

## F0. Introduction

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### F0.1

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#### (F0.1) Give a general description of and introduction to your organization.

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, tissue, wood products and paper, which are marketed in more than 60 countries. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada. Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards. Resolute's shares trade under the stock symbol RFP on both the New York and Toronto Stock Exchanges.

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

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

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

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

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

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

All of the initiatives and actions we undertake build upon our core commitment to protect, manage and renew the forest through responsible management. We remain committed to maintaining 100% of our forest management and chain of custody (CoC) certifications to internationally recognized standards, such as Sustainable Forestry Initiative® (SFI®), Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®). In addition, effective March 2022, all of our wood and fiber is sourced in accordance with SFI fiber sourcing, PEFC CoC due diligence or the FSC Controlled Wood requirements - and in some cases a combination of these standards. All of these require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our forest operations also have in place environmental management systems certified to the ISO 14001:2015 standard.

Our Wood and Fiber Sourcing Policy, applied in conjunction with our 100% COC-certified tracking systems, helps manufacturers and customers avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses.

### F0.2

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**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	January 1 2021	December 31 2021

**F0.3**

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

**F0.4**

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Trading Manufacturing	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F0.5**

**(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

**F0.6**

**(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

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

**F1. Current state**

**F1.1**

**(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?**

**Timber products**

**Activity**

- Growing/production of raw materials
- Harvesting
- Milling
- Crushing
- Refining & processing
- Exporting/trading
- Using as input into manufacturing process for power generation
- Using as input into product manufacturing

**Form of commodity**

- Hardwood logs
- Softwood logs
- Sawn timber, veneer, chips
- Unprocessed wood fiber
- Pulp
- Paper
- Boards, plywood, engineered wood

**Source**

- Owned/managed land
- Smallholders
- Multiple contracted producers

**Country/Area of origin**

- Canada
- United States of America

**% of procurement spend**

41-50%

**Comment**

For Resolute, responsible environmental stewardship is an ethical obligation, a business imperative, and integral to our overall commitment to sustainability. We recognize that the long-term future of our company and the communities in which we operate depends on responsible management of the natural resources in our care and the performance of our operations.

Our commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of forests entrusted to our care, careful tracking of wood fiber sources, and the use of recycled fiber. All of our wood and fiber is sourced in accordance with SFI fiber sourcing, PEFC chain of custody due diligence or the FSC Controlled Wood requirements, and in some cases a combination of these standards. These standards require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues, such as deforestation and land conversion, enabling us to confirm to our clients that they have avoided timber and timber products from unacceptable sources, including forests converted to non-forest uses. Most of the virgin fiber consumed by our operations in Canada is sourced from the forests Resolute manages directly and indirectly on Crown land. For our U.S. operations, fiber is mostly sourced externally, from numerous small non-industrial private forest landowners. We also work through industry trade associations to encourage small landowners to certify their properties to forest management standards for small land owners, such as the American Tree Farm System®.

Our diverse range of products, including market pulp, tissue, wood products and papers, are marketed in over 60 countries. Increasingly, our customers are asking for assurance that the pulp, paper and wood products they buy from Resolute originate from responsible sources. We focus on customer satisfaction by measuring quality and service key performance indicators and monitoring our established processes. Our goal is to continuously improve customer satisfaction levels for flexibility, quality and service.

**F1.2**

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**(F1.2) Indicate the percentage of your organization’s revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	91-99%	<p>As a global industry leader, Resolute manufactures and markets a diverse range of products, including market pulp, tissue, wood products and papers. The company owns or operates some 40 facilities, as well as power generation assets, in the United States and Canada. Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards.</p> <p>We are fortunate that our primary input – wood – is a renewable resource that has been supplying our mills now for more than 200 years.</p> <p>The company also operates a 100% recycled pulp mill in Menominee (Michigan). In 2021, Resolute used over 200,000 metric tons of recovered paper to supply this mill, which represents a little more than 5% of the company's total fiber consumption.</p> <p>We sell green power produced from renewable sources and wood-related products to customers located in Canada and the U.S. Sales of these other products are considered a recovery of the cost of manufacturing our primary products.</p> <p>We also have a 49% interest in Serres Toundra Inc., a joint venture that produces vegetables from 19 hectares of greenhouses adjacent to our Saint-Félicien (Quebec) pulp mill. The greenhouses source a portion of their heat from the pulp mill.</p>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F1.3**

**(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Type of control**

Other type of control, please specify (Resolute manages 4.09 million ha of publicly-owned land in Ontario.)

**Country/Area**

Canada

**Land type**

Managed natural forests

**Area (Hectares)**

4090475

**% Area certified**

100

**Certification scheme**

FSC Forest Management certification

SFI Forest Management Standard certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the last 5 years

**Area of natural ecosystems converted during the reporting year (hectares)**

<Not Applicable>

**Area of natural ecosystems converted since specified cutoff date (hectares)**

<Not Applicable>

**Area of natural ecosystems converted during the last 5 years (hectares)**

0

**Please explain**

Resolute manages 4.09 million hectares of publicly-owned land in Ontario. Ensuring the sustainability of these forests and collaborating on forest management planning drive Resolute’s approach to forestry on this land.

In 2021, we maintained certification of 100% of the forests we manage in Ontario, which are certified according to the Sustainable Forestry Initiative (SFI) Forest Management Standard. This includes the Black Spruce, Caribou, Dog-River Matawin and English River forest licences. The scope of our SFI forest management certificates also encompasses some private land in Tennessee and Quebec (see below for more information).

We also maintained certification of 100% of the forests certified according to the Forest Stewardship Council (FSC) Forest Management Standard, namely the Black Spruce and Dog River-Matawin forest licenses. In 2020, we successfully transitioned these certificates to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

In addition, we maintain internationally recognized chain of custody certification at 100% of our Ontario facilities, such as SFI, FSC and the Programme for the Endorsement of Forest Certification (PEFC).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements.

**Forest risk commodity**

Timber products

**Type of control**

Own land

**Country/Area**

Canada

**Land type**

Managed natural forests

**Area (Hectares)**

11539

**% Area certified**

100

**Certification scheme**

SFI Forest Management Standard certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the last 5 years

**Area of natural ecosystems converted during the reporting year (hectares)**

<Not Applicable>

**Area of natural ecosystems converted since specified cutoff date (hectares)**

<Not Applicable>

**Area of natural ecosystems converted during the last 5 years (hectares)**

0

**Please explain**

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of the 11,539 hectares of forest we own in Quebec and Ontario. These lands are known as the Natisk forest in Quebec's Mauricie region (8,000 ha) and the Boundary Waters forest in Northwestern Ontario (3,539 ha).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements, and ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services. Strict adherence to internationally recognized forest management and chain of custody standards provides our customers with the assurance that the wood fiber from our owned lands is sourced responsibly, avoiding illegal logging and other important sustainability issues, such as deforestation and land conversion.

In 2021, we maintained Sustainable Forestry Initiative Forest Management certification at 100% of the forests we own.

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**Forest risk commodity**

Timber products

**Type of control**

Other type of control, please specify (Resolute indirectly manages 16.2 million ha of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013.)

**Country/Area**

Canada

**Land type**

Managed natural forests

**Area (Hectares)**

16234478

**% Area certified**

100

**Certification scheme**

FSC Forest Management certification

SFI Forest Management Standard certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the last 5 years

**Area of natural ecosystems converted during the reporting year (hectares)**

<Not Applicable>

**Area of natural ecosystems converted since specified cutoff date (hectares)**

<Not Applicable>

**Area of natural ecosystems converted during the last 5 years (hectares)**

0

**Please explain**

Resolute indirectly manages 16.2 million hectares of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013 when significant regulatory changes were made. While Resolute does not control or directly manage this land, Resolute has historically sourced its timber supply from this land, 100% of which is third-party certified according to internationally recognized forest management standards.

In 2021, we maintained 100% of our forest management certifications in Quebec that are certified according to the Sustainable Forestry Initiative (SFI) Forest Management Standard. This includes the following management units: 024-71, 025-71 and 027-51 in Lac-Saint-Jean; 042-51 and 043-52 in Mauricie; 071-51, 071-52, 073-51, 073-52 and 074-51 in Outaouais; 084-51, 084-62, 086-65, 086-66, 087-51, 087-62, 087-63 and 087-64 in Abitibi and Nord-du-Québec; and 093-51 in Côte-Nord. The scope of our

SFI forest management certificates also encompasses some private land in Tennessee (see below for more information).

We also maintained certification of 100% of the forests certified according to the Forest Stewardship Council (FSC) Forest Management Standard in the following management units: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. In 2020, we successfully transitioned these certificates to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

In addition, we maintain internationally recognized chain of custody certification at 100% of our Quebec facilities, such as SFI, FSC and the Programme for the Endorsement of Forest Certification (PEFC).

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements.

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**Forest risk commodity**

Timber products

**Type of control**

Own land

**Country/Area**

United States of America

**Land type**

Managed natural forests

**Area (Hectares)**

6381

**% Area certified**

100

**Certification scheme**

SFI Forest Management Standard certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the last 5 years

**Area of natural ecosystems converted during the reporting year (hectares)**

<Not Applicable>

**Area of natural ecosystems converted since specified cutoff date (hectares)**

<Not Applicable>

**Area of natural ecosystems converted during the last 5 years (hectares)**

0

**Please explain**

Resolute' commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. This includes the responsible management of the 6,381 hectares of forest we own in Tennessee.

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements, and ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services. Strict adherence to internationally recognized forest management and chain of custody standards provides our customers with the assurance that the wood fiber from our owned lands is sourced responsibly, avoiding illegal logging and other important sustainability issues, such as deforestation and land conversion..

In 2021, we maintained Sustainable Forestry Initiative Forest Management certification at 100% of the forests we own.

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**Forest risk commodity**

Timber products

**Type of control**

Concession/lease

**Country/Area**

United States of America

**Land type**

Managed natural forests

**Area (Hectares)**

16355

**% Area certified**

100

**Certification scheme**

SFI Forest Management Standard certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the last 5 years

**Area of natural ecosystems converted during the reporting year (hectares)**

<Not Applicable>

**Area of natural ecosystems converted since specified cutoff date (hectares)**

<Not Applicable>

**Area of natural ecosystems converted during the last 5 years (hectares)**

0

**Please explain**

Resolute manages 16,355 hectares of land in Tennessee through a long-term lease. Ensuring the sustainability of these forests and collaborating on forest management planning and innovation drive Resolute's approach to forestry.

In 2021, we maintained certification of 100% of the forests we manage in Tennessee, which are certified according to the Sustainable Forestry Initiative Forest Management Standard.

Internationally recognized standards help us monitor the conversion of natural ecosystems thanks to their strict monitoring requirements.

## F1.4

**(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.****Forest risk commodity**

Timber products

**Country/Area**

Canada

**Type of control**

Other type of control, please specify (Resolute manages 4.09 million hectares of publicly-owned land in Ontario. )

**Land type**

Natural ecosystems with potential to be legally converted for forest risk commodity production

**Area (hectares)**

4070000

**% covered by natural forests**

100

**Please explain**

Forest management (FM) certification is in place on 100% of the woodlands Resolute owns or manages. In Ontario, we manage 4.09 million hectares of publicly-owned land, of which less than 0.5% is harvested annually. For the remaining 99.5% (4.07 million ha), FM certification helps ensure the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services.

In addition to FM certification, as required by provincial laws and regulations, Resolute prepares 20- or 25-year FM plans that are updated every five years in collaboration with government and other stakeholders, as well as strategies to safeguard biodiversity. The latter includes identification of protected areas, implementation of selected management practices (such as partial or progressive cuts, retention of trees for nesting, buffering around eagle nests and leaving riparian green belts), and natural and planted forest regeneration. In coordination with provincial governments, Resolute seeks to identify critical habitat areas for species of interest, such as the woodland caribou. Our goal is to ensure that our forest management plans protect such areas and minimize disturbance to the populations in question.

Resolute conducted a review to determine the operational sites owned, leased and managed in – or adjacent to – protected areas and areas of high biodiversity value outside protected areas. As the vast majority of woodlands we own or manage are located in Canada, this review was limited to forest management units (FMUs) in Quebec and Ontario. When FMUs are considered along with adjacent protected areas, 43% of the area is under regulated or non-regulated protection. Regulated protection includes nature reserves, national parks, wilderness areas, protected areas and other designations classified under the International Union for Conservation of Nature (IUCN) system, and recognized by international bodies like the United Nations. There are also non-regulated areas that contribute to the conservation of biodiversity, which include reserves, protected areas, wetlands, caribou deferrals and less productive forest areas that are not classified under the IUCN system.

**Forest risk commodity**

Timber products

**Country/Area**

Canada

**Type of control**

Own land

**Land type**

Natural ecosystems with potential to be legally converted for forest risk commodity production

**Area (hectares)**

11539

**% covered by natural forests**

100

**Please explain**

Resolute owns 11,539 hectares of forest in Quebec and Ontario. These lands are known as the Natisk forest in Quebec's Mauricie region (8,000 ha) and the Boundary Waters forest in Northwestern Ontario (3,539 ha). These forests, while private property, are managed in the same way we manage public land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2021, we maintained 100% certification of the forests we own in Canada, which are certified according to the Sustainable Forestry Initiative FM Standard.

**Forest risk commodity**

Timber products

**Country/Area**

United States of America

**Type of control**

Own land

**Land type**

Natural ecosystems with potential to be legally converted for forest risk commodity production

**Area (hectares)**

6381

**% covered by natural forests**

100

**Please explain**

Resolute owns 6,381 hectares of forest in Tennessee. These forests, while private property, are managed in the same way we manage public land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2021, we maintained 100% certification of the forests we own in Tennessee, which are certified according to the Sustainable Forestry Initiative FM Standard.

**Forest risk commodity**

Timber products

**Country/Area**

United States of America

**Type of control**

Concession/lease

**Land type**

Natural ecosystems with potential to be legally converted for forest risk commodity production

**Area (hectares)**

16355

**% covered by natural forests**

100

**Please explain**

Resolute manages 16,355 hectares of land in Tennessee through a long-term lease. We manage these lands the same way we manage public and owned land. This involves maintaining independent forest management (FM) certification on 100% of these lands and harvesting wood sustainably. By doing so, we ensure the long-term viability of timber production while maintaining the various ecological characteristics that are vital to biodiversity and recreational use of the forest. Strict adherence to internationally recognized FM and chain of custody standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. In 2021, we maintained 100% certification of the forests we own in Tennessee, which are certified according to the Sustainable Forestry Initiative FM Standard.

## F1.5

### (F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

## F1.5a

### (F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

3938021

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**



This number represents the consumption of virgin wood fiber at our pulp, paper and tissue mills in 2021 (Alma, Calhoun, Clermont, Coosa Pines, Dolbeau, Gatineau, Grenada, Hialeah, Kénogami, Saint-Félicien, Sanford and Thunder Bay).

