



Regional Procurement Policy Guidelines

Resolute Forest Products is committed to developing a sustainable and responsible regional procurement initiative that will positively contribute to a resilient supply chain and to promote the economic and social development of the communities in which Resolute operates.

This policy, intended to work alongside Resolute's Aboriginal Procurement Policy Guidelines, complements Resolute's Procurement Policies and Procedures.

Goal and Objectives

By developing a regional supply chain, Resolute's objective is to obtain goods and services at the best possible value, taking into account: quality; price; and support and services, while encouraging the growth and development of regionally-based and citizen-owned companies in the procurement of such goods and services.

The ultimate goal is to create efficiencies in our supply chain and to ensure reliable access to critical suppliers and service providers by building a critical mass within our Canadian operating regions.

Scope

These guidelines apply to Resolute's Canadian woodlands, wood products, hydro, pulp and paper operations.

By **regional procurement**, we mean goods, services and/or labor procured: (1) outside existing corporate contractual arrangements; and (2) from a *regional business*.

By **regional business**, we mean a business that is:

- 1- located within Resolute's Canadian operating regions (Abitibi, Capitale-Nationale, Côte-Nord, Mauricie, Nord-du-Québec, Northwest Ontario, Outaouais, Saguenay–Lac-Saint-Jean);
- 2- wholly-owned locally, or partly-owned locally but with a local majority; and
- 3- a small or medium enterprise (SME) (generally less than 99 employees) licensed in Canada with at least one office established in the operating region.



Our commitment

We will promote the development of *regional procurement* by:

- Improving the visibility of regional businesses by establishing a portal where these businesses can register and describe their field or expertise, and we will consult the database as part of our supplier-sourcing initiatives;
- Clearly communicating our business requirements and standards, such as payment terms, general terms and conditions, supplier guidelines and other relevant supplier information, to registered regional businesses;
- Recognizing the regional business status consistent with this policy as a value-added factor when measuring proposals or bids from multiple suppliers, such that the lowest-priced qualified bidder will not necessarily be awarded the business, but always on the understanding that:
 - regional businesses will be treated no differently when it comes to safety, environmental and quality of offering; and
 - Resolute's procurement policies and procedures will be followed at all times;
- Promoting the use of *regional businesses* in the context of larger tender opportunities by non-regional businesses by asking these vendors to identify opportunities for *regional businesses* within their own service offering, e.g., subcontracting or training opportunities; and
- Helping to build capacity in the region through training, mentoring and financially partnering into specific project.

Monitoring our commitments

On an annual basis, the vice president for procurement will prepare a report to be delivered to Resolute's president and chief executive officer outlining the company's progress relative to the goals set out in this policy, and will provide quarterly reports for the vice president, Strategy and Corporate Development.

A handwritten signature in blue ink, appearing to read 'Yves Laflamme', is positioned above the printed name.

Yves Laflamme
President and Chief Executive Officer

August 23, 2018