work at 6:00 a.m. Typically I go to the woodyard first where I can get a sense of how much product is going to be going out that day. I'm a process controller, so I'll do things like look at the orders and check them against what the system says to make sure the numbers all match. If they don't, I have to figure out why. Some of this work is about problem-solving, but mostly it's about controlling quality, reducing waste and generally just keeping your eyes open to find ways to help other employees do things more efficiently.

HOW HAS YOUR WORK AT THE SAWMILL CHANGED OVER THE YEARS?

I've been at the sawmill for 10 years now. When I started, frankly, it was just a job. But I was curious about how things worked and why we did things the way we did. My bosses started to give me more responsibilities because I asked a lot of questions and learned about the business. They were patient with me and took the time to help me understand and grow. I had the opportunity to pretty much do most of the jobs here and continue to look for opportunities to broaden my skills.

WHAT KEY CHALLENGE DID YOU EXPLORE IN ALL THE DIFFERENT JOBS YOU HAVE DONE?

Reducing waste has always been a big area of interest for me. It's an interesting challenge: How you can get the most useable cuts from each tree as opposed to making wood chips, which sell for less. It was pretty exciting to finally finish the big installation of our new Canter-twin machine. It can trim logs with great precision and that eliminates waste more than ever.



THE OPITCIWAN SAWMILL WON THE 2013 ABORIGINAL FOREST PRODUCTS BUSINESS LEADERSHIP AWARD. WHAT DOES THAT MEAN TO YOU AND TO THE OTHER EMPLOYEES AT THE FACILITY?

I had heard about it, but I didn't know much of the details until we had a staff meeting to talk about the achievement. When they told us about all the great businesses that had entered the competition and how the decision to pick Opitciwan was based on things like how it worked with the community, our safety record, the quality of the product we put out and how we are FSC-certified, it made us all proud. We keep the plaque in the employee break room. It reminds us that what we do, we are doing very well.

WHAT ARE SOME OF THE WAYS THE SAWMILL WORKS WITH THE COMMUNITY?

This is a First Nations community, and there are a few traditional activities that are a very important part of Atikamekw culture. The sawmill respects that and we shut down production three times a year to make sure everyone can participate in these activities. May is the goose hunt, August is

the blueberry season. The mill also shuts down in October for the moose and bear hunt. Rolute really works with us on this and understands that this is an essential part of maintaining the community's traditional activities. It's one of the reasons our partnership with Rolute works.

WHAT DO YOU THINK IS THE IMPORTANCE OF THE SAWMILL IN THE COMMUNITY?

The sawmill definitely brings many opportunities to the community. People have money to build a home and buy a car, and they have careers. But it wasn't always like that. At first, some people weren't too happy about having a sawmill. They were worried about clear cuts and environmental issues. But now people understand more how it works. How harvest planning is done working with the Band Council. How protected areas like hunting territories are respected. In fact, I can think of some people who used to be opposed to harvesting who now ask: Hey, when are you guys coming to do some cutting near my place? Because after a harvest, there's a lot of new growth that comes up and moose love to eat young plants. Bears and wolves follow the moose too. After a harvest, it's not just trees that come back. Many of the animals come back too.

WHAT WAS YOUR IMPRESSION OF THE FOREST PRODUCTS INDUSTRY BEFORE YOU TOOK THIS JOB? HAS IT CHANGED SINCE YOU BEGAN YOUR WORK?

My dad worked in forestry, but he never really talked about it. It was just a job to him. I guess I started out that way, but then I just got interested in how the sawmill worked and that led to doing much more stuff. All the jobs that I've done here so far, they've really helped me learn a great deal about the industry. It's an important industry that provides products we all use. And I know from first-hand experience that it's possible to make those products in a way that respects the environment and the land.

43. Société en Commandite Scierie Opitciwan is located in Obedjiwan (Quebec) and is an unconsolidated entity in which we have a 45% interest.



BOARD OF DIRECTORS

Bradley P. Martin ^{2,3}

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

Richard Garneau

President and Chief Executive Officer

Michel P. Desbiens ^{2,3}

Corporate Director

Jennifer C. Dolan ^{1,4}

Corporate Director

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

Corporate Director

Jeffrey A. Hearn ^{2,4}

Corporate Director

Alain Rhéaume ^{1,3}

Managing Partner, Trio Capital Inc.

Michael S. Rousseau ^{1,4}

Executive Vice President and
Chief Financial Officer, Air Canada

Ambassador David H. Wilkins ^{2,4}

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

Board Committees

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

CORPORATE OFFICERS

Richard Garneau

President and
Chief Executive Officer

Pierre Laberge

Senior Vice President,
Human Resources

John Lafave

Senior Vice President,
Pulp and Paper Sales and
Marketing

Yves Laflamme

Senior Vice President,
Wood Products, Procurement
and Information Technology

Jo-Ann Longworth

Senior Vice President and
Chief Financial Officer

André Piché

Senior Vice President,
Pulp and Paper Operations

Richard Tremblay

Senior Vice President,
Pulp and Paper Operations

Jacques P. Vachon

Senior Vice President,
Corporate Affairs and
Chief Legal Officer

SHAREHOLDER INFORMATION

Annual General Meeting

Our annual meeting of stockholders will be held on Friday, May 23, 2014, at 10:00 a.m. (Eastern), at the Centre for Conservation of Boreal Biodiversity, 2230 boulevard du Jardin, Saint-Félicien, Quebec.

Transfer Agent for Common Stock

Computershare Trust Company, N.A.
P.O. Box 30170, College Station,
Texas, 77842-3170, United States
866 820-6919 (toll-free within
the United States and Canada)
781 757-3100
computershare.com/investor

Co-Transfer Agent (Canada)

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

Independent Registered Public Accounting Firm

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

Investor Relations

Rémi G. Lalonde
Vice President, Investor Relations
514 394-2345
ir@resolutefp.com

Media

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

Investor Information and Financial Reporting

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

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

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

10-K Report

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

Stock Listings

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

Resolute Forest Products
111 Duke Street, Suite 5000
Montreal, Quebec, H3C 2M1, Canada
514 875-2160 or 1 800 361-2888

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

ABOUT RESOLUTE FOREST PRODUCTS

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including newsprint, specialty papers, market pulp and wood products. The company owns or operates over 40 pulp and paper mills and wood products facilities in the United States, Canada and South Korea, and power generation assets in Canada. Marketing its products in close to 90 countries, Resolute has third-party certified 100% of its managed woodlands to at least one of three internationally-recognized sustainable forest management standards. The shares of Resolute Forest Products trade under the stock symbol RFP on both the New York Stock Exchange and the Toronto Stock Exchange.

Resolute and other member companies of the Forest Products Association of Canada, as well as a number of environmental organizations, are partners in the Canadian Boreal Forest Agreement. The group works to identify solutions to conservation issues that meet the goal of balancing equally the three pillars of sustainability linked to human activities: environmental, social and economic.

Resolute is also a member of the World Wildlife Fund's Climate Savers program, in which businesses establish ambitious targets to voluntarily reduce greenhouse gas emissions and work aggressively toward achieving them.



resolutefp.com



resolute
Forest Products