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

8155314

**Metric for commodity production/ consumption volume**

Cubic meters

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

This number represents the consumption of virgin wood fiber at our Canadian sawmills in 2021 (Atikokan, Girardville, La Doré, P.F. Mauricie, Mistassini, Opitciwan\*, Outardes, Comtois, Maniwaki, Ignace, Senneterre, St-Félicien, St-Thomas and Thunder Bay sawmills).

\*Société en Commandite Scierie Opitciwan, located in Obedjiwan, is considered as an equity method investment in which we have a 45% interest.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

1348377

**Metric for commodity production/ consumption volume**

Cubic meters

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

Our U.S. sawmills (Cross City, El Dorado and Glenwood sawmills) completed their chain-of-custody certification audits in March 2022.

The volume represents the consumption of virgin wood fiber at the three facilities in 2021.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

1914000000

**Metric for commodity production/ consumption volume**

Other, please specify (Board feet)

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

The following breaks down the portion of our wood products production measured in board feet by product segment in 2021:

-Wood Products: 1.850 billion board feet from our Atikokan, Girardville, La Doré, P.F. Mauricie, Mistassini, Outardes, Comtois, Maniwaki, Ignace, Senneterre, St-Félicien, St-Thomas and Thunder Bay sawmills

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-Remanufactured Wood Products: 64 million board feet from our Château-Richer mill

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

78000000

**Metric for commodity production/ consumption volume**

Other, please specify (Linear feet)

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

We manufactured 78 million linear feet of engineered wood products in 2021 at our facilities in Larouche and Saint-Prime Quebec in which we held a 50% interest in each entity. In March 2022, we acquired the remaining 50% equity interest in each entity. Prior to that, and for the duration of 2021, the entities were considered as equity method investments in which we held a 50% interest.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

2601000

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

The following breaks down 100% of our pulp, paper and tissue production by product segment in 2021:

Market pulp - 1.134 million metric tons

Paper - 1.467 million metric tons

Tissue - 0.090 metric tons

This includes our Alma, Calhoun, Clermont, Coosa Pines, Dolbeau, Gatineau, Grenada, Hialeah, Kénogami, Menominee, Saint-Félicien, Sanford and Thunder Bay mills.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

43000

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

We manufactured 43,000 metric tons of wood pellets at our Thunder Bay (Ontario) pellet plant.

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Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

288000000

**Metric for commodity production/ consumption volume**

Other, please specify (Board feet)

**Data coverage**

Partial commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

The following breaks down the portion of our 2021 wood products production measured in board feet by our U.S. sawmills:

-Wood Products: 288 million board feet from our Cross City, El Dorado and Glenwood sawmills

These facilities (Cross City, El Dorado and Glenwood sawmills) completed their chain-of-custody certification audits.

Together, the disclosures under section F1.5a represent the entirety of our commodity production/consumption for the "Timber products" forest risk commodity.

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## F1.5b

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**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

100

**Please explain**

100% of the fiber sourced by Resolute is from Canada (provinces of Quebec and Ontario) and the United States (various southeastern states) as well as recycled fiber from Canada and the U.S.

100% of the fiber we source is consumed by our facilities in Canada and/or the United States for the production of lumber, pulp, paper, tissue and energy.

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## F1.6

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

Yes

### F1.6a

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**(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

**Forest risk commodity**

Timber products

**Impact driver type**

Regulatory

**Primary impact driver**

Regulatory uncertainty

**Primary impact**

Fines, penalties or enforcement orders

**Description of impact**

The vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills are subject to orders requiring payment of cash deposits to the U.S. for estimated countervailing and anti-dumping duties. These cash deposit requirements are the result of petitions filed by U.S. softwood lumber products producers and forest landowners with the U.S. Department of Commerce and the U.S. International Trade Commission.

We have been required to pay cash deposits for estimated countervailing duties and anti-dumping duties on the vast majority of U.S. imports of softwood lumber products produced at our Canadian sawmills since April 28, 2017, and June 30, 2017, respectively. In 2021, we made \$154 million in softwood lumber duty deposits for cumulative deposits of \$397 million through the end of 2021.

**Primary response**

Participation in sector-wide and/or multi-stakeholder agreements

**Total financial impact**

396594000

**Description of response**

We intend to work closely through our Canadian industry association, the Forest Products Association of Canada (FPAC), as well as the Canadian federal government to ensure that our industry from coast to coast is vigorously defended in the wake of the U.S. trade action against Canadian softwood lumber.

Canadian softwood lumber exports to the United States benefit the economies of both countries and we want to see an outcome that provides fair access for Canadian producers and American consumers alike.

As we work with the federal government to defend our industry, this is a reminder of the importance of the need to diversify our export markets and products.

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**F1.7**

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**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we estimate deforestation/conversion footprint based on sourcing area

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

During the last 5 years

**Known or estimated deforestation/ conversion footprint (hectares)**

0

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

Less than half of one percent of Canada's boreal forest is harvested each year – far less than what is disturbed annually by natural causes such as forest fires, insects and disease, and 100% of the woodlands we harvest are regenerated through natural regeneration and tree planting. The regeneration of harvested woodlands is an essential component of responsible and sustainable forest management. We rely on various forest management techniques and best practices, including regeneration surveys, site preparation, planting of seedlings and seeding – all in combination with natural regeneration. We monitor deforestation and conversion through the lens of internationally recognized forest management standards, which aim to protect biodiversity, water quality, wildlife habitat, species at risk and forests with exceptional conservation value. 100% of the woodlands managed by Resolute are third-party certified to at least one internationally recognized forest management standard: Sustainable Forestry Initiative® (SFI®) and/or Forest Stewardship Council® (FSC®).

For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC chain of custody due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues, such as deforestation and land conversion. This enables us to confirm to manufacturers and traders that they have avoided timber and timber products from unacceptable sources, including forests converted to non-forest uses.

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**F2. Procedures**

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**F2.1**

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

**F2.1a**

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**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Timber products**

**Value chain stage**

- Direct operations
- Supply chain
- Other parts of the value chain

**Coverage**

- Full

**Risk assessment procedure**

- Assessed as a standalone issue

**Frequency of assessment**

- More than once a year

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

- > 6 years

**Tools and methods used**

- Internal company methods
- External consultants
- Global Forest Watch Pro
- Other, please specify (NEPCon Sourcing Hub, FSC Global Forest Registry, Global Forest Watch. As a forest-based company that produces products from wood fiber, Resolute's forest-related risks are assessed on a continual basis using different tools.)

**Issues considered**

- Availability of forest risk commodities
- Quality of forests risk commodities
- Impact of activity on the status of ecosystems and habitats
- Regulation
- Climate change
- Social impacts

**Stakeholders considered**

- Customers
- Employees
- Investors
- Local communities
- NGOs
- Other forest risk commodity users/producers at a local level
- Regulators
- Suppliers
- Other, please specify (Indigenous Peoples )

**Please explain**

As a fully integrated company, Resolute assesses forests-related risks on a continuous basis as part of operations management, from forest management planning to secondary processing. Our certified systems (ISO 14001:2015, SFI/FSC Forest Management, SFI/PEFC/FSC Chain of Custody), which have been in place for many years, are used on a daily basis to identify and control risk. Over the years, these systems have proven effective at maintaining adequate traceability of 100% of the fiber we consume, while ensuring fiber procurement and processing are done in compliance with the requirements set by said standards. External audits required to maintain certifications are completed annually, ensuring independent verification and providing us with information key to maintaining and improving our systems in the most efficient way. NEPCon Sourcing Hub, FSC Global Forest Registry and Global Forest Watch are tools used frequently as part of our certified systems to assess potential risks related to our operations.

Resolute has in place a system of regular internal and external auditing systems that are intended to ensure we adhere to the standards and commitments of company policies and governance standards (Code of Business Conduct, Ethics Reporting Policy, Wood and Fiber Sourcing Policy, etc.). The board of directors' audit committee is responsible for overseeing general risk assessment and management, as well as reviewing contingent liabilities and risks that may be material to the company.

Our enterprise risk management (ERM) process is a framework for identifying dangers and potential other hazards that may interfere with our operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. Our Internal Audit team coordinates the annual ERM exercise by asking senior management to identify the most important risks and related mitigation plans to inform the audit committee of the major risks with which the company is faced.

Our environmental, health, safety and sustainability (EHSS) committee assists the board in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters.

**F2.2**

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**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping	Primary reason for not mapping your value chain	Explain why your organization does not map its value chain and outline any plans to introduce it
Timber products	Yes, we have mapped the entire value chain	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F2.2a**

**(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Scope of value chain mapping**

Own operations  
Tier 1 suppliers  
Customers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

At our operations in the United States and Canada, deliveries of recovered fiber, roundwood and chips are tracked at the operational, regional and corporate levels with software systems that convert on-site readings from scales that weigh transport trucks delivering fiber into accounts payable information, reports and other internal data uses. These systems are necessary to keep track of approximately 700 external suppliers and more than \$500 million in annual payments. Every year, as part of our SOX compliance program, Internal Audit performs the testing of key controls surrounding the procure-to-pay function, including the reporting systems outlined in Resolute’s procurement policies. The results are presented to senior management and the audit committee annually.

In 2021, woodlands managed by the company provided approximately 42% of our required supply of wood fiber (chips and roundwood) for pulp and paper manufacturing, with the remaining 58% purchased from external sources. Our Canadian sawmills source 100% of their wood from forests in Canada – mostly from Resolute’s managed forests (over 90%), and some from external suppliers. Fiber from our managed forests is harvested by employees and contractors in accordance with our forest management plans and applicable regulations. Virgin fiber harvested from other crown lands is also occasionally purchased from distributors. With respect to our U.S. sawmills, 100% of the fiber is sourced from American forests by external suppliers.

A total of 69% of the fiber input for our pulp and paper mills consisted of sawmill by-products (wood chips) from Resolute’s own wood products operations and other facilities. An additional 5% of the total fiber used came from recovered paper collected and processed by external suppliers, as well as paper waste collected directly from commercial printing companies. The balance is sourced externally.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

Operations.pdf

**Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)**

Suppliers.pdf

**F3. Risks and opportunities**

**F3.1**

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

**F3.1a**

### (F3.1a) How does your organization define substantive financial or strategic impact on your business?

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

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

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

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

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

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

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

### F3.1b

#### (F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

##### Forest risk commodity

Timber products

##### Type of risk

Acute physical

##### Geographical scale

Global

##### Where in your value chain does the risk driver occur?

Direct operation

Supply chain

Other parts of the value chain

##### Primary risk driver

Wildfires

##### Primary potential impact

Supply chain disruption

##### Company-specific description

Our operations and suppliers in Canada and the United States are subject to climate variations, which impact the frequency and severity of wildfires, affecting adversely or positively timber production and fiber sourcing. Changes in precipitation resulting in droughts could make wildfires more frequent or more severe, and could adversely affect Resolute's timber supply or hydroelectric production.

In our Canadian operations, access to woodlands can be difficult and forest fires can go undetected due to low population density in forested areas. Many of Resolute's operations are located in remote areas. On top of the protection costs, the real impact for Resolute is a reduction in the annual allowable harvest resulting from forest fires, as well as the extra costs the company may incur to salvage burnt wood, such as road construction, sorting poorer wood quality and displacing woodland operations. Productivity and efficiency of harvest teams and the sawmills operations may also be affected.

In 2021, 800,000 hectares (close to 2 million acres) of forest were affected by fires in Resolute's supply zone in Canada where our sawmills source mostly from Resolute's managed forests (82%).

Our operations and suppliers in the United States are also subject to climate variations, including forest fires.

#### **Timeframe**

>6 years

#### **Magnitude of potential impact**

Medium-high

#### **Likelihood**

Very likely

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

Yes, an estimated range

#### **Potential financial impact (currency)**

<Not Applicable>

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

70000000

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

312000000

#### **Explanation of financial**

One method for estimating the potential financial impact of forest fires is described in "The Costs and Losses of Wildfires A Literature Review" (available online: <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1215.pdf>). The potential financial impact of a forest fire is estimated to be about \$390/ha. With 800,000 hectares of owned or managed land affected by forest fires in 2021, the cost to Resolute would have been in the range of \$312 million - the maximum financial impact we identified above. That said, as woodlands under our stewardship are primarily located in Canada where 94% of forests are publicly owned, a significant portion of this risk, including immediate direct costs, belongs to Canadian public authorities, which are passed on to Resolute and other stakeholders indirectly.

For comparison, in Canada, the total area that burns annually varies widely from year to year, but averages about 2.5 million hectares; fire suppression costs over the last decade have ranged from about C\$500 million to C\$1 billion a year (source: <http://www.nrcan.gc.ca/forests/fire-insects-disturbances/fire/13143>). Using the industry's annual gross domestic product of C\$25 billion (Natural Resources Canada, 2020) to assume Resolute's share of the risk at around 9% (based on our 2021 economic impact in Canada of C\$2.2 B), the potential, hypothetical financial impact to Resolute in Canada is estimated to be no more than C\$90 million (US\$70 million), the minimum impact above.

#### **Primary response to risk**

Engagement in multi-stakeholder initiatives

#### **Description of response**

In Quebec, SOPFEU is responsible for optimizing forest fire protection to ensure the sustainability of the forest environment and surrounding communities. The organization is supported by the provincial government and was chaired by Resolute's vice president, Woodland Operations, between 2018 and 2021.

In Ontario, the ministry of Natural Resources and Forestry (MNRF) maintains a system of firefighting resources to allow appropriate responses to wildfire. This system includes a number of fire bases and response centers as well as aircraft and equipment. The Wildland Fire Management Strategy (2014) provides direction for how the MNRF manages wildland fire across Ontario.

The Intergovernmental Panel on Climate Change has confirmed that harvesting mature trees actually limits the impact of fire, as does the rapid regeneration that follows under sustainable forest management. In addition to implementing sustainable forest management, Resolute promotes sustainable forestry practices and responsible fiber sourcing, and engages in salvage logging, harvesting in fire affected areas to promote regeneration and minimize greenhouse gas emissions associated with decomposing burned vegetation. These salvage logging operations also promote best use of forest resources. For our operations in or near affected areas, we utilize careful logging techniques to minimize soil disturbance and take care to protect natural regeneration.

#### **Cost of response**

100000

#### **Explanation of cost of response**

Fire suppression costs over the last decade in Canada have ranged from about \$500 million to \$1 billion a year (source: <http://www.nrcan.gc.ca/forests/fire-insects-disturbances/fire/13143>). A significant portion of these costs are assumed by Canadian public authorities. Woodlands under our stewardship are primarily located in Canada where 94% of forests are publicly owned. Immediate direct costs to Resolute are therefore minimal despite the significant potential financial impact.

In Quebec, SOPFEU is responsible for optimizing forest fire protection to ensure the sustainability of the forest environment and surrounding communities. Resolute's vice president, Woodland Operations, chaired SOPFEU's board of directors between 2018 and 2021. We estimate Resolute's contributions through his involvement at around \$90,000.

In Ontario, the ministry of Natural Resources and Forestry (MNRF) maintains a system of firefighting resources to allow appropriate responses to wildfire. This system includes a number of fire bases and response centers as well as aircraft and equipment. The Wildland Fire Management Strategy (2014) provides direction for how the MNRF manages wildland fire across Ontario. Direct costs to Resolute are minimal, but we have added \$10,000 to the \$90,000 mentioned above for the involvement of our Ontario personnel in collaborating with the MNRF on forest fire-related issues in 2021.

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#### **Forest risk commodity**

Timber products

#### **Type of risk**

Acute physical

#### **Geographical scale**



Global

**Where in your value chain does the risk driver occur?**

Direct operation  
Supply chain  
Other parts of the value chain

**Primary risk driver**

Other acute physical driver, please specify (Bug infestations)

**Primary potential impact**

Supply chain disruption

**Company-specific description**

Our operations and suppliers are subject to the spread of disease or insect epidemics, which in turn may adversely or positively affect timber production. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters such as the spread of disease and insect infestations. Weather in winter is often no longer cold enough to reduce populations of insects such as the spruce budworm, which can decimate large tracts of forestland. This may result in fiber access issues as well as higher transportation costs for the delivery of suitable wood to our facilities.

The last extensive outbreak of spruce budworm in Canada reached its peak in the 1970s, damaging more than 50 million hectares. While it is too early to measure the economic impact, it is estimated that the most recent budworm outbreak has already affected some three million hectares of boreal forest in Quebec and Ontario, in addition to causing losses in wood supply equivalent to 20 years worth of harvest. Resolute manages forests in areas that were hit significantly.

According to Natural Resources Canada, outbreaks of spruce budworm will likely increase in extent, affecting large areas of forest from Ontario east. The jack pine budworm outbreak in Ontario is also expected to continue for the next few years.

Our operations and suppliers in the United States are also subject to infestations.

**Timeframe**

>6 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Very likely

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

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

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

978000000

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

1653000000

**Explanation of financial**

According to Natural Resources Canada, losses resulting from the last spruce budworm outbreak, in Quebec alone, are estimated at about 2.6 million hectares of spruce and fir, for an estimated commercial value of C\$12.5 billion, or C\$4,808 per hectare. In Ontario, the infestation was relatively small—covering 850,000 hectares—peaking in 2007. It has now declined to around 300,000 hectares, the equivalent of C\$1.4 billion in commercial value. In addition, another two million hectares in northwestern Ontario are affected by the jack pine budworm.

On top of the protection costs, the impact on Resolute could be a reduction in the annual allowable harvest. Using the Canadian forest products industry's annual gross domestic product of C\$25 billion (Natural Resources Canada, 2020) to assume Resolute's share of the market/risk at approximately 9% (based on the company's economic impact in Canada of C\$2.2 B in 2021), the potential financial impact to Resolute could be as high as C\$2.1 billion (approximately US\$1.7 billion) based on 4.9 million hectares (spruce and jack pine budworm combined). This is the maximum financial impact we identified above. Not counting the jack pine budworm, less impactful at this time, the minimum impact above was estimated based on 2.9 million hectares.

However, potential impact does not account for wood that can be salvaged, infestations that have been mitigated, and rising temperatures that could precipitate a change in forest composition.

**Primary response to risk**

Promotion of sustainable forest management, including financial incentives

**Description of response**

The Côte-Nord region of Quebec was hit most recently, affecting our fiber supply, particularly at our Outardes (Quebec) sawmill. Resolute engaged in salvage logging, harvesting in affected areas to promote regeneration. We utilize careful logging techniques to minimize soil disturbance and to protect natural regeneration.

In addition to supporting salvage logging, Resolute implements and promotes sustainable forestry practices and responsible fiber sourcing, such as chain of custody certification and forest regeneration. In 2021, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with them to better assess their forest management practices and the feasibility of implementing certification. We met 421 smallholders who supply Resolute with roundwood, as well as the 34 external chips suppliers with whom we did business in 2021, discussing forest-related policies and best practices.

We also donated C\$1 million over five years toward the creation of an industrial research Chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi, focusing on forest management and the spruce budworm. In 2021, we also renewed a five-year, C\$175,000 commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

**Cost of response**

900000

**Explanation of cost of response**

Resolute donated C\$1 million (approximately US\$750,000) over five years toward the creation of an industrial research chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec at Chicoutimi, focusing on the spruce budworm.

In 2021, we also renewed a five-year, C\$175,000 (approximately US\$150,000) commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

The costs associated with the salvage logging undertaken in the Côte-Nord region and third party certifications are not included in our cost of response.

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### Forest risk commodity

Timber products

### Type of risk

Regulatory

### Geographical scale

Country

### Where in your value chain does the risk driver occur?

Direct operation

Supply chain

### Primary risk driver

Changes to national legislation

### Primary potential impact

Increased operating costs

### Company-specific description

Regulatory developments, activist campaigns and litigation by Indigenous groups or other stakeholders have caused, and may cause in the future, significant reductions in the amount of timber available for commercial harvest in Canada, or that meet standards required for third-party certifications. Future regulation, particularly by Ontario, Quebec, or the federal Canadian government, as well as litigation, changes in forest management certification standards, and actions taken by activists to influence the availability of timber for commercial harvest could focus on any one or more of the use of timberlands, forest management practices, forest management and chain of custody certification standards, consultation with Indigenous groups, protection of habitats and endangered or other species, including the woodland caribou, promotion of forest biodiversity, and the response to, and prevention of, catastrophic wildfires. Increased pressures on the Canadian provincial and federal governments to increase the protection of the woodland caribou, its habitat, and the boreal forest, could impact timber supply.

### Timeframe

>6 years

### Magnitude of potential impact

Medium

### Likelihood

Likely

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

Yes, a single figure estimate

### Potential financial impact (currency)

312000000

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

<Not Applicable>

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

<Not Applicable>

### Explanation of financial

To estimate the financial impact for Resolute, we focused on increased pressure on the Canadian provincial and federal governments to increase the protection of the woodland caribou, its habitat, and the boreal forest, all of which could impact timber supply and our direct operations. In Quebec, nearly C\$600 million in lost annual economic activity could result from further regulation, according to calculations carried out by MEI, an independent public policy think tank with offices in Montreal, Canada (<https://bit.ly/2t34zyY>). The Ontario government estimates a loss of over C\$200 million in annual gross domestic product (<https://bit.ly/2JTwxwne>). In both cases, the impact is an annual one, with several possibilities for an immediate impact, e.g. reduced forest land available for harvest. However, it is difficult to estimate what portion of these costs is attributable to legislation and regulation pertaining to Resolute's operations directly, but as the largest forest products company in each of these two provinces, Resolute's share of the risk could be as high as C\$400 million (US\$312).

### Primary response to risk

Engagement in multi-stakeholder initiatives

### Description of response

Resolute continues to monitor and assess the effects of forest-related regulatory developments in Quebec, Ontario and at the Canadian federal government. We have engaged with local communities and policy makers to garner support for our positions in order to reduce the potential impact of new forestry regulations on fiber availability and costs, while still aiming to achieve the legislative objective of sustainable forest management.

We are also involved in many different consultation processes related to regulatory developments in order to promote our sustainable forest management practices and continue to be a leader in the development of regulation, including Quebec's Caribou Commission. We also engage on public policy and regulation through our provincial trade associations: Ontario Forest Industry Association and the Quebec Forest Industry Council, as well as the Forest Products Association of Canada (FPAC).

In Ontario, a five-year section 11 agreement under federal Species at Risk Act (SARA) was signed in April 2022 between Environment and Climate Change Canada (ECCC) and the province – a very positive development that will allow science to inform upcoming forest management plans.

In Quebec, renewal of an agreement between the provincial and federal governments on caribou-related regulation is critical, as the Chief Forester is currently finalizing determination of annual allowable cuts for 2023-28.

### Cost of response

500000

### Explanation of cost of response

In 2021, Resolute donated funds for scholarships, bursaries, research grants and training programs totaling more than \$290,000. For more information on our research partnerships, visit:

In this figure, we have also included another \$210,000 for the time of our Public Affairs and Environment teams that was spent on engaging with government and elected officials on public policy initiatives. The cost of our trade association memberships is additional to this figure.

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### Forest risk commodity

Timber products

### Type of risk

Regulatory

### Geographical scale

Global

### Where in your value chain does the risk driver occur?

Direct operation

Supply chain

### Primary risk driver

Changes in land tenure regulations

### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

We depend heavily on harvesting rights and timber supply guarantees over government-owned land in Ontario and Quebec, respectively. The volume of harvest permitted under these licenses is subject to limits, which are generally referred to as the AAC. The AAC is reviewed regularly, typically every five years in Quebec and every 10 years in Ontario. The next AAC revision in Quebec is scheduled to take place in 2023 while Ontario has completed AAC revisions in 2021 for the forests in which we operate.

### Timeframe

>6 years

### Magnitude of potential impact

Low

### Likelihood

Unlikely

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

Yes, a single figure estimate

### Potential financial impact (currency)

44000000

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

<Not Applicable>

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

<Not Applicable>

### Explanation of financial

Quebec's Timber Production Strategy is designed to produce more timber while developing the forest's existing potential to create collective wealth. The Strategy focuses on five major axes:

- Production of economically desirable timber
- Harvest of available timber
- Private forest's contribution to collective wealth
- Forest sector's contribution to climate change mitigation goals
- Innovation and knowledge

About 25% of the total allowable harvesting rights in Quebec are allocated through an open auction system, which we have used to calculate the potential financial impact above. The prices generated by the auction system are used to set pricing for the remainder of the AAC.

Resolute collaborates with Quebec's Ministry of Forests, Wildlife and Parks on an ongoing basis, not only as a member of the Quebec Forest Industry Council, but also a member of the Table of Partners for the Implementation of the Management of Woodland Caribou Habitat Action Plan.

We also engage with the Ontario government on fiber availability, most notably via the province's new forests strategy, Sustainable Growth, announced in August 2020.

Sustainable forest management in Ontario and Quebec contributes to the fight against climate change, while responding to the growing global demand for products made from renewables resources. The provincial and federal legislative and regulatory frameworks for forestry are among the more stringent in the world.

### Primary response to risk

Avoidance of sourcing from high-deforestation risk jurisdictions

### Description of response

For Resolute, responsible environmental stewardship is an ethical obligation and a business imperative, and integral to our overall commitment to sustainability. We recognize that the long-term future of our company and the communities in which we operate depends on responsible management of the natural resources in our care and the performance of our operations. We recognize and value wood as a renewable, high-quality, reliable and environmentally friendly raw material for our paper, pulp and wood products.

Resolute's Wood and Fiber Sourcing Policy, applied in conjunction with our 100% chain-of-custody-certified tracking systems, helps manufacturers and traders avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses. Forest certification and fiber tracking further contribute to ensuring the sustainability of our fiber supply and other forest values, including biodiversity conservation and ecosystem services.

In the Quebec and Ontario woodlands where we operate, each provincial government has its own system for monitoring compliance with forestry and environmental laws and regulations. As part of our public commitments, we also publicly report our compliance progress. For more information:

**Cost of response**

5000000

**Explanation of cost of response**

Strict adherence to internationally recognized forest management and chain of custody (CoC) standards provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. This approach is deeply embedded throughout the company and our operations, rendering the cost of response a difficult one to evaluate monetarily. Developing fiber tracking systems, implementing certification, undertaking audits and monitoring best practices are not tracked specifically, but together exceed \$5 million annually.

F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

**(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.**

**Forest risk commodity**

Timber products

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation  
Supply chain

**Primary forests-related opportunity**

Increased demand for certified materials

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

Trees are one of the most versatile and renewable resources. Not only is wood the most sustainable building material, it is energy-efficient and cost-effective. Wood products, as well as books, magazines and other durable paper products, store the carbon that began in the forest, and the recycling of paper avoids the methane emissions that occur at the landfill.

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. Forest certification and fiber tracking help to ensure the sustainability of our fiber supply and other forest values, including biodiversity and ecosystem conservation. Strict adherence to internationally recognized forest management and chain of custody (CoC) standards provides our customers with the assurance that the wood fiber we utilize originates from responsible sources. Third-party-verified forest certification standards provide us with a competitive edge by providing our customers with the assurance that our forests are managed responsibly according to rigorous standards. We are among the largest holders of SFI and FSC certificates in North America.

In 2021, 100% of the forests we manage were certified to the SFI Forest Management Standard. In addition, we maintain FSC Forest Management certification for the Black Spruce and Dog River-Matawin forest licenses in Ontario, and for the following management units located in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. Overall, without double-counting the area certified to the two forest management standards, this represents just over 20 million hectares (50 million acres) of certified land.

Effective March 2022, 100% of our manufacturing facilities were third-party certified to at least one of three internationally recognized chain of custody standards. All of our operations are certified or in the process of being certified to the ISO 14001:2015 Standards for our environmental management systems. Our Hialeah (Florida) tissue mill, which manufactures Green Heritage® products that feature recycled and/or virgin fiber content, is certified to third-party standards EcoLogo® and Green Seal®.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

High

**Likelihood**

Virtually certain

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

2663000000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

The figure comprises an estimate of our 2021 revenue from sale of pulp, paper, tissue, lumber and other wood products certified to chain of custody standards (SFI, FSC and PEFC), Green Seal certification, or sourced from woodlands with SFI or FSC forest management certification. Figures are based on sales in dollars and in weight using numbers and averages from 2021 and 2020.

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**Forest risk commodity**

Timber products

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Direct operation

**Primary forests-related opportunity**

Increased R&D and innovation opportunities

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

Resolute manufactures low environmental impact products and invests in R&D projects to develop innovative and value-added products such as biofuels, biochemicals and biomaterials from its renewable wood fiber resources. In 2018, we joined forces with FPInnovations to build a bio-refinery pilot plant at our Thunder Bay (Ontario) pulp and paper mill, focusing on developing new ways to efficiently produce and commercialize innovative bio-products derived from wood. The C\$23 million initiative, which has the support of the municipal, Ontario and Canadian governments, was inaugurated in May 2019. With the capacity to treat 100 metric tons of biomass annually, the plant produces lignin and sugars for use in the development of innovative bio-products, such as wood adhesives, animal feed and composites.

In January 2020, we announced the construction of a commercial plant specializing in the production of cellulose filaments, a new sustainable biomaterial derived from wood fiber, at Resolute's Kénoami paper mill in Quebec as well as the optimization of the mill, at a total cost of C\$38 million. The investment in cellulose filaments represents an opportunity to enter into non-traditional growth markets and will create synergies within our network of operations in Saguenay–Lac-Saint-Jean. Cellulose filaments are derived from wood fiber that is mechanically processed without chemicals or enzymes. They are manufactured entirely from renewable sources, resulting in a low carbon footprint. Offering a wide variety of uses and a number of benefits, the filaments can be integrated into commercial and consumer products from many industries, including transportation, construction and energy, increasing the resistance and durability of those products.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

High

**Likelihood**

Virtually certain

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

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

Resolute is investing in research and development projects to develop innovative and value-added products such as biofuels, biochemicals and biomaterials from its renewable wood fibre resources. However, it is difficult at this time to estimate the breadth of the impact of these investments as they are only getting off the ground. The financial impact will be determined as the projects are rolled out more extensively in the marketplace. The bio-refinery was inaugurated in May 2019, and the startup phase for the Kénoami project is slated for 2022.

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**Forest risk commodity**

Timber products

**Type of opportunity**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

**Primary forests-related opportunity**

Increased availability of products with reduced environmental impact (other than certified products)

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

Over the past decade, Resolute has significantly invested in green energy (we operate six cogeneration facilities and seven hydroelectric dams). We have long sold green energy credits and electricity generated from renewable sources back to the grid and since 2016 continued to ramp up production of biomass wood pellets used to produce electricity in place of coal at the Atikokan Generating Station in Ontario.

The industrial wood pellet plant at our Thunder Bay (Ontario) sawmill converts sawdust, a by-product of our adjacent sawmill into wood pellets, a reliable source of renewable energy. Our ten-year agreement with Ontario Power Generation is to provide 45,000 metric tons of wood pellets each year for the power generating station in Atikokan, which is a one-unit, 207-megawatt station that helps Ontario meet its needs during peak power consumption periods.

At one time, this state-of-the-art facility burned coal, but a \$170 million retrofit enabled it to burn wood pellets. Unlike coal or natural gas, energy generated from wood pellets is fully replaceable and produces power that is considered carbon-neutral. The greenhouse gas emissions from our wood pellets are considered carbon-neutral because they are made from the residual products of our manufacturing process. The Atikokan generating station is currently the largest electrical power plant in North America fueled by 100% biomass.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential impact**

Medium-high

**Likelihood**

Virtually certain

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

70000000

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

&lt;Not Applicable&gt;

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

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Total annual sales of biomass pellets produced at the Thunder Bay (Ontario) pellet plant in 2021 were C\$9.3 million generated from 43,000 mt of pellets. As a ten-year agreement, the financial impact is estimated to be approximately C\$90 million, or US\$70 million.

**F4. Governance****F4.1****(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

**F4.1a****(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Board Chair	<p>The chair leads the board of directors, which together with its environmental, health, safety and sustainability (EHSS) committee and its human resources and compensation/nominating and governance committee, are responsible for overseeing the company's sustainability plans and strategies as well as the company's ESG performance.</p> <p>The chair of the board has extensive experience in sustainability and forest products, having previously been CEO of another important forest products company.</p> <p>In addition to leading the board of directors in its oversight of the company's ESG plans, strategy and performance in 2021, the chair commissioned the sustainability committee to provide third-party ESG training for all directors, officers and members of the sustainability committee. Trainings were completed in early 2022.</p> <p>The board met ten times in 2021.</p>
Board-level committee	<p>The environmental, health, safety and sustainability (EHSS) committee assists the board of directors in fulfilling its oversight duties with regard to the policies, management systems and performance of Resolute relating to environmental, occupational health, safety, and sustainability matters. It provides overall guidance on our sustainability strategy and results by reviewing established key performance indicators, incidents, audits, liabilities, stakeholder relations, public policy issues and other developments. The committee reviews our annual sustainability targets, including our 2021 target to strive to record no more than five forest management incidents leading to an infraction.</p> <p>The EHSS committee met four times in 2021 and is composed of five board members. The president &amp; CEO, executive managers (senior vice presidents of Operations, HR, Legal and Corporate Affairs) and four senior managers participate in meetings.</p>
Chief Executive Officer (CEO)	<p>Our president &amp; CEO is a member of the board of directors and leads the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies, which are reviewed by our board of directors. The overall responsibility for our performance resides with the president &amp; CEO, with oversight from the board.</p> <p>The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including adopting annual and long-term targets related to forest certification and forestry-related regulatory infractions, reports to the president &amp; CEO.</p> <p>In 2021, the president &amp; CEO authorized proceeding with the chain of custody certification at Resolute's three U.S. sawmills, a process completed in March 2022.</p>
Board-level committee	<p>The audit committee assists the board of directors in fulfilling its oversight responsibilities, including the committee's primary duties and responsibilities of reviewing senior management's plans to manage Resolute's exposure to risk. The committee discusses and considers the company's policies with respect to general risk assessment and risk management, and reviews contingent liabilities and risks that may be material to the company as well as major legislative and regulatory developments that could materially impact the company's contingent liabilities.</p> <p>In 2021, as part of the enterprise risk management process, the committee reviewed forests-related risks and related mitigation plans, including the impact of the spruce budworm in the Côte-Nord region of Quebec. The committee met seven times in 2021 and is composed of four board members. Four members of the executive team (president &amp; CEO, CFO, CAO, CLO) and the vice president, Internal Audit, also attend the meetings.</p>

**F4.1b**

**(F4.1b) Provide further details on the board’s oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	<p>The board of directors executes its oversight responsibility for risk assessment and risk management through its committees, including the audit committee and the environmental, health, safety and sustainability committee, to which the president &amp; CEO reports. Risks are considered through risk-based methods and processes integrating concepts of internal control, transparency and strategic planning, which are intended to allow the board to identify and assess environment, social and governance risks, namely regulatory changes, strategic capital investments, consumer preference changes, reputation, and weather-related challenges.</p> <p>Resolute is guided by its core values, including sustainability, which helps to ensure the company’s continued growth and success, while reinforcing our vision that profitability and sustainability drive our future. Sustainability drives the organization’s activities, including its approach to health and safety, community relations and environmental impacts. Tone from the top plays a vital role: the president &amp; CEO and executive team actively promote the sustainability strategy, and company policies are signed by the president &amp; CEO (ex. Environmental Policy, Health &amp; Safety Policy, Indigenous Peoples Policy).</p>

**F4.1d**

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

**Row 1**

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

Four members of the board have experience with sustainability and ESG issues, including our president & CEO who was a member of Resolute’s sustainability committee prior to becoming the general manager of our Thunder Bay (Ontario) pulp and paper mill where he was responsible for the mill’s fiber sourcing and processing, among other things, in addition to working proactively with our Ontario woodlands operations.

As a former executive in the forest products industry, the current chair of the environmental, health, safety and sustainability (EHSS) committee has extensive experience in environmental sustainability, including fiber and water management at pulp, paper and tissue mills. She has been instrumental in enhancing board oversight of our sustainability strategy, and our environmental, social and governance (ESG) performance since 2019. Her 30-plus years of experience in the forest products sector – including leadership positions with companies, industry associations and a government committee tasked with establishing 2030 greenhouse gas emission reduction targets – has proved beneficial to Resolute as we establish and deliver on our sustainability commitments.

In addition, the chair of the board has experience in sustainability and forest products, having previously been CEO of another important forest products company, while a fourth director brings general knowledge on sustainability/ESG to the table.

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

**F4.2**

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	<p>Our president &amp; CEO is a member of the board of directors and leads the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies, which are reviewed by our board of directors. The overall responsibility for our performance resides with the president &amp; CEO, with oversight from the board. Company results are reported monthly to our senior managers and the executive team (including the president &amp; CEO), who makes quarterly reports on sustainability and forests-related issues to the board of directors' environment, health, safety and sustainability committee or the full board. The president &amp; CEO also signs our Wood and Fiber Sourcing Policy.</p> <p>The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including adopting annual and long-term targets related to forest certification and forestry-related regulatory infractions, reports to the president &amp; CEO. Our president, Wood Products - who oversees all forestry and wood products-related activities, as well as our vice president, Woodland Operations - who assesses and manages forest-related risks and opportunities in our woodland operations - also report to the president &amp; CEO.</p> <p>In 2021, the president &amp; CEO authorized proceeding with the chain of custody certification at Resolute's three U.S. sawmills, a process completed in March 2022.</p>
Chief Financial Officer (CFO)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	<p>The CFO reports directly to the company's president &amp; CEO, overseeing Resolute's financial reporting. Resolute complies with applicable financial reporting requirements, which include consideration of forest-related risks due to the associated potential significant business impacts.</p> <p>Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management for inclusion in Resolute's financial reporting. Risks identified by management (including the president &amp; CEO, CFO, executive team and senior managers) are also raised.</p> <p>Examples of forests-related risks disclosed in our 2021 Form 10-K annual report include forest fires and bug infestations.</p>
Sustainability committee	Both assessing and managing forests-related risks and opportunities	Quarterly	<p>We rely on our sustainability committee - a management committee - to support the delivery of our key commitments and implement related plans. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs, who reports to the board of directors' environmental, health, safety and sustainability committee on a quarterly basis.</p> <p>The committee is a cross-functional group of senior managers whose mandate is to recommend strategies, set goals and measure results, oversee reporting, ensure continuous improvement, and assess stakeholder expectations. Meeting quarterly - a total of four times in 2021 - the committee oversees the company's key sustainability commitments, including adopting, reviewing and reporting on annual targets related to forest and fiber management. In 2021, for instance, the committee approved the target to maintain 100% forest management and chain of custody certification, as well as implement chain of custody certification at facilities acquired in 2020: our Hagerstown (Maryland) tissue converting facility and three U.S. sawmills. In addition, the committee sets the annual target for forest management regulatory infractions: no more than five forest management incidents leading to a regulatory infraction in Canada, excluding incidents of a purely administrative nature, with a long-term aspirational goal of zero infractions.</p>
Risk manager	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	<p>The vice president, Woodland Operations, assesses and manages forest-related risks and opportunities, which are reported to the president &amp; CEO and members of the executive team on an ongoing basis, as well as to the sustainability committee on a quarterly basis via the involvement of the vice president's direct report: senior director, Forestry.</p> <p>The vice president, Woodland Operations, reports to the president, Wood Products, who reports directly to the president &amp; CEO of the company.</p> <p>The position is responsible for our Wood and Fiber Sourcing Policy, which applied in conjunction with our 100% chain-of-custody-certified tracking systems, helps manufacturers and traders avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses.</p> <p>For Resolute, responsible environmental stewardship is an ethical obligation and a business imperative, and integral to our overall commitment to sustainability. We recognize that the long-term future of our company and the communities in which we operate depends on responsible management of the natural resources in our care and the performance of our operations. That is why we are deeply committed to managing the forest responsibly for future generations. We recognize and value wood as a renewable, high-quality, reliable and environmentally friendly raw material for our paper, pulp, tissue and wood products.</p>

**F4.3**

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	<p>Our executive compensation program is designed to meet the following objectives:</p> <ul style="list-style-type: none"> <li>-Attract and retain team members with superior management ability, insight and judgment who will pursue the repositioning of the company for long-term growth, with a focus on operational excellence and the creation of a sustainable and diversified portfolio of products;</li> <li>-Motivate and reward the named executive officers for their contributions to the company's growth and profitability on a short- and long-term basis by linking a significant portion of the compensation package to the achievement of specific financial measures and other company goals and objectives, including our sustainability commitments and annual targets;</li> <li>-Encourage superior individual performance by recognizing individual performance in the short-term incentive plan and rewarding, through limited discretionary cash awards, demonstrated effectiveness and remarkable initiatives, namely behaviors that enhance overall corporate performance; and</li> <li>-Ensure a strong alignment between named executive officers and all stockholder interests.</li> </ul> <p>"Superior management ability, insight and judgment" must be forest-issue focused for several members of the executive team, including the president &amp; CEO, CFO and president, Wood Products, as described in section 4.2. In addition, our senior vice president, Human Resources is responsible for our wood product facilities and woodland operations' health and safety targets/incidents.</p> <p>Resolute's short-term incentive plan (STIP) - the bonus payouts for all eligible employees calculated using economic key performance indicators, such as income from operations - includes environmental and social performance criteria. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident and severity rates, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to spills, gas or liquid release, as well as fish or wildlife kill.</p>



F4.3a

**(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?**

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer Other, please specify (All salaried employees)	Achievement of commitments and targets	<p>Resolute's short-term incentive plan (STIP) - bonus payouts for all eligible employees calculated using economic key performance indicators, such as income from operations - includes environmental and social performance criteria. Upon recommendation from the board's human resources and compensation/nominating and governance committee, a portion of the STIP is based on our Occupational Safety and Health Administration incident and severity rates, the company's greenhouse gas emission reductions (beginning in 2022), and the number of environmental incidents we report relative to our annual targets. Environmental incidents include class 1 and 2 incidents, the scope of which includes incidents related to spills, gas or liquid release, and fish or wildlife kill. The STIP payout is adjusted according to the achievement of targets, negatively if not reached and positively if surpassed.</p> <p>The president &amp; CEO and senior vice presidents' compensation is in part based on these same sustainability metrics, specifically, twenty-five percent (25%).</p> <p>Working to grow our sustainable forestry business in light of market opportunities presents an income-generating opportunity for the company, which can benefit senior managers, including the president &amp; CEO. Effectively managing forests-related risks and opportunities increases the business' profitability, ultimately translating to higher bonus payouts for affected employees.</p>
Non-monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Other C-suite Officer Other, please specify (All employees who demonstrate a deserving performance)	Achievement of commitments and targets Supply chain engagement Other, please specify (Value chain engagement, community engagement)	<p>In recognition of our industry-leading sustainability, environmental and safety performance, Resolute won 32 regional, North American and global awards and distinctions in 2021 alone. We value this recognition because it provides tangible proof that our vision and values are not merely aspirational words; they are the driving force behind our improved performance and global success. The awards garnered speak directly to our core values of working safely, being accountable, ensuring sustainability and succeeding together. Our achievements in sustainable development as well as our business practices reflect the principled leadership of our management team and the hard work and dedication of our employees.</p> <p>In 2021, several individual Resolute employees were recognized for their ongoing commitment to the forest products industry. Nikki Stein, a superintendent at our Thunder Bay (Ontario) pulp and paper mill, received a Rising Star Award from the Forest Products Association of Canada. Lori Kilgour, senior vice president, Process Improvement and chief information officer, received the gold award in the Excellence in Industry, Woman of the Year – Manufacturing category.</p> <p>The full list available online: <a href="http://www.resolutefp.com/Awards_and_Recognition/">http://www.resolutefp.com/Awards_and_Recognition/</a></p>

F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

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

2021\_10-K\_Resolute-RFP.pdf

Yes, please see pages 12-24 of our 2022 Form 10-K, attached.

F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

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

F4.5a

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Please select	<p>Resolute's Wood and Fiber Sourcing Policy (originally implemented in 2011 as Resolute's Wood and Fiber Procurement Policy), applied in conjunction with our 100% chain-of-custody-certified tracking systems helps manufacturers and customers avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses. The policy commits the company to implementing a due diligence system to avoid wood from sources where significant conversion of forests to plantations or non-forest use is taking place, as defined in the standards to which we are certified, such as the Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council® (FSC®) Forest Management Standards.</p> <p>The policy also strives to ensure we avoid wood from sources:</p> <ul style="list-style-type: none"> <li>-that involve illegal harvesting or trade in illegal forest products.</li> <li>-where traditional or human rights are violated within the forestry or forest products sector.</li> <li>-that involve significant damage to exceptional conservation values where such values are threatened by forest management activities. We promote measures designed to maintain attributes in high conservation value forests as identified by recognized processes and/or science-based sources.</li> <li>-that involve the use of genetically modified trees for purposes other than research or field trials.</li> </ul> <p>Resolute' manufacturing processes also have environmental impacts involving the consumption of resources, air emissions, waste generation and water discharge. Guided by our Environmental Policy, we seek to minimize these impacts and strive to go beyond regulatory requirements, such as those in the Ontario Toxics Reduction Act, by focusing on continuous improvement and establishing environmental management systems at all our operating facilities.</p> <p>Policies available online:  <a href="https://www.resolutefp.com/uploadedFiles/Sustainability/Forestry_and_Fiber_Sourcing(1)/Resolute_Wood_and_Fiber_Sourcing_Policy.pdf">https://www.resolutefp.com/uploadedFiles/Sustainability/Forestry_and_Fiber_Sourcing(1)/Resolute_Wood_and_Fiber_Sourcing_Policy.pdf</a></p> <p><a href="https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf">https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf</a></p> <p>Our policies are regularly revised: when there is a change in the certification standard requirements; when there is a change in our operations affecting the corporate policies; when there is a new president &amp; CEO (signatory of the policies).</p>

**F4.5b**

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Other, please specify (Commitment to forest management and chain of custody certification and principles; commitment to recognize and respect the rights of Indigenous Peoples.)</p>	<p>Resolute's Wood and Fiber Sourcing Policy (originally implemented in 2011 as Resolute's Wood and Fiber Procurement Policy), applied in conjunction with our 100% chain-of-custody-certified tracking systems helps manufacturers and customers avoid timber and timber products from unacceptable sources, including forests converted to non-forest uses. The policy commits the company to implementing a due diligence system to avoid wood from sources where significant conversion of forests to plantations or non-forest use is taking place, as defined in the standards to which we are certified, such as the Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council® (FSC®) Forest Management Standards.</p> <p>The policy also strives to ensure we avoid wood from sources:</p> <ul style="list-style-type: none"> <li>-that involve illegal harvesting or trade in illegal forest products.</li> <li>-where traditional or human rights are violated within the forestry or forest products sector.</li> <li>-that involve significant damage to exceptional conservation values where such values are threatened by forest management activities. We promote appropriate measures to maintain attributes in high conservation value forests as identified by recognized processes and/or science-based sources.</li> <li>-that involve the use of genetically modified trees for purposes other than research or field trials.</li> </ul> <p>Resolute's manufacturing process includes the consumption of resources, air emissions, waste generation and water discharge. Guided by our Environmental Policy, we seek to minimize these impacts and strive to go beyond regulatory requirements, such as those in the Ontario Toxics Reduction Act, by focusing on continuous improvement and establishing environmental management systems at all our operating facilities.</p> <p>Policies available online:  <a href="https://www.resolutefp.com/uploadedFiles/Sustainability/Forestry_and_Fiber_Sourcing(1)/Resolute_Wood_and_Fiber_Sourcing_Policy.pdf">https://www.resolutefp.com/uploadedFiles/Sustainability/Forestry_and_Fiber_Sourcing(1)/Resolute_Wood_and_Fiber_Sourcing_Policy.pdf</a></p> <p><a href="https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf">https://www.resolutefp.com/uploadedFiles/Sustainability/Environmental_Performance(1)/Environmental_Policy.pdf</a></p> <p>Our policies are regularly revised: when there is a change in the certification standard requirements; when there is a change in our operations affecting the corporate policies; when there is a new president &amp; CEO (signatory of the policies).</p>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F4.6**

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

Yes

**F4.6a**

**(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?**

Other, please specify (Ensuring 100% of the woodlands we manage and 100% of our manufacturing facilities are third-party certified to internationally recognized certification standards (FSC/SFI/PEFC/ISO 14001).)

**F4.6b**

**(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.**

**Forest risk commodity**

Timber products

**Criteria**

No conversion of natural ecosystems  
Zero net deforestation  
Restoration and compensation to address past deforestation and conversion  
Avoidance of negative impacts on threatened and protected species and habitats  
No trade of CITES listed species  
No conversion of High Conservation Value areas  
No conversion of High Carbon Stock forests  
Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals  
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities  
Remediate any adverse impacts on indigenous people and local communities  
Resolution of complaints and conflicts through an open, transparent and consultative process  
Facilitate the inclusion of smallholders into the supply chain  
No sourcing of illegally produced and/or traded forest risk commodities  
No sourcing of forest risk commodities from unknown/controversial sources  
Restricting the sourcing and/or trade of forest risk commodities to credible certified sources  
Recognition of legal and customary land tenure rights

**Operational coverage**

Direct operations and supply chain

**% of total production/ consumption covered by commitment**

100%

**Cutoff date**

2007

**Commitment target date**

2021-25

**Please explain**

Resolute's commitment to producing quality products that meet the criteria of today's environmentally conscious stakeholders begins with responsible fiber sourcing. Forest certification and fiber tracking help to ensure the sustainability of our fiber supply and other forest values, including biodiversity and ecosystem conservation. Strict adherence to internationally recognized forest management and chain of custody (CoC) standards also provides our customers with the assurance that the wood fiber we utilize originates from responsible sources.

We are committed to ensuring 100% of the woodlands we manage are third-party certified to at least one internationally recognized certification standard: Sustainable Forestry Initiative® (SFI) or the Forest Stewardship Council® (FSC). In 2021, we successfully maintained our SFI and FSC Forest Management certificates while transitioning to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01) in 2020. These certificates cover the following management units in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie in Quebec. In Ontario, the Black Spruce and Dog River-Matawin forest licenses are covered. This significant transition shows we have successfully met the criteria related to Free, Prior and Informed Consent (FPIC), among the many other requirements of the Standard. As we outline in our Indigenous Peoples Policy, Resolute respects the constitutional, legal and treaty rights of Indigenous peoples:

[https://www.resolutefp.com/uploadedFiles/Sustainability/Stakeholder\\_Engagement\(1\)/Indigenous-Peoples-Policy.pdf?v=1](https://www.resolutefp.com/uploadedFiles/Sustainability/Stakeholder_Engagement(1)/Indigenous-Peoples-Policy.pdf?v=1)

We have ongoing consultative relationships and business partnerships with close to 40 Indigenous communities and organizations.

We are also committed to certifying 100% of our manufacturing facilities to internationally recognized CoC tracking systems compliant with SF, FSC or the Programme for the Endorsement of Forest Certification (PEFC). CoC tracking systems require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. By March 2022, we met this commitment for all our mills, including our three U.S. sawmills and the Hagerstown (Maryland) tissue converting facility we acquired in 2020. By achieving this goal, we ensure 100% of the fiber used in our mills' production is compliant with the standards' requirements related to unacceptable sources: "Wood from forests converted to plantations or non-forest use".

The regeneration of harvested woodlands is an essential component of sustainable forest management. We rely on various forest management techniques and best practices, including the planting of seedlings. On top of the legal requirements to ensure 100% regeneration of the forest under harvest management, Resolute is active in helping restore areas that were previously deforested. In fact, Resolute was successful in securing funding for 2021 through the Canadian government's 2 Billion Trees commitment. We are planting approximately 300,000 trees to revegetate roads and gravel pits in former operation sectors in Northwestern Ontario.

Resolute makes an annual commitment to disclose information pertaining to forest management regulatory infractions in each of the Canadian provinces where we manage woodlands: Ontario and Quebec. In 2021, our target was to record no more than five forest management incidents leading to a regulatory infraction in Canada, excluding

those of a strictly administrative nature. We recorded two incidents in our Lac-Saint-Jean (Quebec) woodlands related to machinery trespasses, as well as the failure to maintain 30-meter edges on a cut, for a total of \$4,190 in fines. Our long-term aspirational goal is zero infractions, and in 2022, our target remains no more than five incidents.

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#### **Forest risk commodity**

Timber products

#### **Criteria**

Resolution of complaints and conflicts through an open, transparent and consultative process

Facilitate the inclusion of smallholders into the supply chain

Build community capacity and incentivize engagement in multi-stakeholder processes

No sourcing of illegally produced and/or traded forest risk commodities

No sourcing of forest risk commodities from unknown/controversial sources

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Recognition of legal and customary land tenure rights

#### **Operational coverage**

Direct operations and supply chain

#### **% of total production/ consumption covered by commitment**

100%

#### **Cutoff date**

2021

#### **Commitment target date**

2026-2030

#### **Please explain**

Resolute has set a series of value-generating, longer-term environmental, social and governance (ESG) targets for 2026 to complement our long-standing practice of establishing annual targets and other ongoing public commitments. In addition to renewing our commitment to maintain internationally recognized forest management certification at 100% of our managed woodlands and chain-of-custody certification at 100% of our manufacturing facilities, we intend to increase the portion of externally sourced fiber that is third-party certified to 75% from the 2021 baseline of 59%.

These forest certifications include conflict resolution processes, initiatives to engage smallholders, capacity building measures in multi-stakeholder initiatives, respect and recognition of the constitutional, legal and treaty rights of Indigenous peoples, as well as the assurance that our fiber is sourced from responsible sources.

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## **F5. Business strategy**

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### **F5.1**

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**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	21-30	<p>In Canada, as required by provincial laws and regulations, Resolute prepares 20- or 25-year forest management plans that are updated every five years in collaboration with governments and other stakeholders. Our sources of wood include purchases from local producers, including sawmills that supply residual wood chips, wood harvested from government-owned land on which we hold timber supply guarantees or harvesting rights, and property we own or lease. In Quebec, under the Sustainable Forest Development Act, volumes are allocated through timber supply guarantees, which are five years in length and renewable, subject to certain conditions. The harvesting rights licenses in Ontario are 20 years in length and automatically renew every five years, contingent upon our continued compliance.</p> <p>For our operations in the United States, much of the fiber is sourced externally, through a supplier network, from numerous small, non-industrial private forest landowners. We work continually with suppliers and industry trade associations to encourage these small landowners to certify their properties to forest management standards that are designed specifically for them, such as the American Tree Farm System® (ATFS).</p> <p>To integrate forests-related issues into the pursuit of our business objectives, scenarios are developed and analyzed for different regions and facilities. As new information is made available or existing information is confirmed, these scenarios are re-evaluated. Based on the results of these analyses, short- and long-term strategic decisions are made.</p> <p>Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and is considered quarterly by senior management for inclusion in Resolute's financial reporting. Long-term risks identified by management, including the president &amp; CEO, executive team and senior management, are also raised. As timber is the major commodity input for the vast majority of our operations, forests-related risks and opportunities are considered during the financial reporting process, such as fiber availability, fiber costs, the impact of forest fires and infestations on operations.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	5-10	<p>At Resolute, our business and sustainability strategies have been expressly developed to align our efforts in environmental stewardship and social responsibility with our business objectives. This approach reinforces our vision that profitability and sustainability drive our future.</p> <p>Our corporate strategy is focused on value creation by growing in wood products and pulp, maintaining a disciplined approach to capital allocation and maximizing cash generation from our paper assets, while investing in product innovation. The company is transitioning away from mature product markets, reviewing its strategic options for its tissue segment, and expanding its presence in long-term growth markets, operating a competitive portfolio of manufacturing assets and enhancing financial performance in a sustainable way over the long run.</p> <p>Our strategy is to drive value creation by:</p> <ul style="list-style-type: none"> <li>-growing in pulp and wood products;</li> <li>-investing in product innovation;</li> <li>-maximizing cash generation from paper assets; and</li> <li>-maintaining a disciplined approach to capital allocation.</li> </ul> <p>Our sustainability strategy, based on a balanced approach to environmental, social and economic performance, is designed to enhance our competitive position. It is supported by public commitments in a number of key performance areas:</p> <ul style="list-style-type: none"> <li>-manage the resources in our care with the highest respect, differentiating the company as an environmental supplier of choice;</li> <li>-operate our assets to the best of our ability and make the most of what we have, earning the right to be in business;</li> <li>-position Resolute as an attractive employer, one where employees learn, grow and succeed; and</li> <li>-engage and collaborate with our operating communities, contributing to their prosperity.</li> </ul>
Financial planning	Yes, forests-related issues are integrated	5-10	<p>Resolute is guided by our vision and values, focusing on safety, sustainability, profitability, accountability, and teamwork. We believe we can be distinguished by the following competitive strengths:</p> <p>Competitive cost structure combined with a diversified and integrated asset base:</p> <ul style="list-style-type: none"> <li>-large-scale and cost-effective operations, including significant internal energy production from cogeneration and hydroelectric facilities, which support our value proposition;</li> <li>-control over fiber transformation chain from standing timber to end-product for the majority of our offering;</li> <li>-nearly 100% of our products sourced from high-quality virgin fiber;</li> <li>-harvesting rights for the majority of fiber needs in Canada (five years and more); and</li> <li>-sophisticated logistics capabilities to meet demanding customer expectations.</li> </ul> <p>A seasoned management team:</p> <ul style="list-style-type: none"> <li>-deep industry expertise, with influential leaders in forestry, operations, environmental risk management and public policy;</li> <li>-culture of accountability, encouraging transparency and straightforwardness; and</li> <li>-core identity tied to renewable resources we harvest in a truly sustainable manner.</li> </ul> <p>Deep-seated commitment to fundamental principles of sustainability:</p> <ul style="list-style-type: none"> <li>-ambitious targets and governance to back it up;</li> <li>-unwavering focus on safety; and</li> <li>-transparent communications.</li> </ul>

**F6. Implementation**

**F6.1**

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

Yes

**F6.1a**

**(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.**

**Target reference number**

Target 1

**Forest risk commodity**

Timber products

**Type of target**

Third-party certification

**Description of target**

Resolute is committed to certifying 100% of the forests we manage to at least one of two internationally recognized forest management standards: Sustainable Forestry Initiative® (SFI®) and Forest Stewardship Council® (FSC®). Resolute is among the largest holders of SFI and FSC certification in North America.

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

FSC Forest Management certification

SFI Forest Management standard

**Start year**

2007

**Target year**

2021

**Quantitative metric**

&lt;Not Applicable&gt;

**Target (number)**

&lt;Not Applicable&gt;

**Target (%)**

100

**% of target achieved**

100

**Please explain**

In 2021, we maintained certification on 100% of the forests we manage to the Sustainable Forestry Initiative® (SFI®) Forest Management Standard. This includes certification for the Black Spruce, Caribou, Dog-River Matawin and English River forest licenses in Northwestern Ontario, and the following management units in Quebec: 024-71, 025-71 and 027-51 in Lac-Saint-Jean; 042-51 and 043-52 in Mauricie; 071-51, 071-52, 073-51, 073-52 and 074-51 in Outaouais; 084-51, 084-62, 086-65, 086-66, 087-51, 087-62, 087-63 and 087-64 in Abitibi and Nord-du-Québec; and 093-51 in Côte-Nord. The scope of our SFI Forest Management certification also encompasses some small private land in Tennessee and Quebec.

In addition, we maintained the Forest Stewardship Council® (FSC®) Forest Management certification for the Black Spruce and Dog River-Matawin forest licenses in Northwestern Ontario, and the following management units in Quebec: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. In 2020, we also successfully transitioned to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

Overall, without double counting the area certified to the two forest management standards, this represents just over 20 million hectares (50 million acres) of certified land.

This is an ongoing target and commitment that is renewed and reported on annually and publicly.

**Target reference number**

Target 2

**Forest risk commodity**

Timber products

**Type of target**

Third-party certification

**Description of target**

Resolute is committed to certifying 100% of its manufacturing facilities to internationally recognized chain of custody certifications, such as the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council® (FSC®).

**Linked commitment**

Zero net/gross deforestation

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

FSC Chain of Custody

FSC Controlled Wood

FSC Recycled

PEFC Chain of Custody

SFI Chain of Custody

SFI Fiber Sourcing certification

**Start year**

2007

**Target year**

2022

**Quantitative metric**

&lt;Not Applicable&gt;

**Target (number)**

&lt;Not Applicable&gt;

**Target (%)**

100

**% of target achieved**

93

**Please explain**

By December 2021, Resolute had internationally recognized third-party chain of custody (CoC) tracking systems, compliant with SFI, PEFC or FSC, at all but three facilities: the three U.S. sawmills the company acquired in 2020. These fiber tracking systems were certified in March 2022, and in 2021, we completed the integration of our Hagerstown (Maryland) tissue converting operation into our multisite CoC certificate. All CoC tracking systems require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.

For both our internal and external wood and fiber network, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. This enables us to confirm to manufacturers and customers that they have avoided timber and timber products from unacceptable sources, such as forests converted to non-forest uses. Depending on the tracking system, additional requirements may apply that relate to high conservation values, conversion of forests to non-forest uses, propagation or use of genetically modified trees, corruption, indigenous rights and/or workers' rights.

Our commitment to 100% chain-of-custody certification at our manufacturing facilities is an ongoing target that is renewed and reported on annually and publicly. In May 2022, we committed to retaining this commitment through at least 2026 as part of our program of long-term targets.

**Target reference number**

Target 3

**Forest risk commodity**

Timber products

**Type of target**

Assess and/or verify compliance

**Description of target**

Resolute is committed to recording no more than five forest management incidents leading to a regulatory infraction in Canada, excluding infractions of a purely administrative nature, with a long-term aspirational goal of zero infractions.

**Linked commitment**

Other environmental commitments

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Start year**

2013

**Target year**

2021

**Quantitative metric**

&lt;Not Applicable&gt;

**Target (number)**

&lt;Not Applicable&gt;

**Target (%)**

100

**% of target achieved**

100

**Please explain**

As part of our public commitments, we began publicly reporting our compliance progress in our 2014 Annual Report. For 2021, we set a maximum of five forest management incidents leading to a regulatory infraction in Canada, with a long-term aspirational goal of zero infractions, not including strictly administrative infractions. We recorded two incidents in our Lac-Saint-Jean (Quebec) woodlands related to machinery trespasses, as well as the failure to maintain 30-meter edges on a cut, for a total of \$4,190 in fines. For 2022, we have set the same annual target: no more than five forest management incidents leading to a regulatory infraction in Canada.

**Target reference number**

Target 4

**Forest risk commodity**

Timber products

**Type of target**

Third-party certification

**Description of target**

Resolute is committed to completing ISO 14001 Environmental Management System (EMS) certification at all operations, including woodlands operations.

**Linked commitment**

Other environmental commitments

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

Other, please specify (ISO 14001 Environmental Management System certification)

**Start year**

2010

**Target year**

2021

**Quantitative metric**

&lt;Not Applicable&gt;

**Target (number)**

&lt;Not Applicable&gt;

**Target (%)**

100

**% of target achieved**

91

**Please explain**

All of our operations are certified to the ISO 14001:2015 environmental management systems (EMS) standard, with the exception of our Hagerstown (Maryland) tissue converting facility and our three U.S. sawmills, all of which were acquired in 2020. We are in the process of implementing EMS at all of these facilities, with the goal of completing ISO 14001:2015 certification at our U.S. sawmills in 2022, and at Hagerstown in 2023. The certification of our Menominee (Michigan) pulp mill as well as our Hialeah and Sanford (Florida) tissue operations was completed in early 2021.

**Target reference number**

Target 5

**Forest risk commodity**

Timber products

**Type of target**

Engagement with smallholders

**Description of target**

Resolute is committed to ensuring 100% of operations track community outreach activities consistently and transparently, while continuing to enhance internal and external reporting of community engagement activities.

**Linked commitment**

Social commitments

**Traceability point**

&lt;Not Applicable&gt;

**Third-party certification scheme**

&lt;Not Applicable&gt;

**Start year**

2017

**Target year**

2021

**Quantitative metric**

&lt;Not Applicable&gt;

**Target (number)**

44

**Target (%)**

&lt;Not Applicable&gt;

**% of target achieved**

100

**Please explain**

In 2021, 100% of operations tracked and reported community engagement activities, including local stakeholder outreach.

Resolute believes it is essential to have meaningful engagement and partnerships with a wide range of stakeholders, including customers, employees, Indigenous Peoples, environmental and other non-governmental organizations ((E)NGOs), business partners, governments, investors and members of the general public.

Through our information-sharing program, for example, we build and maintain strong relationships with community leaders in our operating locations. Prior to the COVID-19 pandemic, info-sharing groups met regularly to provide a forum for discussing a range of issues of mutual interest to participants – from harvest area allocation and energy conservation to controls for noise pollution. The status of these groups will be reviewed as public health measures are lifted.

Community engagement and outreach are also fundamental to our forest management planning process. Local stakeholders and Indigenous partners are consulted as part of our forest management plans.

## F6.2



**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	Effective March 2022, 100% of Resolute's manufacturing facilities have a chain of custody tracking system compliant with the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council® (FSC®), all of which require that 100% of the fiber processed meets minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. The only three operations in our network that were not certified on December 31, 2021 were our three U.S. sawmills.  A combination of electronic systems allows us to trace the origin of the wood we procure to the management unit of harvest. These systems are also used to control 100% of the volume delivery to our mills and to determine accounts payable to forest contractors harvesting the wood.	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Forest management unit	100

**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	100
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.3a**

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Timber products

**Third-party certification scheme**

SFI Forest Management standard

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

100

**Form of commodity**

Hardwood logs  
Softwood logs

**Volume of production/ consumption certified**

8155314

**Metric for volume**

Cubic meters

**Is this certified by more than one scheme?**

Yes

**Please explain**

Ensuring the sustainability of the forests in our care and collaborating on forest management planning and innovation drive Resolute's approach to forestry. Certification systems are the cornerstones of this approach. Resolute is among the largest holders of Sustainable Forestry Initiative (SFI) certification in North America.

Resolute manages 4.09 million hectares of publicly-owned land in Ontario. In 2021, we maintained 100% certification of the forests we manage in Ontario that are certified according to the SFI Forest Management Standard. This includes the Black Spruce, Caribou, Dog-River Matawin and English River forest licences.

Resolute indirectly manages 16.2 million hectares of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013 when significant regulatory changes were made. While Resolute does not control or directly manage this land, this area represents the land in Quebec where Resolute has historically sourced its timber supply, 100% of which is third-party certified according to internationally recognized forest management standards. In 2021, we maintained 100% of our forest management certifications in Quebec that are certified according to the SFI Forest Management Standard. This includes the following management units: 024-71, 025-71 and 027-51 in Lac-Saint-Jean; 042-51 and 043-52 in Mauricie; 071-51, 071-52, 073-51, 073-52 and 074-51 in Outaouais; 084-51, 084-62, 086-65, 086-66, 087-51, 087-62, 087-63 and 087-64 in Abitibi and Nord-du-Québec; and 093-51 in Côte-Nord.

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC Forest Management certification

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

26

**Form of commodity**

Hardwood logs

Softwood logs

**Volume of production/ consumption certified**

2120381

**Metric for volume**

Cubic meters

**Is this certified by more than one scheme?**

Yes

**Please explain**

Ensuring the sustainability of the forests in our care and collaborating on forest management planning and innovation drive Resolute's approach to forestry. Certification systems are the cornerstones of this approach. Resolute is among the largest holders of Forest Stewardship Council (FSC) certification in the world.

Resolute manages 4.09 million hectares of publicly-owned land in Ontario. In 2021, we maintained certification of 100% of the forests certified according to the FSC Forest Management Standard, namely the Black Spruce and Dog River-Matawin forest licenses. In 2020, we successfully transitioned to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01).

Resolute indirectly manages 16.2 million hectares of publicly-owned land in Quebec, where the provincial government has been responsible for forest management planning and silviculture on public land since 2013 when significant regulatory changes were made. While Resolute does not control or directly manage this land, this area represents the land in Quebec where Resolute has historically sourced its timber supply, 100% of which is third-party certified according to internationally recognized forest management standards. In 2021, we maintained the certification of 100% of the forests we manage that are certified according to the FSC Forest Management Standard, in the following management units: 084-51 and 087-51 in Abitibi; 093-51 in Côte-Nord; and 042-51 and 043-52 in Mauricie. It is worth mentioning that we successfully transitioned to the new FSC National Forest Stewardship Standard of Canada (FSC-STD-CAN-01) in 2020.

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**Forest risk commodity**

Timber products

**Third-party certification scheme**

SFI Fiber Sourcing certification

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

100

**Form of commodity**

Hardwood logs

Softwood logs

Sawn timber, veneer, chips

Unprocessed wood fiber

Pulp

Paper

**Volume of production/ consumption certified**

3938021

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

In 2021, all our mills remained certified to the SFI Fiber Sourcing standard. 100% of the fiber entering our mills is also in compliance with the FSC Controlled Wood requirements and the PEFC due diligence, with the exceptions of our Menominee (Michigan) recycled pulp mill, which is not covered by PEFC. The U.S. sawmills we purchased in 2020 completed certification to these standards in March 2022. 100% of our fiber is now sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements or the FSC Controlled Wood standard, and in some cases a combination of these standards.

**F6.4**

**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	<b>A system to control, monitor or verify compliance</b>	<b>Comment</b>
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

**F6.4a**

**(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**

**Forest risk commodity**

Timber products

**Operational coverage**

Direct operations  
Supply chain

**Description of control systems**

100% of our mills are chain of custody (CoC) certified to SFI®, PEFC and FSC®. All CoC systems require that 100% of the fiber processed meet due diligence requirements related to risks of forest conversion or deforestation and are third party verified annually. Governmental organizations conduct second-party verification of our operations yearly to verify legal compliance and to ensure 100% of harvest areas are regenerated in a timely manner. Our foremen monitor our ongoing on-the-ground operations to ensure compliance with legal requirements, including any possible non-conformity with respect to forest conversion or deforestation. We also have a communication and complaints procedure in place to receive complaints from stakeholders. All our operations are geospatially monitored for tracking and reporting purposes, and to ensure follow-up for regeneration. All harvested wood is georeferenced to a precise forest operations sector.

**Monitoring and verification approach**

Geospatial monitoring tool  
Ground-based monitoring system  
Community-based monitoring  
First-party verification  
Second-party verification  
Third-party verification

**% of total volume in compliance**

100%

**% of total suppliers in compliance**

100%

**Response to supplier non-compliance**

Retain & engage  
Suspend & engage  
Exclude

**Procedures to address and resolve non-compliance with suppliers**

Developing time-bound targets and milestones to bring suppliers back into compliance  
Providing information on appropriate actions that can be taken to address non-compliance  
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

**Please explain**

No notices of non-compliance were issued in 2021 with respect to Resolute's operations on forests conversion or deforestation, including first, second and third party verification.

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Disseminating technical materials Organizing capacity building events	421	<p>In Quebec, we purchase virgin fiber from private woodlot owners through brokers who maintain chain of custody tracking.</p> <p>In Ontario, virgin fiber purchases are made directly from private woodlot owners, while in the U.S., third-party suppliers work with private owners to harvest and deliver most of the fiber used at our operations.</p> <p>For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements, or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.</p> <p>Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.</p> <p>In addition, Resolute is actively engaged in SFI implementation committees in all regions where we operate mills. These SFI implementation committees promote the certification of the land base as well as the use of best management practices, among other things.</p> <p>In 2021, the Quebec SFI Implementation Committee developed a monitoring process based on the findings of a visit to smallholders in order to facilitate improving training procedures. This is a joint effort between 16 large companies in Quebec, covering most of the smallholders in the province.</p>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**F6.8**

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site training and technical assistance Disseminating technical materials	100%	<p>For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements, or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.</p> <p>As an example, in 2021, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with some of them to better assess their forest management practices and the feasibility of implementing certification. 421 smallholders that supply Resolute with roundwood were met in 2021, and out of the 34 external chips suppliers we had in 2021, all were met to discuss forest-related policies. We are positioning ourselves to maintain and reinforce our position as a worldwide distributor of wood-based products from sustainable sources.</p>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

**(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?**

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Supplier questionnaires on environmental and social indicators Supplier audits Offering on-site training and technical assistance Disseminating technical materials Participating in workshops	For both our internal and external wood and fiber, 100% is sourced in accordance with SFI fiber sourcing requirements, PEFC CoC due diligence requirements, or the FSC Controlled Wood standard, and in some cases a combination of these standards. All of these require 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues. Our own certifications require us to work only with suppliers who are trained in the use of best management practices for timber harvesting and who commit to being accountable for implementing these practices. This helps ensure that environmental concerns, such as protection of water quality, soil and endangered species, are addressed within the areas from which we source our timber, even though the non-industrial private forest landowners may not themselves be certified.  As an example, in 2021, we worked closely with our external suppliers to reaffirm their own commitment toward certification, spending time in person with specific suppliers to better assess their forest management practices and the feasibility of implementing certification. Some meetings were also held with provincial associations and implementation committees to discuss forest related commitments. We are positioning ourselves to maintain and reinforce our position as a worldwide distributor of wood-based products from sustainable sources.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

	Do you engage in landscape/jurisdictional approaches?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Please explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	Yes, we engage in landscape/jurisdictional approaches	<Not Applicable>	<Not Applicable>

F6.10a

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	<p>Company actions align with already established jurisdictional and/or landscape initiative priorities in area</p> <p>Company has operational presence in area</p> <p>Opportunity to protect natural ecosystems</p> <p>Response to regulation</p> <p>Risk of fires</p>	<p>The example shared here is based on Resolute operations in the Canadian province of Quebec where over 90% of our forest management is done on public land. Government is responsible for planning the forest management strategy and to consult stakeholders.</p> <p>The ecosystem-based management approach is used. Ecosystem-based management is an ecological vision applied to the sustainable development of the forests we manage directly and indirectly. Its implementation aims to ensure the maintenance of the biodiversity and viability of ecosystems by reducing the gaps between the managed forest and forestland deemed natural. The approach aims, at the same time, to meet socio-economic objectives, while respecting social values linked to the forest environment.</p> <p>This management approach seeks to replicate natural disturbances by establishing a level of harvest equivalent to what is typically disturbed by fires or insects outbreaks at the landscape level. Similarly, unharvested areas remain part of the landscape in order to mimic natural disturbances. These areas are left primarily for ecological reasons but also serve to meet the different social uses of the forest. This approach is also used to partly ensure the protection of forests against large-scale fires. Indeed, forest management strategy aims to harvest wood before it reaches its end-of-life where it becomes a source of fuel.</p> <p>In addition to the active management of its forests, Quebec also has an objective to protect 25% of its territory by 2025 and 30% by 2030.</p> <p>With responsibility for woodland operations under Quebec's forest management plans, Resolute is an important stakeholder involved in all stages of the development of the strategy and works closely with all relevant stakeholders on the ground.</p>

**F6.10b**

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

**Country/Area**

Canada

**Name of jurisdiction or landscape area**

Quebec and Ontario provinces

**Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?**

Yes, the landscape is defined by administrative boundaries and the approach has active government involvement

**Brief description of landscape/ jurisdictional approach**

Local integrated resource and land management tables (Table locale de gestion intégrée des ressources et du territoire or "TGIRT" in French) are set up to ensure the interests and concerns of people and organizations affected by forest management activities are taken into account in the forest management planning process. These tables must set local objectives for sustainable forest management and establish measures to harmonize forest uses.

Any operational harmonization measure is agreed upon between concerned users and defined in a formal agreement. Harmonization measures are applied in the field by all stakeholders concerned by the agreement and must respect the consensus established by the agreement and the TGIRT, while allowing operational flexibility to adapt to the conditions specific to each site.

**Forest risk commodities relevant to this landscape/jurisdictional approach**

Timber products

**Type of engagement**

Convener: High level of engagement in set-up, design, management and implementation

Partner: Shared responsibility in the implementation of multiple goals

**Description of engagement**

As the company responsible for implementing the strategy on the ground, Resolute plays an important role in facilitating discussions with local and regional stakeholders while driving the implementation process, from design to management and execution.

As a partner, we share our knowledge of the land and maintain engaged discussions with stakeholders related to forest management plans led by government. Through our environmental management certifications (ISO 14001) and sustainable forest management certifications (SFI and FSC), we are also committed to monitoring our operations and the implementation of the forest management strategy.

By using the latest technologies (drones, LIDAR, etc.), we ensure precise and detailed information is collected in order to effectively carry out the implementation process, while ensuring biodiversity objectives are achieved.

Via the Quebec Forest Industry Council, we are also supporting Laval University's educational leadership chair in Indigenous forestry with a five-year, C\$175,000 (approximately US\$150,000) financial commitment.

**Goals supported by engagement**

- Forest fires monitored and prevented
- Increased commodity traceability in landscape/jurisdiction
- Reliable landscape monitoring/data collection system
- Increased protected areas
- Landscape conservation
- Increased uptake of certification
- Improved water management practices
- Increased adoption of sustainable production practices

**Company actions supporting approach**

- Identify opportunities for public private collaboration
- Share spatial data and land management plans with other stakeholders in the landscape/jurisdiction
- Support land use planning in the landscape/jurisdiction
- Build community capacity and incentivize engagement in multi-stakeholder processes
- Share information on supplier non-compliance, supply chain mapping and traceability with other stakeholders in the landscape/jurisdiction
- Support local government in policy development
- Support uptake of certification

Collaborate on commodity traceability

**Implementation partner(s)**

Governmental organizations  
Local and regional communities  
Indigenous communities  
Industry actors

**Engagement start year**

2013

**Engagement end year**

Not defined

**Total investment over the project period (currency)**

2500000

**Details of your investment**

We are in the process of working with government and stakeholders to establish targets for the next cycle of objectives in Quebec, and we will contribute to the next five-year review in early 2023.

Strict adherence to internationally recognized forest management and chain of custody (CoC) standards is deeply embedded throughout the company and our operations, reinforcing our engagement with respect to landscape/jurisdictional approaches to sustainable land use. Costing our response is a difficult one to evaluate monetarily. The actual cost - including developing fiber tracking systems, implementing certification, undertaking audits, monitoring best practices, etc. - represents a significant financial commitment spanning operations, management and external engagement with industry associations, government stakeholders and local initiatives.

The investment above represents our minimum annual contribution to landscape/jurisdictional approaches to sustainable land use, namely via our involvement in national and provincial industry associations and direct operational involvement. In 2021, via the Quebec Forest Industry Council, we also renewed a five-year, C\$175,000 (approximately US\$150,000) commitment to fund Laval University's educational leadership chair in Indigenous forestry.

**Type of assessment framework**

LandScale

**Is progress monitored and publicly reported on?**

Yes, progress is monitored and publicly reported on

**State the achievements of your engagement so far, and how progress is monitored**

Every year, we produce a technical and financial activity report for the government. The report presents the results of implementing the government's management plan and is used to document the progress made on objectives defined by the TGIRT partners and to provide the government feedback.

On a broader scale, five-year follow-ups of management objectives are undertaken to ensure objectives are achieved at the landscape level. This process also ensures the state of the forest and its resources are regularly reassessed in order to plan and define management objectives for the following five-year period.

2022 marks the last year of the current five-year cycle. We are in the process of working with government and stakeholders to establish targets for the next five years, and we will contribute to the next five-year review in early 2023.

In 2021, in addition to respecting the laws and regulations that apply during the implementation of forest management plans, Resolute maintained its existing forest management certificates (SFI and FSC) for 100% of the woodlands we manage directly and indirectly in Quebec.

In terms of protected areas, currently, 18% of the Quebec's landmass is protected.

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**F6.11**

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Canada

**Subnational area**

Not applicable

**Initiatives**

Forest Stewardship Council (FSC)  
Programme for the Endorsement of Forest Certification (PEFC)  
Sustainable Forestry Initiative (SFI)  
Other, please specify (Environmental Paper Assessment Tool, Two Sides, FPAC's 30 by 30 Climate Change Challenge, AF&PA, Canada Clean 50, Book Chain Project, WWF's EPCI, etc.)

**Please explain**

We engage with stakeholders in a variety of ways in order to better understand their interests, concerns and goals, including townhall meetings, public consultations, and surveys for customers/operations.

Resolute is actively engaged in Sustainable Forestry Initiative® (SFI®) implementation committees in all regions where we operate mills. These SFI implementation committees promote the certification of the land base as well as the use of best management practices, among other things. In 2021, the Quebec SFI Implementation Committee developed a monitoring process based on the findings of a visit to smallholders in order to facilitate training procedures. This is a joint effort between 16 large

companies in Quebec, covering most of the smallholders in the province.

Resolute is also a member of the board of directors of Forest Stewardship Council® Canada.

In addition, Resolute participates in the Environmental Paper Assessment Tool (EPAT) and Book Chain Project, membership-based online comparison tools that allow paper buyers to compare the eco-performance of their suppliers. Our rankings assure customers that the wood fiber we use comes from responsible sources. We also participate in WWF's Environmental Paper Company Index (EPCI).

Resolute is a member of Two Sides, alongside members from the print and paper value chain, including forestry, inks, chemicals, and others. Our industry associations also include participation in multi-sector initiatives, such as the Forest Products Association of Canada's "30 by 30" Climate Change Challenge and the American Forest and Products Association's industry-wide initiative to reduce GHG emissions by 2030.

We are also involved in Canada's Clean 50 initiative, through which several members of our team have been recognized for their leadership on climate change; the National Council for Air and Stream Improvement, Inc. (NCASI), a scientific association organized to serve the forest products industry as a center of excellence providing unbiased, scientific research and technical information necessary to achieve the industry's environmental and sustainability goals; and FPIInnovations, a not-for-profit R&D organization specializing in the creation of solutions that accelerate the growth of the Canadian forest sector.

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#### Forest risk commodity

Timber products

#### Do you participate in activities/initiatives?

Yes

#### Activities

Engaging with non-governmental organizations

#### Country/Area

Canada

#### Subnational area

Not applicable

#### Initiatives

<Not Applicable>

#### Please explain

FPIInnovations is a private not-for-profit organization that specializes in the creation of solutions in support of the Canadian forest sector's global competitiveness. Resolute is a member.

In 2019, FPIInnovations and Resolute confirmed the commissioning of a new TMP-Bio plant in Thunder Bay (Ontario). With the capacity to treat 100 metric tons of biomass annually, the bio-refinery pilot plant produces lignin and sugars for use in the development of innovative bio-products, such as wood adhesives, animal feed and composites. Resolute joined forces with the non-government organization in order to build the plant at Resolute's Thunder Bay pulp and paper mill, focusing on developing new ways to efficiently manufacture and market innovative wood-based biochemical products. The \$20 million project is part of an initiative to renew and transform the forest products industry, building on investments by Resolute, the Ontario Centre for Research and Innovation in the Bio-Economy (CRIBE), and Natural Resources Canada. The project also has the support of the Northern Ontario Heritage Fund Corporation, FedNor, the Thunder Bay Community Economic Development Commission and the Ontario Ministry of Natural Resources and Forestry, in addition to contributions in research and applications from the Québec Ministry of Forests, Wildlife and Parks and the Nova Scotia Innovation Hub.

In 2020, with FPIInnovations, we announced the construction of a facility specializing in production of cellulose filaments at our Kénogami (Quebec) paper mill. The project is scheduled for completion in late 2022. Cellulose filaments are a biomaterial derived from wood fiber, which can be integrated into a wide variety of commercial or consumer products from many industries, including transportation, construction and energy, increasing the resistance and durability of those products.

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#### Forest risk commodity

Timber products

#### Do you participate in activities/initiatives?

Yes

#### Activities

Funding research organizations

#### Country/Area

Canada

#### Subnational area

Not applicable

#### Initiatives

<Not Applicable>

#### Please explain

We support many research organizations and initiatives that promote the use of the wood products we manufacture, as well as public awareness programs that inform the general public about the impact of our operations, including forestry's relatively small carbon footprint. The organization we work with include FPIInnovations, American Forest & Paper Association (AFPA), Forest Products Association of Canada (FPAC), Ontario Forest Industries Association (OFIA), National Council for Air and Stream Improvement (NCASI) and Québec Forest Industry Council (QFIC).

Resolute also proudly supports the research carried out at Lakehead University and the Centre for Research and Innovation in the Bio-Economy (CRIBE) in Thunder Bay (Ontario). Our support for academic research at Lakehead University has focused on: investigations into the environmental impacts of biomass harvest and wastewater treatment processes; assessing climate change impacts on timber resources; the production of water soluble products from tall oil lignin; and benchmarking and modeling caribou and multi-species adaptive management in Northwestern Ontario. We contribute approximately C\$100,000 to seven different research chairs at the university.

Resolute's annual C\$60,000 research grant to the FORAC Research Consortium in Quebec City (Quebec) helps explore ways to improve and align product capacity with short-term product needs, including developing tools to permit the joint planning and operation of wood supply systems. FORAC is a partnership between forest products industry stakeholders and Laval University that brings together specialists.



In 2021, we renewed a five-year, C\$175,000 commitment to fund Laval University's educational leadership chair in Indigenous forestry via the Quebec Forest Industry Council.

In 2018, Resolute announced a C\$150,000 contribution over five years to Confederation College's Technology, Education and Collaboration (TEC) Hub Campaign. The partnership helps support a state-of-the art training center for Thunder Bay, best-in-class training opportunities for the region's youth, and the development of a growing pool of highly educated talent ready to begin careers in the forest products sector.

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with policymakers or governments

**Country/Area**

Canada

**Subnational area**

Not applicable

**Initiatives**

<Not Applicable>

**Please explain**

Resolute is committed to ensuring a voice in public policy discussions that impact company operations, employees, communities and partners. In 2021, we continued efforts to oppose softwood lumber duties and support a final resolution to the dispute on the basis of fair and open trade. We also continue to work with forest industry associations and a range of stakeholders in the U.S. and Canada in an effort to provide stakeholder awareness on facts related to the boreal forest and to address anti-boreal legislation in the U.S. Generally, our focus is on ensuring Canadian public policy is focused on harmonizing federal and provincial regulatory and legal frameworks – as well as interministerial collaboration within governments – with respect to land and threatened species management.

In 2021, Resolute continued to collaborate with Quebec's Ministry of Forests, Wildlife and Parks as a member of the Table of Partners for the Implementation of the Management of Woodland Caribou Habitat Action Plan, as well as the Caribou Commission.

In Ontario, we continue to support a coalition of mayors from northern and Indigenous communities to provide the provincial government with feedback on the management of species at risk. In 2021, we also collaborated regularly with government officials on implementing the province's new forests strategy, Sustainable Growth.

At the federal level in Canada, we continue to work with Environment and Climate Change Canada on its proposed action plan to protect and contribute to the recovery of the woodland caribou, as well as Natural Resources Canada.

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Engaging with policymakers or governments

**Country/Area**

United States of America

**Subnational area**

Not applicable

**Initiatives**

<Not Applicable>

**Please explain**

We continue our efforts to oppose U.S. softwood lumber duties and support a final resolution to the dispute on the basis of fair and open trade. We also continue to work with forest industry associations and a range of stakeholders in the U.S. and Canada in an effort to provide stakeholder awareness on facts related to the boreal forest and to address anti-boreal legislation in the U.S. We are also focused on maintaining our best-in-class participation in the Resolute political action committee (PAC) at the U.S. operations level by communicating regularly with PAC participants. Our PAC promotes free trade, sustainable forest management and boreal-sourced products, among other things. In 2021, we made special solicitation efforts at our Arkansas, Florida and Tennessee operations, making \$35,370 in contributions to 17 political campaigns, and raising \$55,078 via employee PAC contributions.

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F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

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F6.12a

**(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Project reference**

Project 1

**Project type**

Reforestation

### Primary motivation

Required by regulation

### Description of project

The vast majority of the forests we manage are in Canada, where principles of sustainable forest management are used to balance environmental, social and economic objectives. Canadian forest products companies operate in a highly regulated environment with active enforcement by federal, provincial and local government partners. In fact, the Canadian boreal forest is one of the world's most regulated forests. A Yale University study described Canada's forestry laws and regulations as being among the most stringent in the world. Furthermore, Canadian forest products companies and consumers benefit from numerous conservation activities such as sound protected-area development and collaborative forest management strategies.

In Canada, as required by provincial laws and regulations, Resolute prepares 20- or 25-year forest management plans that are updated every five years in collaboration with government and other stakeholders. Public consultation is part of the planning process and critical for the development of collaborative forest management strategies, which ensure that social needs are satisfied and values are protected.

100% of Crown land that is harvested for commercial timber must be regenerated naturally, by planting and seeding, or by using a combination of these methods. Each province and territory has its own regeneration standards and regulations, which are also addressed in forest management plans. Approximately 75% of the area harvested through forestry operations grows back naturally. The other 25% is promptly reforested via seeding or planting of seedlings. Responsibly managing timberlands, using wood before natural disturbances occur, and salvaging wood after natural disturbances have occurred can safeguard the forest's natural life cycle and ensure its sustainability.

### Start year

2019

### Target year

Indefinitely

### Project area to date (Hectares)

405600

### Project area in the target year (Hectares)

1200000

### Country/Area

Canada

### Latitude

48.38169

### Longitude

-89.2455

### Monitoring frequency

Six-monthly or more frequently

### Measured outcomes to date

Biodiversity

Carbon sequestration

Soil

Climate regulation

Other, please specify (Stocking, height and growth rate targets)

### Please explain

In 2019, over 550 million seedlings were planted in Canada on 397,000 hectares of provincial forest land (2021 data is not yet available). A further 8,600 hectares of forest were established by seeding that year. More information is available on the Canadian government's website: (<http://nfdp.ccfm.org/en/data/regeneration.php#tab621>).

The provincial governments in the regions where Resolute manages woodland operations monitor forested areas for forest fires, insects, disease, and weather-related disturbances like wind or drought as well as the success of regeneration activities.

In Ontario, forest managers conduct surveys to assess the status of regenerating forest areas. This data is summarized to provide assessments of regeneration reported in management unit annual reports. The Ministry of Natural Resources and Forestry surveys a sample of the assessed areas to confirm the report. If an area has regenerated successfully, it is classified as free to grow. This means that the regenerating trees meet the stocking, height and growth rate targets and are deemed to be healthy and free from competing vegetation.

In Quebec, forestry is regulated to ensure the replenishment of forests. The Quebec forestry system stipulates that all harvested forest areas must be restored to productive status. To that end, priority is placed on harvesting activities designed to foster natural regeneration. Nearly 80% of harvested forest areas in Quebec regenerate naturally. Tree planting is used as a supplemental tool to bridge any regeneration gaps or to meet other timber production objectives. Quebec's forest regeneration strategy hinges on the use of cutting techniques that protect existing regeneration under mature trees. Carefully choosing the harvesting techniques and equipment used makes it possible to:

- Protect regeneration;
- Limit soil degradation;
- Ensure forest renewal at a lower cost; and
- Promote the establishment of new forests with natural attributes conducive to fostering biodiversity.

Since 1970, Quebec has conducted annual forest inventories to assess the status of natural regeneration and to follow-up on the condition of regenerated areas. In addition, forest monitoring was conducted from 2008 to 2013 to re-evaluate regenerated areas that were subject to silviculture, ie. replanted by treeplanting.

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### Project reference

Project 2

### Project type

Reforestation

### Primary motivation

Required by regulation

**Description of project**

Resolute's Ontario woodlands conduct forest renewal activities in accordance with the requirements of long-term Sustainable Forest Licences (SFLs) granted by the Province for up to 20 years each. The SFL for a Crown forest provides the right to harvest and requirements, such as the responsibility for renewal, that SFL holders must meet. A specific forest renewal requirement of the SFL is "to carry out renewal and maintenance activities in the Licence Area, on behalf of the Minister, which are necessary to provide for the sustainability of the Crown forest". In northwestern Ontario, the Company manages four SFLs covering the Black Spruce, Dog River-Matawin, English River and Caribou Forests.

**Start year**

2021

**Target year**

2021

**Project area to date (Hectares)**

3700

**Project area in the target year (Hectares)**

3700

**Country/Area**

Canada

**Latitude**

49.412323

**Longitude**

-91.6553

**Monitoring frequency**

Annually

**Measured outcomes to date**

Biodiversity

Soil

Other, please specify (Cone collection, seed extraction and seed storage, site preparation, seeding and tending)

**Please explain**

Many types of activities occur annually but the most recognized is tree planting. In 2021, 9,308,125 seedlings were planted across the four SFLs the Company manages. Examples of other activities include cone collection, seed extraction and seed storage, site preparation, seeding and tending. As well, a site visit of each area to be renewed occurs and a Registered Professional Forester assigns the renewal prescription. Annually, an investment of over \$10.5 million in forest renewal supports the sustainability of Ontario's Crown forests.

Note: the project area, 3,700 hectares, is an estimate based on 2500 trees/hectare.

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**Project reference**

Project 3

**Project type**

Forest ecosystem restoration

**Primary motivation**

Voluntary

**Description of project**

Resolute's bark mulch beneficial use project in northwestern Ontario is a byproduct diversion project enabled through an environmental compliance approval issued by the Ministry of Environment, Conservation and Parks. Bark is a byproduct of lumber production and in Ontario is classified as waste under environmental legislation. However, bark has many beneficial use options that require exploration to support diversion from landfills. For example, landscape work across North America routinely involves the use of bark or wood chips for mulch in gardens. Mulch benefits plant growth as the topical soil application enables moisture retention in the soil, and regulates soil temperature, keeping the roots cooler in the growing season.

**Start year**

2020

**Target year**

2022

**Project area to date (Hectares)**

60

**Project area in the target year (Hectares)**

60

**Country/Area**

Canada

**Latitude**

49.412323

**Longitude**

-91.6553

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

Soil

Other, please specify (Tree growth and forest regeneration)

**Please explain**

The beneficial use project aims to capture the benefits mulch provides to enhance survival of planted trees on former forest roads. The work is occurring in the Ignace, Ontario area, using well-weathered historic bark from Resolute's Ignace sawmill. Road treated with mulch and planted with seedlings to date covers 10 km, as well 14 km of planted road with no mulch for comparison.

An ecologist from the Ministry of Natural Resources and Forestry's Centre for Northern Ecosystem Science and Research is assisting the project by studying the mulch benefits through soil climate station deployment and soil analysis, comparing area planted with mulch treatment and without mulch treatment.

Indigenous businesses are assisting with the application of the mulch to the roads and this fall will assist with seedling growth measurements in the study areas. Enhancing forest renewal efforts as well as directing beneficial material away from landfills supports sustainability of the forest, our business and for byproduct management.

Note: the project area is an estimate based on a road 24 km long x 0.025 km wide.

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## F7. Verification

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### F7.1

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**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

Yes

#### F7.1a

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**(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?****Disclosure module**

F6. Implementation

**Data points verified**

General information provided in the company's sustainability reporting, including information on forest management, chain of custody, fiber sourcing (consumption), fiber processing (production).

**Verification standard**

The Center for Sustainability and Excellence (CSE) was retained by Resolute to provide verification of the application of the Global Reporting Initiative's GRI Standards to its sustainability reporting and to verify that the disclosures meet the minimum requirements of the in-accordance Core option of the Standards. The scope of work involved a review of Resolute's sustainability reporting activities, including:

- 1) Statements, information and performance data; and
- 2) Data and information as per the requirements of the GRI Standards Sustainability Reporting Guidelines, as indicated in the GRI content index.

**Please explain**

The GRI standards are some of the world's most broadly accepted guidelines for comprehensive sustainability reporting, providing a robust framework to support clear reporting processes, linking the indicators we measure to shared priority issues identified by stakeholders, and targeting our outputs to address the concerns and interests of all interested parties, as well as our strategic partners. The compliance of our 2020 sustainability reporting was verified in June 2021, and we report biannually. Our GRI Content Index outlines the management disclosures and data on specific indicators relating to forest management and related performance metrics, such as fiber consumption, forest infractions, waste disposal, etc. For more information, visit:

[https://www.resolutefp.com/Sustainability/Our\\_Approach\\_to\\_Sustainability/GRI\\_Content\\_Index/](https://www.resolutefp.com/Sustainability/Our_Approach_to_Sustainability/GRI_Content_Index/)

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**Disclosure module**

F2. Procedures

**Data points verified**

Company risk assessment procedures

**Verification standard**

ISO 14001:2015 standard

**Please explain**

All of our woodlands and sawmill operations are certified to the ISO 14001 environmental management standard, and all have successfully transitioned to the 2015 version of the standard.

ISO 14001:2015 sets out the criteria for implementing environmental management systems and the standards to which management practices can be certified. It maps out a framework that a company or organization can follow to set up an effective environmental management system. It can be used by any organization regardless of its activity or sector.

Using ISO 14001:2015 can provide assurance to company management and employees as well as external stakeholders that environmental impact is monitored, measured and improved.

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**Disclosure module**

F2. Procedures

**Data points verified**

Risk assessment and claims about sustainability of virgin fiber supply from forests managed by Resolute, according to third party standards

**Verification standard**

100% of the timberlands managed by Resolute are third-party certified to one of two internationally recognized forest management standards: Sustainable Forestry

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Initiative® (SFI®) or Forest Stewardship Council® (FSC®).

**Please explain**

100% of the woodlands we manage are audited and certified by independent third parties. 98% of the area we manage in Canada is public land. The use of public land in Ontario is governed by long-term forest management arrangements that include a public input process and regular, periodic government auditing. In Quebec, where the provincial government bears the main responsibility for forest management planning, the forestry industry, with public input, can only harvest where permitted by the Quebec government.

We are committed to maintaining 100% certification for our owned and managed timberlands in order to continue meeting market demand for a diversity of credible certification options.

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**Disclosure module**

Other, please specify (Chain of custody (CoC) certification)

**Data points verified**

Risk assessment and claims about sustainability of virgin supply sourced from external suppliers

**Verification standard**

100% of Resolute's manufacturing facilities have a chain of custody (CoC) tracking system compliant with the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council® (FSC®), effective March 2022. All CoC tracking systems require that 100% of the fiber processed meet minimum due diligence requirements related to risks of illegal logging and other important sustainability issues.

**Please explain**

Internal and external audits are conducted at each of our operations on an annual basis. Discrepancies identified during the audit process are corrected and re-evaluated in subsequent audits. The constant evolution of chain of custody (CoC) standards requires that Resolute comply with the latest science-based recommendations and requirements for our fiber sourcing areas and operations. The CoC certifications for each of our operations are renewed on a five-year basis. We are committed to maintaining 100% CoC certification across our operations.

As a certified company, Resolute must take appropriate steps to ensure that it, and the suppliers and woodlot owners it sources from, all abide by a number of state, provincial and federal regulations, as well as voluntary best management practices that protect important ecosystem elements, including water quality, habitat for endangered species, and the suitability for recreation.

At our operations in the United States and Canada, deliveries of recovered fiber, roundwood and chips are tracked at the operational, regional and corporate levels with sophisticated software systems that convert on-site readings from truck weighing scales into accounts payable information, reports and other internal data uses. These systems are necessary to keep track of the over 700 external suppliers and approximately \$500 million in annual payments. Every year, as part of our SOX compliance program, Internal Audit performs the testing of all key controls surrounding the procure-to-pay function, including the reporting systems outlined in Resolute's procurement policies. The results are presented annually to senior management and the audit committee.

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## F8. Barriers and challenges

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### F8.1

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**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**

Timber products

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Competing stakeholder priorities in landscape/jurisdictional approaches

**Comment**

In Canada, forest cover has been stable for the last five decades despite increased urban development. Canada's forestland covers 362 million hectares, which represent 40% of Canada's land area. On an annual basis, an average of 0.01% of the forest cover is converted to non-forest uses, mainly for urban development and agriculture. Road construction, including the road network developed for forest management, is part of this small percentage.

While Resolute is responsible for developing the road networks where we implement forest management plans, including salvage operations in areas affected by fire or bugs, the roads are public because they are located on Crown land. Multiple stakeholders may use the roads as soon as they are built for multiple uses. Closing roads once forest management plans are completed becomes a challenge, especially so when stakeholders are consulted or asked to support the decommissioning of the roads.

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**Forest risk commodity**

Timber products

**Coverage**

Direct operations  
Supply chain

**Primary barrier/challenge type**

Limited political will

**Comment**

In Canada, forest cover has been stable for the last five decades despite increased urban development. Canada's forestland covers 362 million hectares, which represent 40% of Canada's land area. On an annual basis, an average of 0.01% of the forest cover is converted to non forest uses, mainly for urban development and agriculture. Road construction, including the road network developed for forest management, is part of this small percentage.

While Resolute is responsible for developing the road networks where we implement forest management plans, including salvage operations in areas affected by fire or bugs, the roads are public because they are located on Crown land. Multiple stakeholders may use the roads as soon as they are built for a variety of uses. Closing roads once forest management plans are completed becomes a challenge, especially so when stakeholders are consulted or asked to support the decommissioning of the roads.

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**F8.2**

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Timber products

**Coverage**

Direct operations  
Supply chain

**Main measure**

Involvement in multi-stakeholder initiatives

**Comment**

Our involvement in multi-stakeholder initiatives is key to keeping the public informed and to finding solutions for ensuring areas, such as roads, can be replanted so they remain productive forests. As 100% of the forests managed by Resolute are third-party certified, we leverage our certification systems to document and influence such initiatives. We take the time it requires to advance at a pace suitable to all concerned stakeholders, as this approach requires consultation and engagement, and can represent a great deal of change for some stakeholders. Pilot projects are already in place to test this approach in areas of high ecological importance, and larger-scale implementation may come down the road. As representatives of the Crown, governments are best placed to lead these initiatives, with the participation of affected stakeholders from local and Indigenous communities as well as industrial players.

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**F17 Signoff**

**F-FI**

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

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

**F17.1**

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms