

## C0. Introduction

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### C0.1

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#### **(C0.1) Give a general description 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.

We steward renewable, sustainable, fossil-free resources that play an important role in fighting climate change. Our vision is to operate a model manufacturing company with a climate-adaptable business model, built with the strongest values, the highest respect for sustainability and the calling to serve our people and communities. We are delivering on our strong commitment to climate and green energy by reducing our greenhouse gas (GHG) emissions and optimizing the use of renewable energy. Our 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.

Actions to reduce GHG emissions and combat climate change are cornerstones of our sustainability strategy. In 2021, we achieved our goal to reduce the company's absolute scope 1 and 2 GHG emissions by 30% compared to 2015 levels: a 31.9% reduction across company operations. Our climate change initiatives also include an 84.6% reduction in scope 1 and 2 emissions at our pulp, paper and tissue mills compared to 2000 levels. Together, our carbon-reduction initiatives over the past two decades have reduced emissions by more than 8.2 million metric tons of CO<sub>2</sub> equivalents per year, comparable to taking close to two million cars off the road.

In 2021, we also made a commitment to the Science Based Targets Initiative (SBTi) to set scope 1, 2 and 3 GHG emission reduction goals for 2026. In June 2022, SBTi validated the targets: a 41.5% reduction in scope 1 and 2 GHG emissions and a 16.5% reduction in scope 3 GHG emissions from a 2015 base year. The target boundary includes biogenic emissions and removals from bioenergy feedstocks, and the scope 1 and 2 goals are in line with a well-below 2°C trajectory.

As a member of the Forest Products Association of Canada (FPAC), Resolute has also signed on to the "30 by 30" Climate Change Challenge, which commits the Canadian forest products industry to removing 30 megatons of CO<sub>2</sub> per year by 2030 – more than 13% of the Canadian government's GHG emission reduction target. In the U.S., as a member of the American Forest and Paper Association (AF&PA), we are working with the association towards its scope 1 and 2 GHG emission intensity reduction of 50% from a 2005 baseline and commitment to establish a goal by 2025 for relevant scope 3 emissions.

### C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

**C0.3**

**(C0.3) Select the countries/areas in which you operate.**

Canada  
United States of America

**C0.4**

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**C0.5**

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

**C-AC0.6/C-FB0.6/C-PF0.6**

**(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?**

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]

**C-AC0.6b/C-FB0.6b/C-PF0.6b**

**(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?**

**Row 1**

**Primary reason**

Evaluated but judged to be unimportant

**Please explain**

We report greenhouse gas (GHG) emissions for all of our manufacturing operations. In 2021, we took the important step of integrating our wood products facilities into our emissions reporting, which had included our pulp, paper and tissue mills through 2020. In 2021, we also signed on to the Science Based Target initiative (SBTi), including goals to reduce scope 1, 2 and 3 GHG emissions.

Most of our woodland operations are outside of our operational control as they are contracted to vendors, and are therefore outside the GHG inventory boundaries for our scope 1 and 2 emissions, but they are considered under our scope 3 emissions.

The materiality threshold considered in our GHG emissions management plan is 1%, which excludes emissions generated by the woodland camps under our operational control as well as employee offices. Our GHG management plan requires the base year to be recalculated for every significant change of more than 1% or any structural change.

We are closely following the development of WRI/WBCSD's GHG Protocol guidance on land use, land-use change and bioenergy, and we hope to use this as a guideline to account and report on the emissions occurring in our woodlands operations. Resolute is registered for the pilot test phase of this initiative and will be supported by the National Council for Air and Stream Improvement (NCASI) during the process.

For more information on our forestry activities, please consult our CDP Forests questionnaire.

As a member of the Forest Products Association of Canada (FPAC), Resolute is proud to support the association's forest-focused, science-backed "30 by 30" Climate Change Challenge, which commits the Canadian forest products industry to removing 30 megatons of CO2 per year by 2030 – more than 13% of the Canadian government's total emission-reduction target. This challenge is based on the United Nations International Panel on Climate Change's recommendation that the largest long-term GHG emission mitigation benefit comes from adopting a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual yield of timber, fiber or energy from the forest, not from simply reducing forest harvest volumes. Resolute also supports increasing restoration of unproductive areas and afforestation activities, advancing the use of fast-growing tree species, as well as supporting innovation in ecosystem-based forest management practices.

Resolute encourages policy makers to consider independent studies that recommend replacing dying or low-productivity stands in order to improve a forest's ability to capture and store carbon and contribute to climate change mitigation. Provincial governments have also recognized the great mitigation potential of the forests they are responsible for managing. According to a study recently published in the academic journal, Science, global forest restoration helps capture atmospheric carbon, mitigating climate change: (<https://science.sciencemag.org/content/365/6448/76>).

Active forest management practices can help forests adapt to climate change by promoting more resilient, better adapted species, while practices such as salvage harvesting can jump-start the growth of forests and promote regeneration in areas where post disturbance conditions are not favorable to natural regeneration. Salvage harvesting can also mitigate the damaging climate effects of carbon emitted by decaying trees if they are left to rot following a natural disturbance, which researchers suggest is approximately equal to the carbon emissions associated with an initial fire event. In addition to the mitigation and future sequestration benefits provided by salvage logging following fire and other disturbances, this practice also alleviates harvest pressure on undisturbed ecosystems, reducing overall carbon emissions.

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**C-AC0.6f/C-FB0.6f/C-PF0.6f**

**(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?**

**Row 1**

**Primary reason**

Outside the direct operations of my organization

**Please explain**

Emissions from distribution activities are considered under the company's scope 3 emissions, as transportation and distribution are contracted out to vendors.

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**C-AC0.7/C-FB0.7/C-PF0.7**

**(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.**

**Agricultural commodity**

Timber

**% of revenue dependent on this agricultural commodity**

More than 80%

**Produced or sourced**

Both

**Please explain**

As a global industry leader, Resolute manufactures and markets a diverse range of products, including market pulp, tissue, wood products and paper. Resolute is fortunate that our primary input – wood – is a renewable resource, and that our wood products capture carbon over the long term and that our paper products are recyclable.

To further improve our environmental performance, the company has implemented sustainable forestry practices and responsible fiber sourcing. We have also made significant investments in improving the environmental performance of our manufacturing processes, including the development of innovative products that maximize our use of fiber.

We strongly believe that trees can be carefully harvested, while maintaining biodiversity and protecting the forest and values important to a range of stakeholders. The regeneration of harvested woodlands is an essential component of sustainable forest management. Resolute relies on various forest management techniques and best practices, including regeneration surveys, site preparation, the planting of seedlings, and aerial and terrestrial seeding – all in combination with natural regeneration. Accordingly, our commitments extend well beyond strict compliance with applicable forestry regulations, which in Quebec and Ontario are already among the most – if not the most – rigorous in the world.

Resolute maintains certification for 100% of the forests we manage to at least one internationally recognized forest management standard: Sustainable Forestry Initiative® (SFI®) and/or Forest Stewardship Council® (FSC®). We continue to be among the largest holders of SFI and FSC forest management certificates in North America.

We disclose our forestry performance through CDP's Forests program, earning an A- leadership score in 2021. We also sustained a B management score in the Water Security program.

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**C0.8**

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

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

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**C1. Governance**

**C1.1**

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

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**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	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 environmental, social and governance (ESG) performance. The EHSS committee reports to the board on the company's sustainability performance, more specifically, the identification and management of risks and opportunities relating to environmental, health, safety and sustainability matters.</p> <p>The chair of the board has experience in sustainability and forest products, having previously been CEO of another important forest products company.</p> <p>In addition to leading the board of directors in its oversight of the company's ESG plans, strategy and performance in 2021, the chair commissioned the sustainability committee to provide third-party ESG training for all directors, officers and members of the sustainability committee. Trainings were completed in early 2022.</p> <p>Furthermore, the board, led by the board chair, approves Resolute's short-term incentive plan (STIP) and related bonus payouts for all eligible employees, which are calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. A portion of the STIP is based on our Occupational Safety and Health Administration incident and severity rates, the number of environmental incidents we report relative to our annual targets, and the company's greenhouse gas emission reductions (beginning in 2022).</p> <p>The board also discusses climate change issues on a regular basis as all capital projects considered by the company require an evaluation of their impact on greenhouse gas emissions.</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 policies, management systems and performance relating to environmental, occupational health, safety, and sustainability matters.</p> <p>The EHSS committee provides overall guidance on our sustainability strategy and results by reviewing established key performance indicators, incidents, audits, liabilities, stakeholder relations, public policy issues and other developments. The committee is instrumental in enhancing board oversight of our sustainability strategy, including our environmental, social and governance performance. The committee reviews the company's annual and longer-term sustainability targets, including our commitment to establishing goals in line with the Science Based Targets initiative - made in 2021. Quarterly performance is reported to the committee by our vice president, Environment, Energy and Innovation.</p> <p>The EHSS committee met four times in 2021 and is composed of five board members. The president &amp; CEO, executive managers (senior vice presidents of Operations, HR, Legal and Corporate Affairs) and four senior managers (from Environment, Energy and Innovation; Communications, Sustainability and Government Affairs; Human Resources; and Legal Affairs) participate in meetings to support the committee in delivering its mandate, and to report progress on the company's climate targets.</p> <p>As a former executive in the forest products industry, the chair of the EHSS committee has extensive experience in environmental sustainability, including climate initiatives.</p>
Chief Executive Officer (CEO)	<p>Our president &amp; chief executive officer is a member of the board of directors and leads the executive team.</p> <p>Resolute's executive team is responsible for our business and sustainability strategies, which are reviewed by our board of directors. The overall responsibility for our performance resides with our president &amp; CEO, with oversight from the board of directors. Climate change issues are discussed and reviewed on a regular basis at the corporate level as all capital projects considered by the company require an evaluation of their impact on GHG emissions. A top-down approach is in place for the analysis of risks and opportunities.</p> <p>The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including the adoption of greenhouse gas reduction targets, reports to the president &amp; CEO. In 2021, having surpassed our 2025 greenhouse gas emission reduction target ahead of schedule, we made a CEO-approved commitment to set new reduction goals in line with the Science Based Targets initiative (SBTi), which include scope 1, 2 and 3 GHG emission reduction targets.</p> <p>Our vice president, Environment, Energy and Innovation, who has overall responsibility for risks and opportunities at the mill level, reports to the president &amp; CEO, including tracking and reporting climate-related KPIs and targets and providing updates on the work of our carbon committee, which is a risk management mechanism for carbon-related issues.</p> <p>Each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management who consider each issue for inclusion in Resolute's financial reporting. Risks identified by management (including the president &amp; CEO and executive team) are also raised.</p>
Board-level committee	<p>The audit committee assists the board of directors in fulfilling its oversight responsibilities, including the committee's primary duties and responsibilities of reviewing senior management's plans to manage Resolute's exposure to financial risk, including climate-related risks. The committee discusses and considers the company's policies with respect to general risk assessment and risk management, and reviews contingent liabilities and risks that may be material to the company as well as major legislative and regulatory developments that could materially impact the company's contingent liabilities.</p> <p>In 2021, as part of the enterprise risk management process presented to the audit committee, the committee reviewed climate-related risks and related mitigation actions, such as the transition and physical risks outlined in section C2 and disclosed in our annual Form 10-K.</p> <p>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>
Director on board	<p>The board of directors together with its environmental, health, safety and sustainability 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 environmental, social and governance (ESG) performance. The environmental, health, safety and sustainability committee reports to the board on the company's sustainability performance, more specifically, the identification and management of risks and opportunities relating to environmental, health, safety and sustainability matters. As such, all directors have a responsibility when it comes to sustainability, including climate-related issues.</p> <p>In 2021, the directors oversaw the company's ESG plans, strategy and performance. Four out of the eight directors have sustainability and ESG experience. The board met ten times in 2021.</p>

**C1.1b**

**(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<Not Applicable>	<p>Resolute’s board of directors executes its oversight responsibility for risk assessment and risk management through its committees, including the environmental, health, safety and sustainability (EHSS) committee. Risks are considered through risk-based methods and processes integrating concepts of internal control, transparency and strategic planning, which are intended to allow the board to identify and assess environmental, social and governance (ESG) risks, namely regulatory changes, strategic capital investments, consumer preference changes, reputation and weather-related challenges. The board is guided by Resolute’s 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.</p> <p>The EHSS committee assists the board in fulfilling its oversight duties with regard to the policies, management systems and performance relating to environmental, occupational health, safety and sustainability matters. The committee 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 the company’s annual and longer-term sustainability targets, including our commitment to establishing greenhouse gas (GHG) emission reduction goals in line with the Science Based Targets initiative (SBTi)- made in 2021 and approved by SBTi in June 2022. Quarterly performance is reported to the committee by our vice president, Environment, Energy and Innovation. Climate-related initiatives are on the agenda of every meeting, and the committee met four times in 2021.</p> <p>The board also approves Resolute’s short term incentive plan (STIP) and related bonus payouts for all eligible employees, which are calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. Upon recommendation from the board’s human resources and compensation/ nominating and governance committee, a portion of the STIP is based on the company’s Occupational Safety and Health Administration’s incident and severity rates, our GHG emission reductions, and the number of environmental incidents we report relative to our annual targets, all of which are considered high impact issues by our stakeholders.</p>

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>Four members of the board have experience with sustainability and environmental, social and governance (ESG) issues, including our president &amp; CEO who was a member of Resolute’s sustainability committee prior to becoming the general manager of our Thunder Bay (Ontario) pulp and paper mill where he oversaw the mill’s climate-related initiatives, including a \$20 million investment to increase the facility’s energy efficiency and decrease greenhouse gas emissions.</p> <p>As a former executive in the forest products industry, the current chair of the environmental, health, safety and sustainability (EHSS) committee has extensive experience in environmental sustainability, including environmental management of pulp, paper and tissue mills. She has been instrumental in enhancing board oversight of our sustainability strategy, and our environmental, social and governance (ESG) performance since 2019. Her 30-plus years of experience in the forest products sector – including leadership positions with companies, industry associations and a government committee tasked with establishing 2030 greenhouse gas emission reduction targets – has proved beneficial to Resolute as we establish and deliver on our sustainability commitments.</p> <p>In addition, the chair of the board has experience in sustainability and forest products, having previously been CEO of another important forest products company, while a fourth director brings general knowledge on sustainability/ESG to the table, as the former chair of Resolute’s board.</p>	<Not Applicable>	<Not Applicable>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO) <i>President &amp; CEO</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities <i>Our president &amp; chief executive officer is a member of the board of directors and leads the executive team. The overall responsibility for our sustainability performance resides with our president &amp; CEO, with oversight from the board of directors. The company's sustainability committee, which supports the delivery of our key sustainability commitments and the implementation of related plans, including the adoption of greenhouse gas reduction targets, reports to the president &amp; CEO. In 2021, having surpassed our 2025 greenhouse gas emission reduction target ahead of schedule, we made a CEO-approved commitment to set new reduction goals in line with the Science Based Targets initiative (SBTi), which include scope 1, 2 and 3 GHG emission reduction targets. Our vice president, Environment, Energy and Innovation, who has overall responsibility for risks and opportunities at the mill level, also reports to the president &amp; CEO.</i>	<Not Applicable>	More frequently than quarterly
Other committee, please specify (Carbon Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities <i>Our carbon committee serves as a risk management mechanism for carbon-related issues, while leading and developing our carbon strategy, such as prioritizing compliance mechanisms. All risks and opportunities related to our carbon strategy are reviewed by the committee, which is a cross-functional group of vice presidents and representatives from Operations, Legal, Treasury, Finance, Energy and Procurement that is chaired by the vice president, Environment, Energy and Innovation. The committee reports to the president &amp; CEO, senior managers and executive team, which, in turn, reports to our board's environmental, health, safety and sustainability committee. Planned carbon-related projects are followed closely by the committee in order to evaluate the company's market position. The committee also serves as a training and information-sharing mechanism for carbon-related issues.</i>	<Not Applicable>	Half-yearly
Sustainability committee	<Not Applicable>	Other, please specify (Setting and tracking sustainability targets, including greenhouse gas reduction targets) <i>Resolute's sustainability committee supports the delivery of key commitments and implements related plans, including adopting the company's science-based greenhouse gas reduction targets. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs. The committee's mandate is to recommend strategies, set goals and measure results, oversee reporting and communications, ensure continuous improvement, and assess stakeholder expectations and sustainability trends. The committee is also charged with providing project oversight on the company's key sustainability objectives.</i>	<Not Applicable>	Quarterly
Chief Financial Officer (CFO) <i>CFO: Resolute complies with the SEC's materiality test for financial reporting, which includes thorough consideration of climate-related risks due to the associated potential business impacts. Each quarter, Resolute's disclosure controls and procedures require controllers from each operation to gather information on potentially material events and risks. This information is validated with internal experts and presented quarterly to senior management, namely the CFO, who considers each issue for inclusion in Resolute's financial reporting. Risks identified by management (including the president &amp; CEO, executive team and senior managers) are also raised.</i>	<Not Applicable>	Assessing climate-related risks and opportunities <i>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 climate-related risks due to the associated potential significant business impacts. 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. Examples of climate-related risks disclosed in our 2021 Form 10-K annual report include physical risk such as forest fires and bug infestations, as well as transition risk such as carbon pricing.</i>	<Not Applicable>	Quarterly
Risk manager <i>Vice president, Environment, Energy and Innovation: Reporting directly to the president &amp; CEO, chairing the carbon committee, and member of our corporate sustainability committee, the vice president assesses and manages climate-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.</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities <i>As well as chairing our carbon committee, the vice president, Environment, Energy and Innovation, reports directly to our president &amp; CEO and is responsible for discussing climate-related risks and opportunities with the president &amp; CEO. The main responsibilities of the vice president, Environment, Energy and Innovation, related to climate change include: 1) identifying and reviewing risks and opportunities for the company; 2) chairing the carbon committee and participating in meetings of the sustainability committee and the board of directors' environment, health, safety and sustainability committee; 3) monitoring, evaluating, analyzing and validating climate change impacts as well as KPIs; 4) monitoring key regulations; and 5) managing related commitments.</i>	<Not Applicable>	More frequently than quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Climate change issues are discussed and reviewed on a regular basis at the corporate level as all capital projects considered by the company require an evaluation of their impact on greenhouse gas (GHG) emissions. Climate-related risks and opportunities relate primarily to regulatory changes, strategic capital investments, consumer preference changes, reputation and weather-related challenges.

The overall responsibility for our sustainability performance resides with our president & CEO, with oversight from the board of directors, while we rely on our sustainability committee to support the delivery of our key commitments and implement related plans, including annual and long-term targets. The committee is a cross-functional group of senior managers from Operations, Sales, Human Resources, Procurement, Environment, Finance, Legal, among other departments. The committee's mandate is to recommend strategies, set goals and measure results, oversee reporting and communications, ensure continuous improvement, and assess stakeholder expectations and sustainability trends. The committee is also charged with providing project oversight on the company's key sustainability objectives. It is accountable to the executive team and chaired by the vice president, Corporate Communications, Sustainability and Government Affairs.

In addition, our carbon committee serves as a risk management mechanism for carbon-related issues, while leading and developing our carbon strategy, such as prioritizing compliance mechanisms. All risks and opportunities related to our carbon strategy are reviewed by the committee, which is a cross-functional group of vice presidents and representatives from Operations, Legal, Treasury, Finance, Energy and Procurement that is chaired by the vice president, Environment, Energy and Innovation. The committee reports to the president & CEO, senior managers and the executive team, which, in turn, reports to our board's environmental, health, safety and sustainability committee. Planned carbon-related projects are followed closely by the committee in order to evaluate the company's market position. The committee also serves as a training and information-sharing mechanism for carbon-related issues.

As well as chairing the carbon committee, the vice president, Environment, Energy and Innovation, presents to the EHSS committee and reports directly to our president & CEO. Responsibilities for climate change have been assigned to this position as it has overall responsibility for risks and opportunities at the mill level where our carbon footprint - and carbon-related opportunities - are most directly tied. The main responsibilities of the vice president, Environment, Energy and Innovation, related to climate change include:

- 1) identifying and reviewing risks and opportunities for the company;
- 2) chairing the carbon committee and participating in meetings of the sustainability committee and the board of directors' environment, health, safety and sustainability committee;
- 3) monitoring, evaluating, analyzing and validating climate change impacts as well as KPIs;
- 4) monitoring key regulations; and
- 5) managing related commitments.

The position is responsible for the development and distribution of a monthly report to the executive team and senior management. This monthly report measures the company's performance against key indicators, including those related to greenhouse gas emissions as well as fiber, energy and water consumption. Also part of this position's responsibilities is to represent the company in several trade associations such as the Forest Products Association of Canada (FPAC) and the American Forest and Paper Association (AF&PA), as well as the National Council for Air and Stream Improvement (NCASI), and to engage directly with government agencies involved in setting regulations. Given the direct responsibilities and extended involvement in all issues related to climate change, this vice president plays a key role in influencing the business strategy and ensuring that Resolute properly adapts and mitigates climate change.

The vice president, Environment, Energy and Innovation is also responsible for monitoring the portion of the short term incentive plan (STIP) that is related to greenhouse gas emission reductions and environmental incidents.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Climate change and energy-related metrics are embedded in the individual targets of select members of our management team and are evaluated during annual performance reviews, which are linked to individuals' performance and compensation. Other environmental factors may include: energy savings that lead to cost and emission reductions as well as lower fiber and water usage by meeting or exceeding established targets to improve overall production efficiency.  Resolute's short term incentive plan (STIP) for eligible employees, including management, is calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance metrics. Beginning in 2022, a portion of the STIP is based on achieving greenhouse gas emission reduction targets.

**C1.3a**



**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify (All salaried employees)	Monetary reward	Emissions reduction target Behavior change related indicator	<p>As part of Resolute's short term incentive plan (STIP), bonus payouts for all eligible employees are calculated using economic KPIs, such as income from operations, in addition to environmental and social performance. Upon recommendation from the board's human resources and compensation/ nominating and governance committee, a portion of the STIP is based on the company's Occupational Safety and Health Administration's incident and severity rates, greenhouse gas emission reductions, and the number of environmental incidents we report relative to our annual targets, all of which are considered high impact issues by our stakeholders. The balance is based on income from operations, division performance measures, corporate SG&amp;A expense, and individual annual objectives.</p> <p>Employees at various levels of the company directly benefit from the STIP. Cost reductions associated with improved energy efficiency - in addition to the recognition and pride that comes with leading climate initiatives - further incentivize employees' behavior.</p>
Corporate executive team	Monetary reward	Emissions reduction target Behavior change related indicator	<p>As part of Resolute's short term incentive plan (STIP), bonus payouts for management are calculated using economic KPIs, such as income from operations, in addition to environmental and social performance. Upon recommendation from the board's human resources and compensation/ nominating and governance committee, a portion of the STIP is based on the company's Occupational Safety and Health Administration's incident and severity rates, greenhouse gas emission reductions, and the number of environmental incidents we report relative to our annual targets, all of which are considered high impact issues by our stakeholders.</p> <p>The balance is based on income from operations, division performance measures, corporate SG&amp;A expense, and individual annual objectives. Rewarding economic performance is key to growing our low-carbon business segments, which in light of market opportunities, present income-generating opportunities for the company.</p> <p>Cost reductions associated with improved energy efficiency - in addition to the recognition and pride that comes with leading climate initiatives - further incentivize employees' behavior.</p>

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	5	<p>At Resolute, our short-term horizon is defined by our growth strategy, which 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 growth 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 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> <p>Actions to reduce GHG emissions and combat climate change are cornerstones of our sustainability strategy. We regularly evaluate and strive to improve our manufacturing processes by optimizing energy efficiency; decreasing our consumption of fuel, steam and electricity; reducing our carbon footprint through fuel switching; and focusing on renewable energy. For more information on the initiatives we are currently spearheading:</p> <p><a href="https://www.resolutefp.com/Sustainability/Climate_Change_and_Energy/Carbon_Footprint/">https://www.resolutefp.com/Sustainability/Climate_Change_and_Energy/Carbon_Footprint/</a></p>
Medium-term	5	20	<p>Resolute's medium-term horizon is focused on the contributions we make to society and our operating communities. We provide indispensable products for basic human necessities like shelter, personal care and education, and we contribute to the health and welfare of 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.</p> <p>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.</p> <p>We have 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.</p> <p>Having surpassed our 2025 greenhouse gas (GHG) emission reduction target, we have set 2026 reduction goals in line with the Science Based Targets initiative (SBTI): a 41.5% reduction in scope 1 and 2 GHG emissions and a 16.5% reduction in scope 3 GHG emissions from a 2015 base year. The target boundary includes biogenic emissions and removals from bioenergy feedstocks, and the scope 1 and 2 goals are in line with a well-below 2°C trajectory.</p> <p>In addition, we are renewing commitments and establishing new targets to optimize the long-term carbon capture potential of wood products and reduce waste. Our 2026 targets include commitments to:</p> <ul style="list-style-type: none"> <li>-maintain internationally recognized forest management certification at 100% of our managed woodlands;</li> <li>-maintain chain-of-custody certification at 100% of our manufacturing facilities;</li> <li>-increase externally sourced fiber that is third-party certified to 75%;</li> <li>-reduce waste sent to landfill by 15% at all pulp, paper and tissue mills compared to 2018 levels; and</li> <li>-improve roundwood consumption at wood products facilities by 0.125 m3/mfbm compared to 2021.</li> </ul>
Long-term	20	100	<p>Market pulp and wood products are core segments for the company, and we believe in their long-term, sustained growth potential. Our strategy is to approach strategic initiatives by:</p> <ul style="list-style-type: none"> <li>-spending to improve productivity and/or lower costs;</li> <li>-investing selectively in organic expansions; and</li> <li>-pursuing opportunistic strategic acquisitions.</li> </ul> <p>Fiber from trees is renewable, reusable and fossil-free, and we believe that it can serve as a core pillar in the ongoing shift away from fossil-based materials toward renewable alternatives. With our large-scale access to high-quality fiber, our expertise in managing its value-transformation, and our strategically-located manufacturing facilities, we believe in investing in our business to build a competitive forest products company for the future.</p> <p>We see certain megatrends around evolving customer preferences toward more renewable alternatives, urbanization and demographic changes that could open opportunities for our company in value-added engineered wood products to capitalize on the growing role of wood in multi-family residential and commercial construction, as well as innovative fiber-derived products.</p> <p>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. 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. The 20 to 25-year forest management plans include optimal habitat scheduling, which identifies areas where optimal harvesting sequences can be carried out over a span of 100 to 150 years.</p>

**C2.1b**

## **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

Resolute defines substantive financial and strategic impact as factors materially affecting direct operations, leading for instance to an impact on the company's financial condition or financial results. Impacts like these may affect our ability to meet financial obligations and mitigate exposure to broad risks, including: volatility in foreign currency exchange rates, interest rates and commodity prices; capital structure; and credit and liquidity risk, including risk related to cash management, extension of credit, collections, credit ratings, and availability and cost of funding. Related examples include the new credit facility module we announced in December 2021 that is based on environment, social and governance (ESG) factors, which could include metrics related to greenhouse gas emission reductions. 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.

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. 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)

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## **C2.2**

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

A specific climate-related risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

Climate change issues are discussed and reviewed on a regular basis at the corporate level as all capital projects considered by the company require an evaluation of their impact on greenhouse gas (GHG) emissions. Climate change is also carefully considered in the company's governance structures, risk management processes and other initiatives.

A top-down approach is in place for the analysis of risks and opportunities, which relate primarily to regulatory changes, strategic capital investments, consumer preference changes, reputation and weather-related challenges. Overall responsibility for risks and opportunities at the mill level resides with our vice president, Environment, Energy and Innovation, who reports directly to the president & CEO as well as the board of directors' environmental, health, safety and sustainability (EHSS) committee.

Our enterprise risk management (ERM) process is a framework for identifying dangers and potential hazards that may interfere with operations and objectives, assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress. As stated in the charter of our board's audit committee, the audit committee is responsible for general risk assessment and management, as well as reviewing the contingent liabilities and risks that may be material to the company. It met seven times in 2021. 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.

Our carbon committee serves as a risk management mechanism for carbon-related issues. All risks and opportunities related to our carbon strategy are reviewed by the committee, which is a cross-functional group of vice presidents and representatives (Operations, Legal, Treasury, Finance, Energy, Procurement) that is chaired by the vice president, Environment, Energy and Innovation. Company results are reported to our senior managers and the executive team which, in turn, reports to our board's EHSS committee. Our vice president, Environment, Energy and Innovation, also reports directly to the committee.

Following the acquisition of three U.S. sawmills fueled by natural gas in 2020, our wood products segment was considered to be an important transitional carbon risk for the company given the facilities' emissions relative to the decreasing emissions at our pulp, paper and tissue mills. Even though we were tracking our wood products facilities' emissions in the past, they were not significant enough compared to our pulp, paper and tissue segments. This has changed as emissions from wood products now represent about 5% of Resolute's scope 1 and 2 GHG emissions. Our 2021 inventory was updated to include emissions from this sector and to better address associated risks and opportunities.

A thorough emissions inventory is essential for identifying opportunities to reduce our carbon footprint. Data collection for each mill is aggregated by Resolute's Environment group and overseen by the vice president, Environment, Energy and Innovation. Our management systems allow operations to track and report data, and verification procedures are in place to ensure that our inventory is accurate. At the operations level, mill managers are responsible for implementing site-specific climate- and energy-related projects. Facilities also have an environment coordinator who ensures full compliance with environmental regulations, such as those related to GHG emissions. The environmental coordinator at the mill level works closely with a corporate environmental director to ensure plans and projects move forward.

Scope 1, 2 and 3 emissions are the focus of our emission-reduction programs. Scope 1 and 2 emissions are tracked and reported on a monthly basis, among other things, to address the important physical risks associated with climate change. Our carbon committee serves as a risk management mechanism by reviewing all risks and opportunities related to our carbon strategy, and by proposing and adopting new measures to reduce our footprint in line with our new science-based target to reduce absolute scope 1 and 2 GHG emissions 41.5% by 2026 from a 2015 base year.

Our new science-based targets also include a commitment to reduce absolute scope 3 GHG emissions by 16.5% within the same timeframe. Scope 3 emissions represent a significant portion of our carbon footprint, so we are developing strong relationships and a collaborative approach with key suppliers to further reduce our global carbon footprint. We continue to enhance our scope 3 emissions reporting, and have reported all relevant scope 3 emission categories to CDP since 2013, updating and disclosing annually since 2015.

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**C2.2a**

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	Carbon price mechanisms, such as the cap-and-trade system in Quebec, have an impact on the operational costs of covered facilities, as well as the cost of fuel from distributors operating under the programs. Our focus on improving energy efficiency and replacing high-emission fuels like coal and bunker C with less carbon-intensive fuels helps us with this transition, while aligning Resolute with current and future regulation. Considering that energy accounts for approximately one quarter of the company's pulp and paper production costs, fuel switching and projects designed to increase our energy efficiency are considered key to managing and mitigating the risks identified in Resolute's climate-related risk assessments. Our operations have been on-site coal-free since 2014. Our commitment to renewable energy is good for the environment and it's good for the bottom line - and helps us ensure compliance with current as well as emerging regulation, which is changing quickly.
Emerging regulation	Relevant, always included	<p>Implementing climate-change mitigation programs could increase our costs in the short term as a result of potential GHG emissions reporting obligations in the U.S. and more detailed mandatory reporting in both Ontario and Quebec, all of which may require additional resources for monitoring, tracking, calibrating and reporting information, as well as training and verification. The price of carbon in Canada is expected to increase, and a price on carbon could be introduced in the U.S. International reporting protocols could change their standards for reporting GHG emissions, including changing the distinction that is currently made between CO2 emissions from biomass combustion at stationary sources and CO2 generated from fossil fuels. Regulatory bodies could also change their position on the carbon-neutrality of biomass energy, which would significantly alter our carbon footprint. Adopting and incorporating new technologies to help with the transition toward a low-carbon economy are also transitional risks that could represent significant costs to the company or may expose us to unforeseen risks.</p> <p>Staying ahead of climate change regulations is a strategic advantage for Resolute. Although the swift implementation of climate-change mitigation programs may increase our input costs in the short term, our capacity to adapt is expected to strengthen our long-term competitiveness. Other climate-related risks that Resolute considers in light of emerging regulation include: reducing fiber, energy and water consumption; switching to lower-carbon fuels; securing long-term availability of fiber and water; offering "clean" products and introducing new and innovative products with environmental benefits; implementing energy-efficient technologies; and investing in projects that contribute to controlling power costs and reducing greenhouse gas emissions. Our commitment to renewable energy is good for the environment and it's good for the bottom line - and helps us ensure compliance with current as well as emerging regulation, which is changing quickly.</p>
Technology	Relevant, always included	<p>Operating in a highly competitive market, we believe that adopting and incorporating new technologies can help transform the company away from mature product markets and products in structurally declining markets toward a more profitable and sustainable organization that generates value for shareholders over the long term. In 2021, Resolute was recognized for the 11th consecutive year as one of Canada's Top 100 Corporate R&amp;D Spenders. We remain among the top R&amp;D spenders in Canada thanks to our innovative projects and research as well as our contributions to organizations like FPInnovations and NCASI that conduct research and develop tools to accurately measure carbon emissions and to improve our energy efficiency and reduce our collective carbon footprint. In addition to providing funding to these organizations, members of Resolute's management and internal issue experts participate in board meetings, chair committees and play various supportive roles.</p> <p>Nonetheless, we are subject to disruptions impacting the information technology systems used to manage our operations and other business processes, including cybersecurity and privacy incidents that could involve sensitive company, employee, customer, vendor, and shareholder information. We are currently transitioning from certain legacy system applications, and during the transition, such legacy systems may be more vulnerable to attack or failure and implementation of the transition may cause disruptions to our business information systems.</p>
Legal	Relevant, always included	<p>Lawsuits relating to our operations and products may represent climate-related risks, and could tarnish our reputation or reduce the value of our brand and market demand for our products. This includes both the actions of activists as well as companies and other organizations making inaccurate and misleading environmental statements.</p> <p>Furthermore, sustainability/ESG reporting frameworks are numerous and evolving rapidly. Sustainability governance, performance and disclosures are reviewed and monitored by investors, customers, stakeholders and ESG scoring service providers using different methodologies, which may impact how investors, creditors and stakeholders perceive, justifiably or not, our company as an investment, debtor, supplier or business partner. In the event we were unable to achieve our stated sustainability targets, goals and commitments or if our sustainability statements were challenged as erroneous, inaccurate or incomplete, whether justified or not, we could sustain damage to our reputation and expose ourselves to litigation and liability. Evolving standards and regulations related to climate change, sustainability and ESG reporting may also result in additional compliance costs, impose strain on our human capital resources, and expose us to a new type of credit risk.</p>
Market	Relevant, always included	<p>We see certain megatrends around evolving customer preferences toward more renewable alternatives, urbanization and demographic changes that could open opportunities - or close doors - for our company in value-added engineered wood products to capitalize on the growing role of wood in multi-family residential and commercial construction, as well as innovative fiber-derived products. In the context of global sustainability, we see an upward trend in the demand for renewable, environmentally-conscious and value-added forest-based products. This presents a tangible opportunity for Resolute, and the risk is in not capitalizing on it while our competitors do.</p> <p>In early 2020, we also announced the construction of a commercial plant to produce cellulose filaments, a new sustainable biomaterial derived from wood fiber that can be integrated into commercial and consumer products for many industries, including transportation, construction and energy, increasing the resistance and durability of those products. The cellulose filaments will be marketed with the help of Performance BioFilaments Inc., a joint venture established in 2014 by Resolute and Mercer International Inc., dedicated to the development of non-traditional applications for cellulose filaments. Completion of the plant is expected in late 2022.</p>
Reputation	Relevant, always included	<p>Negative publicity, whether or not justified, relating to our operations and our products could tarnish our reputation or reduce the value of our brand and market demand for our products. This includes both the actions of activists as well as companies and other organizations making inaccurate and misleading environmental statements.</p> <p>Furthermore, sustainability/ESG reporting frameworks are numerous and evolving rapidly. Sustainability governance, performance and disclosures are reviewed and monitored by investors, customers, stakeholders and ESG scoring service providers using different methodologies, which may impact how investors, creditors and stakeholders perceive, justifiably or not, our company as an investment, debtor, supplier or business partner. In the event we were unable to achieve our stated sustainability targets, goals and commitments or if our sustainability statements were challenged as erroneous, inaccurate or incomplete, whether justified or not, we could sustain damage to our reputation and expose ourselves to litigation and liability. Evolving standards and regulations related to climate change, sustainability and ESG reporting may also result in additional compliance costs, impose strain on our human capital resources, and expose us to a new type of credit risk.</p>
Acute physical	Relevant, always included	<p>We are subject to acute physical risks associated with global, regional, and local weather conditions, and climate change. Our operations and the operations of our suppliers are subject to climate variations, which impact the productivity of forests, the frequency and severity of wildfires, the availability of water, the distribution and abundance of species, and the spread of disease or insect epidemics, which in turn may adversely or positively affect timber production and availability. Weather in winter is not cold enough to eradicate insects such as the spruce budworm prone to killing large tracts of forest, which may result in higher costs for the transportation of suitable wood to our facilities. The species mix and geographic distribution of Canadian forests will also likely be affected by climate change.</p> <p>These potential impacts are considered and estimated with help from government research (i.e. <a href="http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price">http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price</a>) and factored into the 25-year harvest plans Resolute drafts for the forests we manage directly and indirectly. These 25-year forest management plans include optimal habitat scheduling, which identifies areas where optimal harvesting sequences can be carried out over a span of 100 to 150 years. For example, as the species mix in our harvest areas changes, our mills will have to adjust the manufacturing process to continue producing the same products, or have to explore alternative products made from the new mix of species.</p>
Chronic physical	Relevant, always included	<p>We are subject to chronic physical risks associated with global, regional, and local weather conditions, and climate change. Our operations and the operations of our suppliers are subject to climate variations, which impact the productivity of forests, the frequency and severity of wildfires, the availability of water, the distribution and abundance of species, and the spread of disease or insect epidemics, which in turn may adversely or positively affect timber production and availability. 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 hurricanes, earthquakes, hailstorms, wildfires, drought, flooding, snow, ice storms, the spread of disease, and insect infestations. Any of these natural disasters or other conditions could also affect woodlands or cause variations in the cost of raw materials, such as virgin fiber. Changes in precipitation could make wildfires more frequent or more severe, and could adversely affect timber harvesting or our hydroelectric generation. The effects of global, regional and local weather conditions, and climate change, including the costs of complying with evolving climate change regulations and any related litigation could also adversely impact our results of operations.</p> <p>For example, increased global temperatures will raise surface water temperatures. With the exception of two facilities, our pulp, paper and tissue operations have all been in place for more than 25 years. All of them are strategically located close to plentiful supplies of surface water. Increased water temperatures could result in increased water treatment costs and other capital expenses such as cooling towers and heat exchangers. Our CDP Water Security questionnaire covers these risks extensively.</p>

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

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

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

**Primary potential financial impact**

Increased direct costs

*Also increased indirect costs, ie., carbon costs charged to our operations by fuel wholesalers.*

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Since the Quebec cap-and-trade system came into force in 2013, our operational costs have increased at all our Quebec facilities either through compliance costs for mills that are registered to the system (direct costs), or through carbon costs applied on fossil fuel consumption for facilities below the threshold, and for woodlands operations and transportation, which we consider indirect costs, as the carbon cost is charged to our operations from fuel wholesalers.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

96800000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

Since this cap-and-trade system came into force in 2013, our operational costs have increased at all our Quebec facilities either through compliance costs for mills that are registered to the system, through a carbon cost applied on fossil fuel consumption for facilities below the threshold, and for woodlands operations and transportation. Financial implications were estimated to be more than \$8.5 million in 2021, with a projected rising curve over the next few years. The projected price of carbon in this market for the next few years and through 2030 increased significantly over the last year, with the potential financial impact over the next five years now evaluated at \$96.8 million (was previously \$30 million). This takes into consideration the greenhouse gas emission reduction projects for which implementation has commenced, and otherwise assumes business-as-usual operations in Quebec. As the business model of the company is totally integrated, all fuel costs for harvesting and hauling of raw fiber; forest road construction and maintenance; and transportation of finished goods, have also been considered. As the carbon cost is charged to our operations from fuel wholesalers, this directly affects the price for logs and chips, road construction, and transportation of finished products. Moreover, there are currently no viable fuel alternatives for replacing diesel in the equipment used in northern woodland operations, which could help reduce those costs. We have tools to estimate these indirect costs and create awareness. Carbon costs related to the fuel used in transportation of finished products and woodland operations account for more than 50% of the total carbon cost in our operations.

**Cost of response to risk**

24700000

**Description of response and explanation of cost calculation**

This figure represents a portion of the cost of involvement in industry associations (a portion of the costs of membership dues over the five-year period), together with costs incurred for implementing greenhouse gas emissions reduction projects.

Resolute is in favor of carbon pricing, as it is an important tool toward supporting the transition to a low-carbon future. We have been active in government consultations to help with the development of effective, viable carbon pricing systems and policies - systems that should support trade exposed industries, ensure carbon-pricing systems are consistent and predictable, and reinvest carbon-price revenues into GHG emission reduction programs. We participate in these consultations in Quebec through our active membership in the Conseil de l'industrie forestière du Québec (CIFQ), which regularly engages with government officials and policy makers on climate change regulations and carbon pricing in cooperation with and on behalf of Quebec forest products companies.

The most important part of our response to this risk is through the GHG emission reduction projects we have planned for our Quebec facilities that are registered to the Quebec cap-and-trade system. Different mechanisms can be used to comply with the system. One of the first mandates of Resolute's carbon committee was to develop a carbon strategy by prioritizing these compliance mechanisms. The preferred mechanism we identified was to ensure subsequent GHG emission reductions were spearheaded and implemented at the mill level. A list of potential projects was consolidated and is revised on a continuous basis based on the progress mills are making. Projects from this list are prioritized by the executive team based on different factors, namely return on investment. In 2021, our Clermont mill started operating an electrical boiler to replace bunker C usage, and a new chain system was installed in our Saint-Félicien mill's lime kiln to reduce natural gas usage. Other projects are in the pipeline, such as the conversion of our Kénogami mill's pressurized refiners and our Gatineau mill's efforts to replace tire derived fuel with lower carbon intensive fuels such as biomass. Together, these projects could save more than 70,000 metric tons of CO2 equivalents.

**Comment**

In parallel with those investment projects, great importance is given to the reliability of the equipment in our mills, and our employees work to maintain and improve them.

The continuous work on reliability, control and energy efficiency of our assets also contributes to GHG reductions. Those costs, together with cost of diagnostic studies or optimization research around energy, are also included in the above.

**Identifier**

Risk 2

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

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation	Carbon pricing mechanisms
--------------------	---------------------------

**Primary potential financial impact**

Increased direct costs

*Also increased indirect costs, ie., carbon costs charged to our operations by fuel wholesalers.*

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

A carbon-pricing mechanism impacts all our operations costs in Ontario. It applies directly to our Thunder Bay pulp and paper mill covered by the carbon-pricing system, and indirectly to all other operations using fuels, through a regulatory charge on fuel. The federal carbon pricing program came into effect in Ontario on January 1, 2019, which impacted the operational costs at our Thunder Bay pulp and paper mill, as it falls under the system. Since January 1, 2022, this program was replaced by the Ontario Greenhouse Gas Emissions Performance Standards (EPS) regulation. As for the cost of fuel used by our Ontario sawmills, as well as fuel costs for woodland operations and transportation in Ontario - which we consider indirect costs - they are still covered by the federal fuel charge, which has been the case since April 1, 2019.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

27300000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

Our Ontario facilities have to cover compliance costs, and all our Ontario operations, including woodlands operations, have seen fuel distributors pass on increased costs through price increases. The potential financial impact of more than \$27.3 million over five years assumes business-as-usual operations in Ontario under both the Ontario and Canadian systems, and does not take into account potential greenhouse gas emission reduction projects. As is the case for Quebec operations, the business model of our Ontario operations is totally integrated, and the fuel costs for the following have all been considered: harvesting and hauling of raw fiber; forest road construction and maintenance; and transportation of finished goods. As the carbon cost is charged to our operations from fuel wholesalers, this directly affects the price for logs and chips, road construction, and transportation of finished products. Moreover, there are currently no viable fuel alternatives for replacing diesel in the equipment used in northern woodland operations, which could help reduce those costs. Carbon costs related to the fuel used in transportation of finished products and woodlands operations account for more than 50% of the total carbon cost in our operations.

**Cost of response to risk**

15200000

**Description of response and explanation of cost calculation**

This figure represents a portion of the cost of involvement in industry associations together with costs incurred for implementing greenhouse gas emissions reduction projects.

Resolute is in favor of carbon pricing, as it is an important tool toward supporting the transition to a low-carbon future. We have been active in government consultations to help with the development of effective, viable carbon-pricing systems and policies - systems that should support trade-exposed industries, ensure carbon-pricing systems are consistent and predictable, and reinvest carbon-price revenues into greenhouse gas (GHG) emission reduction programs. We participate in these consultations in Ontario through our active membership in the Forest Products Association of Canada (FPAC) and the Ontario Forest Industry Association (OFIA), which regularly engage with government officials and policy makers on climate change regulations and carbon pricing in cooperation with and on behalf of Canadian and Ontario-based forest products companies.

Our response to this risk is also undertaken through GHG emission reduction projects we have planned at our Thunder Bay facility that is covered by the systems. A previous energy efficiency project of 14.7 M\$ resulted in significantly reduced emissions intensity through steam pipelines, while increasing the pulp, paper and electricity production at the mill. Current projects at the mill allow for steam production efficiencies in the power boilers. Together, these projects should deliver GHG emission reductions up to 30,000 metric tons of CO2 equivalents per year.

**Comment**

**Identifier**

Risk 3

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

Direct operations

## Risk type & Primary climate-related risk driver

Acute physical	Wildfire
----------------	----------

### Primary potential financial impact

Other, please specify (Supply chain disruption)

### Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

### 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 our 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 impact for Resolute is a reduction in the annual allowable harvest resulting from forest fires. Extra costs that the company may incur to salvage burnt wood are mainly related to road construction, sorting through poorer wood quality, and displacing operations, all of which diminish the productivity and efficiency of harvest teams and sawmill operations.

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.

### Time horizon

Medium-term

### Likelihood

Likely

### Magnitude of impact

Medium

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

Yes, an estimated range

### Potential financial impact figure (currency)

<Not Applicable>

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

75000000

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

312000000

### Explanation of financial impact figure

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.

### Cost of response to risk

100000

### Description of response and explanation of cost calculation

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 (MNR) 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 MNR manages wildland fire across Ontario.

Immediate 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 MNR on forest fire-related issues.

### Comment

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 logging techniques to minimize soil disturbance and take care to protect natural regeneration.



**Identifier**

Risk 4

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

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical	Other, please specify (Bug infestations)
----------------	--

**Primary potential financial impact**

Other, please specify (Supply chain disruptions)

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**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 3 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 by the outbreak.

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.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

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

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

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

978000000

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

1653000000

**Explanation of financial impact figure**

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 (approximately US\$978 million).

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.

**Cost of response to risk**

900000

**Description of response and explanation of cost calculation**

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.

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.

**Comment**

**Identifier**

Risk 5

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

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Implementation of climate-change mitigation programs could increase our costs in the short term as a result of potential greenhouse gas (GHG) emissions reporting obligations in the U.S., which may require additional resources for monitoring, tracking, calibrating and reporting information, as well as training and verification. Carbon-price mechanisms, such as the cap-and-trade system in Quebec, have an impact on the operational costs of covered facilities, as well as the cost of fuel from distributors operating under the programs. The price of carbon in Canada has and is expected to increase, and a price on carbon could be introduced in the U.S. International reporting protocols could change their standards for reporting GHG emissions, including changing the distinction that is currently made between CO2 emissions from biomass combustion at stationary sources and CO2 generated from fossil fuels. Regulatory bodies could also change their position on the carbon-neutrality of biomass energy, which would significantly alter our carbon footprint. Adopting and incorporating new technologies to help with the transition toward a low-carbon economy are also transitional risks that could represent significant costs to the company or may expose us to unforeseen risks.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

40000000

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

In the U.S. for 2022 and beyond, we expect a shift in federal policymaking from legislative activity to regulating, and there could be multiple major regulations and policies issued in the near future, including carbon pricing. A US\$40/mt carbon price in the U.S. would mean \$40 million in additional costs per year based on our 2021 emissions, not including reporting obligations and changes to positions on the carbon-neutrality of biomass energy.

**Cost of response to risk**

100000

**Description of response and explanation of cost calculation**

On an annual basis, Resolute spends about \$300,000 to meet the external verification and reporting requirements for greenhouse gas (GHG) emissions, including \$60,000 for external verification audits. As part of our costs of response, we have allocated one third of these costs to our U.S. facilities, as our cost of response, based on internal estimates. Currently, external verification is not required, nor undertaken for our U.S. facilities, but we continue to monitor the situation, as obligations may continue to increase.

**Comment**

C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

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

Downstream

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Participation in carbon market

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

The Quebec cap-and-trade system provides an opportunity to enhance our assets by reducing the carbon footprints of our mills. Reductions in greenhouse gas (GHG) emissions can benefit the company in two ways: reducing operational costs, or if we are in a position of surplus credits, generating revenue by selling credits to other subscribed emitters who are in need of them. As indicated under risk #1 in section 2.3a, the preferred mechanism to ensure Resolute's compliance with Quebec's cap-and-trade system, recommended by Resolute's carbon committee, is to continue reducing GHG emissions through projects implemented at the mill level. Planned projects are followed closely by the committee in order to evaluate the company's market position. The carbon committee's role is to complete these evaluations on a continuous basis, and to recommend further actions. The committee also remains informed of all GHG emission reduction programs that recycle carbon price revenues to position mills to benefit from them, and to create increased incentives for project implementation.

**Time horizon**

Short-term

**Likelihood**

Likely

**Magnitude of impact**

Medium-low

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

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

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

<Not Applicable>

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

<Not Applicable>

**Explanation of financial impact figure**

We cannot provide the financial impact estimate of company participation in the cap-and-trade system as Article 52 of the Quebec cap-and-trade regulation clearly states that an emitter covered by the scheme cannot publicly divulge whether or not it will participate in an auction, nor disclose any other confidential information related to its auction participation, such as its strategy, price, targeted number of credits to buy or its credit/debit position.

**Cost to realize opportunity**

24700000

**Strategy to realize opportunity and explanation of cost calculation**

Resolute has invested more than \$24.7 million in energy efficiency and greenhouse gas (GHG) emissions reduction projects in Quebec since 2018. Projects currently considered will further contribute to our mitigation efforts, including our long-time strategy of taking part in Quebec's cap-and-trade system.

In May 2018, Resolute announced a \$45 million strategic investment plan for our Saint-Félicien pulp mill, located in the Lac-Saint-Jean region of Quebec. This significant investment aims to improve several areas of the operation, increasing the average daily production capacity by 76 metric tons and reducing greenhouse gas emissions from the use of fossil fuels by 20%, or approximately 35,000 metric tons of CO2 equivalents. Part of those reductions were realized in 2019, when an increase in operational stability and improvements to the power boiler were completed at the mill, resulting in a reduction of 10,700 metric tons of CO2 equivalents per year. In 2021, a new chain system was installed in the mill's lime kiln in order to reduce natural gas usage and GHG by 4,800 metric tons of CO2 equivalents.

In March 2021, we also announced a C\$5.5 million investment at our Kénogami (Quebec) paper mill to optimize the pulp-refining process with pressurized refiners and to generate energy from the recovered steam for an approximate decrease of 8,500 metric tons of CO2 equivalents each year.

In addition, our Clermont mill started operating an electrical boiler to replace bunker C usage, and other projects are in the pipeline, such as our Gatineau mill's efforts to replace tire derived fuel with lower carbon intensive fuels such as biomass. Together, these projects could save more than 70,000 metric tons of CO2 equivalents.

In parallel with these investment projects, great importance is placed on the reliability of the equipment in our mills, and our employees work to maintain and improve our operations. The continuous work on reliability, control and energy efficiency of our assets also contributes to the achievement of our GHG emission reductions targets. Those costs, together with diagnostic studies and research regarding energy optimization, are also included in the above.

**Comment**

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**Identifier**

Opp2

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

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

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 landfills.

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, over 20 million hectares (50 million acres) of our managed forests are certified to at least one of two these forest management standards.

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®.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**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.

**Cost to realize opportunity**

5000000

**Strategy to realize opportunity and explanation of cost calculation**

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.

Resolute is among the largest holders of SFI and FSC certification in North America. We also maintain ISO 14001-certified environmental management systems at our woodlands operations, which helps promote the conservation and sustainable use of forests and other natural resources.

Strict adherence to internationally recognized forest management and chain of custody (CoC) standards 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.

**Comment**

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**Identifier**

Opp3

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

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

Renewable energy regulations (e.g. Ontario's coal phase out, the "greening" of the U.S. grid, etc.) could further increase demand for biomass pellets and opportunities for the sale of green energy back to the grid, at our Thunder Bay (Ontario) operations. We have long sold green energy credits and electricity generated from renewable sources back to the grid, and since 2016, continue to produce biomass wood pellets for use in producing electricity in place of coal at the Atikokan generating station in Ontario.

In addition, we joined forces with FPInnovations in 2017 to build a bio-refinery plant at our Thunder Bay mill to focus on developing new ways to efficiently produce and commercialize innovative bio-products derived from wood. The C\$23 million initiative (US\$15 million), which has the support of the municipal, Ontario and Canadian governments, was inaugurated in May 2019.

In 2020, we also announced the construction of a commercial plant specializing in the production of cellulose filaments, a new sustainable biomaterial derived from wood fiber, at our Kénogami 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 - a total of C\$27 million - represents an opportunity to enter into non-traditional growth markets. The cellulose filament and Kénogami mill optimization projects will create synergies within our network of operations in Saguenay-Lac-Saint-Jean. The project is scheduled for completion in 2022.

**Time horizon**

Medium-term

**Likelihood**

More likely than not

**Magnitude of impact**

Medium-low

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

60000000

**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.

Our industrial wood pellet plant converts sawdust, a by-product of our adjacent Thunder Bay (Ontario) sawmill, into wood pellets, a reliable source of renewable energy. Through a ten-year agreement with Ontario Power Generation, we provide 45,000 metric tons of wood pellets each year to 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 on the Ontario grid. In 2021, this amounted to C\$9 million (US\$7.1) worth of biomass wood pellets sold to the station.

As a ten-year agreement, the financial impact is estimated at more than C\$80, or US\$60 million, not including the impact of the R&D initiatives at Kénoami and the Thunder Bay biorefinery plant.

**Cost to realize opportunity**

30000000

**Strategy to realize opportunity and explanation of cost calculation**

The construction of a C\$10 million wood pellet plant was completed in 2014. This new plant converts a currently underutilized residual material into a reliable source of renewable energy. The biomass pellets are used in a third-party Ontario power plant to replace coal, a carbon-intensive fuel. The station is the largest power plant in North America fueled entirely by biomass, and contributes significantly to reducing GHG emissions.

We also continue to seize such sustainable and rewarding opportunities to diversify our product portfolio through the development of biofuels, biochemicals and biomaterials from its renewable wood fibre resources. We invested C\$3.5-million in a strategic research and development project, partnering with FPInnovations to establish a biorefinery plant at our Thunder Bay (Ontario) pulp and paper mill. The project will focus on developing new ways to efficiently produce and commercialize innovative bio-chemicals derived from wood. The C\$23-million initiative has the support of the municipal, Ontario and Canadian governments.

In Quebec, we also announced in 2020 the construction of a commercial plant specializing in the production of cellulose filaments, a new sustainable biomaterial derived from wood fiber, at our Kénoami paper mill in Quebec. The C\$27 million investment represents an opportunity to enter into non-traditional growth markets.

C\$40.5 million is equivalent to more than US\$30 million.

**Comment**

The biorefinery plant was officially inaugurated in May of 2019. The commercial plant at Kénoami was announced in January 2020 and completion is scheduled for late 2022.

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**Identifier**

Opp4

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

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

Resolute's commitment to green energy benefits both the environment and our bottom line, considering, for example, that energy accounts for approximately one quarter of the company's pulp and paper production costs. Our focus on improving energy efficiency and replacing high-emission fuels like coal and bunker C with less-carbon-intensive fuels places Resolute ahead of potential regulations and positions the company as a leader in greenhouse gas (GHG) emission reductions.

In Ontario, our thermal energy project at the Thunder Bay pulp and paper mill combines technology, conservation measures and fuel switching to reduce the facility's annual GHG emissions. The C\$29 million investment – including \$14.7 million to cut GHG emissions by over 20% – leverages green energy using thermal energy technology. Lost heat is recovered and recycled by returning it through the manufacturing process, reducing the use of natural gas. Annual natural gas cost savings amount to over 35%, contributing to an overall reduction of approximately 43,000 mt of CO2 equivalents per year.

The project was realized between 2019 and 2022.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

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

Yes, a single figure estimate

**Potential financial impact figure (currency)**

15000000

**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**

The reduction of approximately 43,000 mt of CO2 equivalents per year amounts to annual natural gas cost savings of over 35%, or approximately \$3 million annually. We estimate the potential impact over the next five years at over \$15 million.

**Cost to realize opportunity**

11500000

**Strategy to realize opportunity and explanation of cost calculation**

Resolute worked in partnership with Thermal Energy International Inc. to launch the project, collaborating on the design, development and implementation of the heat recovery and steam conservation components. The C\$29 million investment – including \$14.7 million to cut GHG emissions, or US\$11.5 million – uses thermal energy technology that recovers and recycles lost heat.

**Comment****C3. Business Strategy****C3.1****(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?****Row 1****Transition plan**

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

**Publicly available transition plan**

&lt;Not Applicable&gt;

**Mechanism by which feedback is collected from shareholders on your transition plan**

&lt;Not Applicable&gt;

**Description of feedback mechanism**

&lt;Not Applicable&gt;

**Frequency of feedback collection**

&lt;Not Applicable&gt;

**Attach any relevant documents which detail your transition plan (optional)**

&lt;Not Applicable&gt;

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

Actions to reduce greenhouse gas (GHG) emissions and tackle climate change are cornerstones of our sustainability strategy, and we continue to increase expectations of our own performance, setting new reduction goals in line with the Science Based Targets initiative (SBTi). We have committed to reduce absolute scope 1 and 2 GHG emissions 41.5% by 2026 from a 2015 base year, and to reduce absolute scope 3 GHG emissions 16.5% within the same timeframe. SBTi validated the targets, and the scope 1 and 2 goals are in line with a well-below 2°C trajectory.

Strategic climate change, forest and water-related issues are discussed and reviewed on a regular basis at the corporate level. All capital projects considered require an evaluation of climate change impact, and water assessments are performed annually for pulp, paper and tissue mills. The environment, health, safety and sustainability committee of the board of directors reviews environmental, health, safety and sustainability policies as well as strategies and objectives, including climate, forest and water risks.

As part of these risk analysis structures and procedures, scenario analysis is employed to consider the potential water-related impacts on pulp, paper and tissue mills over the medium- and long-terms through 2040. We undertake risk assessments to consider water quantity and quality risks in the regions and countries where our products are produced.

We also perform scenario analysis through forest management planning. Species mix and geographic distribution of Canadian forests will likely be affected by climate change. These potential impacts are considered and estimated with help from government research (i.e. <http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price>) and are factored into the 25-year harvest plans Resolute drafts for the forests we manage directly and indirectly. These 25-year forest management plans include optimal habitat scheduling, which identifies areas where optimal harvesting sequences can be carried out over a span of 100 to 150 years.

We have also set up a strategic working group to tackle climate-related scenario analysis more broadly. We feel we are positioned favorably in terms of the overall TCFD recommendations thanks to our participation in CDP's Climate Change questionnaire since 2006. TCFD provides tools to companies like ours for ensuring a low-carbon transition is embedded in long-term business strategy.

**Explain why climate-related risks and opportunities have not influenced your strategy**

&lt;Not Applicable&gt;

C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify (We have set up a strategic working group to tackle climate-focused scenario analysis more broadly. )	<p>We have set up a strategic working group to tackle climate-focused scenario analysis more broadly. We feel we are positioned favorably in terms of the recommendations of the Task Force on Climate-Related Disclosures (TCFD) thanks to our participation in CDP's Climate Change questionnaire since 2006. TCFD provides the tools to companies like ours for ensuring a low-carbon transition is embedded in our long-term strategy.</p> <p>Our actions to reduce greenhouse gas (GHG) emissions and tackle climate change are cornerstones of our sustainability strategy, and we continue to increase expectations of our own performance, setting new reduction goals in line with the Science Based Targets initiative (SBTi). We have committed to reduce absolute scope 1 and 2 GHG emissions 41.5% by 2026 from a 2015 base year, and to reduce absolute scope 3 GHG emissions 16.5% within the same timeframe. SBTi validated the targets, and the scope 1 and 2 goals are in line with a well-below 2°C trajectory.</p> <p>Strategic climate change, forest and water-related issues are discussed and reviewed on a regular basis at the corporate level. All capital projects considered require an evaluation of climate change impact, and water assessments are performed annually for pulp, paper and tissue mills. The environment, health, safety and sustainability committee of the board of directors reviews environmental, health, safety and sustainability policies as well as strategies and objectives, including climate, forest and water risks.</p> <p>As part of these risk analysis structures and procedures, scenario analysis is employed to consider the potential water-related impacts on pulp, paper and tissue mills over the medium- and long-terms through 2040. We undertake risk assessments to consider water quantity and quality risks in the regions and countries where our products are produced.</p> <p>We also perform scenario analysis through forest management planning. Species mix and geographic distribution of Canadian forests will likely be affected by climate change. These potential impacts are considered and estimated with help from government research and factored into the 25-year harvest plans Resolute drafts for the forests we manage directly and indirectly. These 25-year forest management plans include optimal habitat scheduling, which identifies areas where optimal harvesting sequences can be carried out over a span of 100 to 150 years.</p>

C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>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.</p> <p>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 integrating the risks and opportunities associated with forest products into our business and sustainability strategies. Forests both store and release significant amounts of carbon as part of a natural cycle. Responsible forest management not only reduces a forest's potential as a carbon source, it can also increase the effect of its carbon storage capacity.</p> <p>The process of capturing CO2 from the atmosphere and storing it for a long time is called sequestration. Trees store carbon by converting CO2 into plant material through photosynthesis, which uses the energy from the sun and releases oxygen. When a tree is harvested and milled into lumber, a small amount of that carbon escapes, but most of it remains trapped within the cellular structure of the wood, effectively prolonging the effect of sequestration.</p> <p>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 landfills. These carbon sinks and avoided emissions can be subtracted from the emissions generated in the life cycle of wood products, an opportunity we seek to leverage.</p>
Supply chain and/or value chain	Yes	<p>Resolute relies on timber, the main raw material used in our manufacturing process. The species mix and geographic distribution of Canadian forests will likely be affected by climate change. These potential impacts are considered and estimated with help from government research (i.e. <a href="http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price">http://nrt-trn.ca/climate/climate-prosperity/the-economic-impacts-of-climate-change-for-canada/paying-the-price</a>) and factored into 25-year harvest plans Resolute drafts for the forests we manage directly and indirectly. For example, as the species mix in our harvest areas change, our mills will have to adjust the manufacturing process to continue producing the same products or have to explore alternative products made from the new mix of species.</p> <p>Over the last 25 years, Canada's managed forests have been a net carbon sink, while unmanaged forests have largely been a source of emissions due to natural disturbances like fires, insects and disease.</p> <p>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. As of 2021, we were allocated 4.4 million cubic meters of supply through the timber supply guarantees. In Ontario, we had long-term harvesting rights for 11.5 million acres of government-owned land, as of 2021. The harvesting rights licenses in Ontario are 20 years in length and automatically renew every five years, contingent upon our continued compliance with environmental performance and reforestation requirements.</p> <p>Our operations and the operations of our suppliers are subject to climate variations, which impact the productivity of forests, the frequency and severity of wildfires, the availability of water, the distribution and abundance of species, and the spread of disease or insect epidemics, which in turn may adversely or positively affect timber production and availability.</p>
Investment in R&D	Yes	<p>The long-term health of the forest products sector depends, in part, on creating new, sustainable bio-products that create direct and indirect employment opportunities.</p> <p>In 2017, we joined forces with FPIInnovations to build a bio-refinery 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.</p> <p>In January 2020, we also announced plans for construction of a commercial plant specializing in the production of cellulose filaments, a new sustainable biomaterial derived from wood fiber, at our Kérogami 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. In particular, cellulose filament and Kérogami mill optimization projects create synergies within our network of operations in the Saguenay-Lac-Saint-Jean region of Quebec. 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. The project is scheduled for completion in 2022.</p>
Operations	Yes	<p>The U.N. Intergovernmental Panel on Climate Change recognizes responsible forest management as a method to improve carbon capture. Over the last 25 years, Canada's managed forests have been a net carbon sink, while unmanaged forests have largely been a source of emissions due to natural disturbances like fires, insects and disease. 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 forests entrusted to our care as well as careful tracking of wood fiber sources.</p> <p>100% of the woodlands we manage are third-party certified to internationally recognized independent certification standards: Sustainable Forestry Initiative® (SFI®) and/or the Forest Stewardship Council® (FSC®).</p> <p>100% of our manufacturing facilities have a chain of custody tracking system compliant with SFI®, FSC® and the Programme for the Endorsement of Forest Certification (PEFC), 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.</p> <p>90% of the wood supply for sawmills and 52% of virgin wood fiber inputs for pulp and paper mills are certified to internationally recognized standards.</p> <p>In addition to internal and external audits that are completed annually for our above certification systems, each quarter, Resolute's disclosure controls and procedures require controllers from operations to gather information on potentially material events and risks. This information is validated with internal experts and considered quarterly by senior management who considers each issue for inclusion in Resolute's financial reporting. Strategic climate change issues are discussed and reviewed on a regular basis at the corporate level as all capital projects considered require an evaluation of climate change impact. Risks are presented to and reviewed by the board of directors' audit committee.</p> <p>The board's environment, health, safety and sustainability committee reviews environmental, health, safety and sustainability policies as well as strategies and objectives, including climate risks and related management initiatives on a quarterly basis.</p>

**C3.4**



**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures	<p>We are 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> <p>Diversification is an important component of our future, and identifying low-carbon business opportunities are crucial to our success in this regard. In addition to innovative bioproducts introduced at our Canadian mills, such as projects focused on lignin and cellulose, we own a 49% stake in Toundra Greenhouse (Quebec), which produces over 100 million cucumbers a year. We continue to explore opportunities to incorporate our current assets into industry diversification in the low-carbon economy.</p> <p>Resolute's hydroelectric generation and transmission network, Hydro-Saguenay, helps power our Dolbeau and Kénogami (Quebec) paper mills. In 2021, the seven Hydro-Saguenay dams produced 1,079 GWh of electricity. The company also operates six cogeneration facilities.</p> <p>Considering energy accounts for an important portion of pulp and paper production costs, projects that increase energy efficiency are also of great interest from both an environmental and financial perspective as they reduce costs. We have focused on improving energy efficiency and replacing high-emission fuels, like coal and bunker C, with less carbon-intensive options. We have been on-site coal-free since 2014. In 2021, we sourced more than three quarters of our total energy (electricity and fuel) needs from renewable sources, including biomass and hydroelectricity. Our network of 13 power generation assets has a total installed capacity of 405 megawatts. Conservation measures and fuel switching initiatives to replace coal and bunker C used at our operations with less carbon-intensive fuel sources, such as natural gas and biomass, have totaled more than \$80 million over the last 15 years, and more than \$30 million since 2018. Recent examples include:</p> <ul style="list-style-type: none"> <li>-\$10 million investment at our Thunder Bay (Ontario) pulp and paper mill, including thermal energy project and efficiency measures;</li> <li>-\$16 million investment to increase operational stability, improve power boiler and implement new chain system in the lime kiln to reduce natural gas usage at our Saint-Félicien (Quebec) pulp mill; and</li> <li>-\$4 million to optimize the pulp-refining process with pressurized refiners and to generate energy from the recovered steam at our Kénogami (Quebec) paper mill.</li> </ul>

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2012

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

<Not Applicable>

**Base year**

2000

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

4068599

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

5636720

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

9705319

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

&lt;Not Applicable&gt;

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2021

**Targeted reduction from base year (%)**

65

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

3396861.65

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

1058351

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

432117

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

1490469

**% of target achieved relative to base year [auto-calculated]**

130.219632855249

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Target ambition**

&lt;Not Applicable&gt;

**Please explain target coverage and identify any exclusions**

When Resolute joined the elite World Wildlife Fund® (WWF®) Climate Savers program in November 2011, we made commitments that were among the most ambitious in our global industry to reduce our greenhouse gas (GHG) emissions. We committed to reducing absolute GHG emissions (scope 1 and 2) to 65% of 2000 levels by 2015 at our pulp and paper mills. Because emissions from our wood products facilities were below the 1% materiality threshold, they were not included in the target. At the end of 2015, our reduction had reached 70%, and Resolute's participation in the program was completed with the expiration of the five-year term of the agreement. By the end of 2021, we had reduced our GHG emissions by 84.6% compared to year 2000 levels at our pulp, paper and tissue mills. This also translate into a 37% reduction in emissions intensity.

This achievement reflects a company-wide focus on improved energy efficiency and has led to switching from fossil fuels to less carbon-intensive energy sources, such as hydroelectricity, carbon-neutral biomass, and natural gas. Our 65% goal was an industry-leading GHG reduction target, and we want to ensure our future commitments reflect our global industry leadership in this respect.

Company-wide, Resolute evaluates on an ongoing basis potential projects that could lead to additional GHG reductions, and continues investing in such capital projects. We also invest in energy efficiency projects and technologies to reduce our energy costs and emissions (both scope 1 and 2). In parallel, we continue to follow the climate plans of jurisdictions in which we operate, and support setting ambitious goals for the coming years.

**Plan for achieving target, and progress made to the end of the reporting year**

&lt;Not Applicable&gt;

**List the emissions reduction initiatives which contributed most to achieving this target**

The main reduction initiatives focused on the elimination of coal as an energy source for our Coosa Pines (Alabama) and Calhoun (Tennessee) operations in 2014. We realized close to 15% of our reduction through these initiatives, equivalent to one million metric tons of CO2.

**Target reference number**

Abs 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

&lt;Not Applicable&gt;

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

1181471

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

1069319

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

2250790

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

97

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

99

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

&lt;Not Applicable&gt;

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

98

**Target year**

2025

**Targeted reduction from base year (%)**

30

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

1575553

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

1058351

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

432117

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

1490469

**% of target achieved relative to base year [auto-calculated]**

112.600612821868

**Target status in reporting year**

Achieved

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Target ambition**

&lt;Not Applicable&gt;

**Please explain target coverage and identify any exclusions**

Having surpassed our 65% reduction target over 2000 levels, we announced a commitment to reduce absolute greenhouse gas (GHG) emissions (scope 1 and 2) by 30% against 2015 levels by 2025. This new target built on the company's 84.6% reduction in absolute GHG emissions from year-2000 levels. Together with this announcement, the company made the commitment to include the previously excluded wood products facilities' GHG emissions in its GHG inventory by 2022, as we determined they exceeded 1% of our total emissions. This explains why the percentage of base-year emissions covered by the target are equivalent to 98% of the base year emissions (the difference being associated to the wood product emissions).

In July 2021, we received updated emission factors from the electricity suppliers for some of our largest U.S. operations. We had used 2019 emission factors to establish our 2025 target, and for reporting our 2020 GHG emissions. Due to the updated numbers, our progress toward achieving the 2025 target was significantly accelerated, and this target has now been achieved. We were also able to integrate our wood products GHG emissions into our carbon inventory, achieving the target with or without this change in boundary. This means the company reduced its emissions by 735,000 metric tons of CO2 equivalents per year compared to 2015 levels.

Considering this significant progress, we focused our efforts in 2021 on establishing a more ambitious target in conformance with the Science Based Targets initiative (SBTi) and in line with a well-below 2°C trajectory.

**Plan for achieving target, and progress made to the end of the reporting year**

&lt;Not Applicable&gt;

**List the emissions reduction initiatives which contributed most to achieving this target**

Reductions related to achieving our 2025 target ahead of schedule were mainly attributable to significant improvements in scope 2 emissions at three of our pulp and paper mills based in the United States: Calhoun (Tennessee), Grenada (Mississippi) and Coosa Pines (Alabama). Specifically, we decreased purchased electricity use by 6% following the modernization of the cogeneration turbine at our Coosa Pines pulp mill, we closed a paper machine at our Calhoun operations, and we benefitted from the reduction in emission factors from electricity suppliers at both mills as well as our Grenada newsprint facility.

**Target reference number**

Abs 3

**Year target was set**

2022

**Target coverage**

Company-wide

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

&lt;Not Applicable&gt;

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

1222951

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

1083302

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

2306253

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

&lt;Not Applicable&gt;

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2026

**Targeted reduction from base year (%)**

41.5

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

1349158.005

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

1119629

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

451449

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

&lt;Not Applicable&gt;

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

1571078

**% of target achieved relative to base year [auto-calculated]**

76.8131694179427

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain target coverage and identify any exclusions**

By the end of 2021, we had committed to setting science-based targets, which were sent to the Science Based Targets initiative (SBTi) for validation. We were pleased to receive confirmation from SBTi in June 2022 that our targets covering greenhouse gas (GHG) emissions from company operations (scope 1 and 2) are consistent with reductions required to keep warming to well-below 2°C.

Resolute commits to reduce absolute scopes 1 and 2 GHG emissions 41.5% by 2026 from a 2015 base year. This target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Our scope 1 emissions come mainly from the pulp, paper and tissue mills combustion in fixed units (boilers), as well as from mobile equipment, the kraft process, cooling device gas losses, and biosolid landfills. In 2021, we took the important step of integrating our wood products facilities into our emissions reporting, and those latter emissions, which come mainly from combustion equipment, are also covered by our science-based target. The electricity consumed from all of the above facilities

represents the covered scope 2 emissions.

The materiality threshold considered in our GHG emissions management plan is 1%, and thus the SBTi coverage excludes emissions generated by the woodlands camps under our operational control as well as employee offices.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2021, considering the projects achieved over recent years, we've achieved almost 77% of those targeted reductions.

For the remaining reductions, Resolute completed an action plan to define how to achieve them prior to committing to such ambitious GHG emission reduction targets. In addition to the the projects previously announced and underway, we have confirmed energy efficiency initiatives and additional projects to convert to lower carbon fuels that would allow us to achieve our goal. Furthermore, the board, led by the board chair, approved Resolute's Short-Term Incentive Plan (STIP), bonus payouts for all eligible employees calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. Beginning in 2022, a portion of the STIP is based on the company's greenhouse gas emission reductions.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

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**Target reference number**

Abs 4

**Year target was set**

2022

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 10: Processing of sold products

Category 12: End-of-life treatment of sold products

Category 15: Investments

**Base year**

2015

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

4087270

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

4087270

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

<Not Applicable>

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

<Not Applicable>

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2026

**Targeted reduction from base year (%)**

16.5

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

3412870.45

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

3662424

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

3662424

**% of target achieved relative to base year [auto-calculated]**

62.9961867560558

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, and this target has been approved by the Science Based Targets initiative

**Target ambition**

2°C aligned

**Please explain target coverage and identify any exclusions**

Our scope 3 GHG reduction target is in line with a 2 degrees C pathway. Four scope 3 emission categories are deemed not relevant for our scope 3 emissions, while our main sources of scope 3 emissions (more than 97%) are spread over six different categories. We are targeting reductions in all those relevant categories.

The four categories excluded are the following:

- Category 11 - Use of sold products: Not relevant as our products do not generate emissions at the use stage.
- Categories 8 - Upstream leased assets: Negligible and evaluated to represent less than 0.01% of scope 3.
- Categories 13 - Downstream leased assets: The company does not act as a lessor of assets.
- Category 14 - Franchises: Resolute does not own or operate franchises.

Even though the emissions from Category 2 - Capital goods represent less than 1% of our scope 3 emissions, we've included the figure in our inventory to ensure we appropriately monitor and track this category, should its relative significance increase. This data can be estimated using the average spend-based method and information extracted from our financial databases.

**Plan for achieving target, and progress made to the end of the reporting year**

In 2021, we achieved 63% of the targeted scope 3 reductions. Our GHG emission reduction strategy is as follows for this target:

- Category 1 - Purchased goods and services: We engage with main suppliers, many of which are large companies with publicly disclosed commitments to reduce direct emissions.
- Category 3 - Fuel and energy related activities: Our initiatives and investments to reduce our own energy intensity will directly contribute to reducing associated scope 3 emissions.
- Categories 4 and 9 - Upstream and downstream transportation and distribution: The optimization of our logistics network, including engagement with large transportation companies, is designed to reduce costs, namely fuel consumption, positively impacting our scope 3 carbon footprint. Transportation innovation and lower carbon fuels, as well as new R&D developments, will also create new opportunities: biofuel testing in woodlands equipment and truck platooning are just two examples of this.

We do not target specific actions on categories 10 and 12 (respectively Processing of sold products and End-of-life treatment of sold products), however, we are still expecting organic decline of paper demand, which would result in GHG emission reductions in these categories. If the organic decline does not occur, we are committed to exploring and implementing other emission reduction methods for the processing of our products.

**List the emissions reduction initiatives which contributed most to achieving this target**

&lt;Not Applicable&gt;

**C4.2****(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Other climate-related target(s)

**C4.2b****(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.****Target reference number**

Oth 1

**Year target was set**

2017

**Target coverage**

Country/region

**Target type: absolute or intensity**

Intensity

**Target type: category & Metric (target numerator if reporting an intensity target)**

Energy consumption or efficiency	Other, please specify (Resolute is a member of the American Forest and Paper Association, which is committed to achieving a scope 1 and 2 GHG emission intensity reduction of 50% from a 2005 baseline)
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**Target denominator (intensity targets only)**

metric ton of product

**Base year**

2005

**Figure or percentage in base year**

0.825

**Target year**

2030

**Figure or percentage in target year**

50

**Figure or percentage in reporting year**

23.2

**% of target achieved relative to base year [auto-calculated]**

45.5007625826131

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

For our facilities located in the United States, we worked with the American Forest and Paper Association (AFPA) to support its goal of achieving at least a 20% reduction of member GHG emissions intensity from 2005 levels by 2020. Building on the association's success, AF&PA announced new 2030 reduction targets in 2021, including a scope 1 and 2 GHG emission intensity reduction of 50% from a 2005 baseline as well as a commitment to establish a goal by 2025 for relevant scope 3 emissions.

**Is this target part of an overarching initiative?**

Other, please specify (See description)

**Please explain target coverage and identify any exclusions**

AF&PA recognizes the ongoing challenges of our changing climate and our industry greenhouse gas (GHG) goals reflect our commitment to reducing emissions. AF&PA members have already reduced GHG emissions by more than 23% from the 2005 baseline, surpassing the Better Practices, Better Planet 2020 goal.

AF&PA's 2030 goal to reduce GHG emissions will advance our industry further with commitments to:

- Reduce total scope 1 and 2 GHG emissions intensity 50% by 2030 from a 2005 baseline
- Establish a goal by 2025 for relevant scope 3 emissions

**Plan for achieving target, and progress made to the end of the reporting year**

For information:

<https://www.afandpa.org/2030>

**List the actions which contributed most to achieving this target**

<Not Applicable>

**Target reference number**

Oth 2

**Year target was set**

2019

**Target coverage**

Country/region

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Other, please specify	Other, please specify (Metric ton reduction)
-----------------------	--

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2000

**Figure or percentage in base year**

30000000

**Target year**

2030

**Figure or percentage in target year**

0

**Figure or percentage in reporting year**

21700000

**% of target achieved relative to base year [auto-calculated]**

27.6666666666667

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

As a member of the Forest Products Association of Canada (FPAC), Resolute signed on to its "30 by 30" Climate Change Challenge, which commits the Canadian forest products industry to removing 30 megatons of CO2 per year by 2030 – more than 13% of the Canadian government's total emission reduction target. This target covers our facilities located in Canada.

**Is this target part of an overarching initiative?**

Other, please specify (See description)

**Please explain target coverage and identify any exclusions**

This target covers our facilities located in Canada. At the end of 2021, as a company, Resolute had lowered the greenhouse gas emissions of our Canadian pulp and paper mills by more than 78% over 2000 levels, the equivalent of 1.8 megatons. Since 2018, we have announced projects to reduce close to 100,000 metric tons, and as outlined in section 4.3a, we have several other projects in the pipeline.

**Plan for achieving target, and progress made to the end of the reporting year**

For information:

<https://www.fpac.ca/reports/30-by-30-climate-change-challenge>

**List the actions which contributed most to achieving this target**

<Not Applicable>

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C4.3

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**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

C4.3a

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**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	81000
To be implemented*	0	0
Implementation commenced*	8	145500
Implemented*	2	6400
Not to be implemented	0	0

C4.3b

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**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Low-carbon energy consumption	Hydropower (capacity unknown)
-------------------------------	-------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1600

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

116000

**Investment required (unit currency – as specified in C0.4)**

484000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

In January 2021, one of our Quebec paper mills replaced bunker C usage with an electrical boiler. The switch is an important one considering Quebec's plentiful hydroelectric resources. Even though our Clermont newsprint mill's operation now consumes more electricity, the switch has a negligible impact on scope 2 emissions. This initiative had the support of Quebec government, and may reduce emissions by as much as 1,600 metric tons of CO2 equivalents annually.

**Initiative category & Initiative type**

Energy efficiency in production processes	Process optimization
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**Estimated annual CO2e savings (metric tonnes CO2e)**

4800

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

390000

**Investment required (unit currency – as specified in C0.4)**

1950000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

11-15 years

**Comment**

In the fall of 2021, our Saint-Félicien (Quebec) pulp mill replaced its lime kiln chain system with one of the best technologies available. In doing so, it allowed for more energy efficiency, cutting on natural gas usage of our process equipment, and reducing the mill's need for natural gas by about 2.5 million m3 per year. The C\$2.5 million initiative had the support of Quebec government and will remove 4,800 metric tons of CO2 equivalents from the atmosphere annually.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Employee engagement	Raising awareness among our employees helps drive the momentum for our sustainability strategy and keeps the company and its employees focused on reducing our environmental footprint. In 2021, we further enhanced employee engagement on climate change and greenhouse gas (GHG) emission reductions through quarterly employee meetings and internal communication tools, such as our ResoluteInfo newsletter and Resolute Blog. These platforms provide regular and quarterly updates to employees on the progress the company is making toward its targets, including major announcements about new capital investment in GHG emission reductions.
Compliance with regulatory requirements/standards	Staying ahead of climate change regulations drives our investments in greenhouse (GHG) reductions. Although the swift implementation of climate change mitigation programs could increase our input costs in the short term, our adaptive capacity will ultimately strengthen our long-term competitiveness. This allows Resolute to gain strategic advantages essentially by staying ahead of climate change regulations and potentially benefiting from cap and trade systems through a net-selling position; by reducing fiber, energy and water consumption; by switching to lower-carbon fuels; by securing long-term availability of fiber and water; by offering "clean" products and introducing new and innovative products with environmental benefits; by implementing energy-efficient technologies; and by investing in projects that contribute to controlling power costs and reducing GHG emissions. Combined, these initiatives enhance Resolute's strong reputation among many stakeholders, which positively impacts our market positioning and value creation for shareholders.
Dedicated budget for low-carbon product R&D	Part of our research and development program is devoted to exploring opportunities to manufacture value-added products from renewable biomass. Promising new products include biofuels, biomaterials, biosourced chemicals, etc. In many cases, these products have the potential to gradually replace products made from petroleum-based resources. In the case of biofuels, CO2 emissions can be directly reduced. For example, in 2021, our Thunder Bay (Ontario) biomass pellet plant continued to produce biofuel from waste sawdust, replacing coal at the Atikokan power generating station. We estimate that the conversion of the generating station from coal to carbon neutral biomass pellets resulted in a scope 1 emission reduction amounting to 67,500 metric tons of CO2 equivalents per year.
Other (Partnering with peers in research and development (RD))	<p>Performance BioFilaments Inc. is a R&amp;D joint venture that was launched in 2014. Jointly owned with Mercer International Inc., Performance BioFilaments is working to develop commercial applications for cellulose filaments, a new source of sustainable biomaterial made from wood fiber that can improve the strength and durability of many commercial and consumer products found on the market today. The strength of cellulose filaments can be compared to that of synthetic reinforcement fibers made from non-renewable petroleum inputs. The difference is that cellulose filaments are entirely renewable and have a lower carbon footprint.</p> <p>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 our Kérogami paper mill in Quebec. The C\$27 million investment in cellulose filaments represents an opportunity to enter into non-traditional growth markets. The cellulose filaments will be marketed with the help of Performance BioFilaments Inc. and is scheduled to be completed in late 2022.</p>
Other (Compliance with voluntary commitments)	<p>As a member of the Forest Products Association of Canada (FPAC), we have signed on to its "30 by 30" Climate Change Challenge, which commits the Canadian forest products industry to removing 30 megatons of CO2 per year by 2030 – more than 13% of the Canadian government's total emission reduction target. In the United States, we are working with the American Forest and Paper Association (AFPA) to support its goal of achieving at least a 50% reduction of member greenhouse gas (GHG) emissions (intensity) from 2005 levels by 2030.</p> <p>As part of our past WWF membership, the company committed to achieving a reduction in absolute scope 1 and 2 GHG emissions of 65% below 2000 levels by 2015 at our pulp, paper and tissue mills. This was an industry-leading GHG reduction target, and equivalent to taking 1.6 million cars off the road. We met and exceeded the target two years ahead of schedule. By the end of 2021, our absolute scope 1 and 2 GHG emissions had been reduced by 85% since 2000 - equivalent to taking more than 2 million cars off the road.</p> <p>In 2013, we successfully achieved our commitment of fully reporting all relevant scope 3 categories to CDP. Part of our scope 3 process is to survey key suppliers to better assess our value chain footprint, engage with key fuel and chemical suppliers, and work with them to reduce our respective global carbon footprint. Resolute has updated and disclosed our scope 3 inventory every year since 2015, and we continue to report our sustainability performance in accordance with the Global Reporting Initiative, the Sustainable Accounting Standards Board Standards for pulp &amp; paper and forestry management, and the United Nations Sustainable Development Goals.</p>
Financial optimization calculations	<p>Resolute's commitment to sustainability is underscored in our vision, corporate values and in the way we do business. Our sustainability commitments include mitigating climate change across our value chain through reduced fiber, energy and water consumption, enhanced operational efficiencies, low-carbon emission initiatives, and eco-friendly products and targeted investments in clean energy processes and products.</p> <p>Climate change issues are discussed and reviewed on a regular basis at the corporate level as all capital projects considered by the company require an evaluation of their impact on GHG emissions. A top-down approach is in place for the analysis of risks and opportunities, which relate primarily to regulatory changes, strategic capital investments, consumer preference changes, reputation and weather-related challenges.</p> <p>Resolute's short term incentive plan (STIP) for eligible employees, including management, is calculated using economic key performance indicators, such as income from operations, as well as environmental and social performance. Beginning in 2022, a portion of the STIP is based on achieving greenhouse gas emission reduction targets.</p>
Internal price on carbon	<p>In July 2016, Resolute became an inaugural Canadian member of the Carbon Pricing Leadership Coalition (CPLC), a voluntary global partnership that brings together leaders to help address climate change by putting a price on carbon. Resolute supports carbon pricing as a market mechanism that drives competitiveness, creates jobs, encourages innovation and delivers meaningful emission reductions. We advocate, however, for an equivalent carbon price across North American jurisdictions to avoid carbon leakage and competitive issues.</p> <p>In 2021, twelve of our facilities were covered by either the Quebec cap-and trade program, or the Canadian Output-Based Pricing System, but all of Resolute's facilities in Canada are impacted by the cost of carbon, including sawmills and woodland operations. A carbon price is included in decision-making at our facilities operating under the cap-and-trade system. For other facilities, the impact of each project on GHG emissions is evaluated, and taken into consideration in the decision-making process.</p> <p>Resolute has achieved an 85% reduction in absolute greenhouse gas emissions at its pulp, paper and tissue mills since 2000. Additional reductions at many of our facilities remain under consideration, including internal greenhouse gas emission reduction projects, potential purchase of allowances and offsets, etc.</p> <p>Further contributions to provincial and federal targets in Canada can be achieved, outside of our facilities covered by the cap-and-trade program, through forest management practices, sequestration in wood products, and development of bioproducts and biofuels.</p> <p>Considering that energy accounts for approximately one quarter of the company's pulp and paper production costs, projects that increase energy efficiency are of great interest from both an environmental and financial perspective. Our focus on improving energy efficiency and replacing high-emission fuels like coal with less-carbon-intensive options also places Resolute ahead of potential regulations.</p>

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

Biofuels	Other, please specify (Wood pellets to replace coal in electricity production)
----------	--

**Description of product(s) or service(s)**

Wood pellets help to avoid greenhouse gas (GHG) emissions by replacing fossil fuels with renewable energy. As part of the Ontario government's 2002 commitment to develop a 100% coal-free electrical grid by 2015, Resolute worked with the 200 MW capacity Ontario Power Generation (OPG) station in Atikokan, Ontario to transition away from coal to carbon neutral biomass pellets manufactured at our Thunder Bay (Ontario) pellet plant. The plant completed its first full year of production in 2015, producing wood pellets made from residual sawdust, a sawmill by-product. Our pellet plant is under a ten-year contract to supply 45,000 metric tons of pellets annually to OPG's Atikokan generating station, which is now the largest capacity 100% biomass-fueled power plant in North America. The generating station's GHG emissions have been reduced through the use of a less carbon-intensive fuel.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

Yes

**Methodology used to calculate avoided emissions**

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

Use stage

**Functional unit used**

We estimate the replacement of coal with 45,000 metric tons of wood pellets to generate 216 GWh results in a scope 1 GHG reduction of 67,500 metric tons of CO2 equivalents.

**Reference product/service or baseline scenario used**

The baseline scenario involves OPG using coal fuel to generate the same amount of electricity for its customers.

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

Use stage

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

67500

**Explain your calculation of avoided emissions, including any assumptions**

Considering that residual biomass is carbon neutral, avoided emissions were calculated with the following data: 1 metric ton of wood pellets generates 4.8 MWh. Emission factors for coal are 88.34 kg of CO2/GJ, 0.0104 kg of CH4/GJ, and 0.0015 kg of N2O/GJ, while emission factors for wood pellets are 0 kg of CO2/kg, 0,576 kg of CH4/kg, and 0.077 kg of N2O/kg, with a global warming potential for CH4 of 25 and N2O of 298.

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

0.01

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

Pulp and paper	Other, please specify (Cellulose filament)
----------------	--

**Description of product(s) or service(s)**

We are building a commercial cellulose filament plant at our K enogami (Quebec) paper mill, with production start-up planned for 2022. Cellulose filaments are a new, sustainable biomaterial made from wood fiber manufactured entirely from renewable sources. Integrating these fibers into commercial and everyday products results in lighter-weight, more fuel-efficient vehicles, more resilient coatings and higher performance concrete.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

<Not Applicable>

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

<Not Applicable>

**Functional unit used**

<Not Applicable>

**Reference product/service or baseline scenario used**

<Not Applicable>

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

<Not Applicable>

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

<Not Applicable>

**Explain your calculation of avoided emissions, including any assumptions**

<Not Applicable>

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

0

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

Pulp and paper	Lignin extraction
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**Description of product(s) or service(s)**

The thermomechanical pulp biorefinery at our Thunder Bay (Ontario) pulp and paper mill focuses on developing new ways to efficiently produce and commercialize innovative bioproducts derived from wood.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

<Not Applicable>

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

<Not Applicable>

**Functional unit used**

<Not Applicable>

**Reference product/service or baseline scenario used**

<Not Applicable>

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

<Not Applicable>

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

<Not Applicable>

**Explain your calculation of avoided emissions, including any assumptions**

<Not Applicable>

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

0

**Level of aggregation**

Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**

The EU Taxonomy for environmentally sustainable economic activities

**Type of product(s) or service(s)**

Buildings construction and renovation	Other, please specify (Lumber and other wood products for the residential construction and home renovation markets, as well as for specialized structural and industrial applications)
---------------------------------------	--

**Description of product(s) or service(s)**

Wood is one of the most versatile and renewable resources. Not only is it the most sustainable building material, it is energy-efficient and cost-effective. From the flooring right up to your rooftop, Resolute’s wood products are the natural choice for today’s environmentally conscious homeowner. Resolute is a leading producer of lumber and other wood products for the residential construction and home renovation markets, as well as for specialized structural and industrial applications. With an annual production capacity of 2.9 billion board feet, our 14 sawmills in Canada produce construction-grade stud and dimension spruce-pine-fir lumber and are a major source of wood chips for our pulp and paper mills, while our three sawmills in the U.S. produce construction-grade dimension lumber and decking products from locally sourced southern yellow pine. Our sawmills also supply wood residue to our other segments, to be used as fuel to produce electricity and steam based on renewable sources. Located in Quebec, our two remanufactured wood products facilities produce bed frame components, finger joints and furring strips, while our two engineered wood products facilities produce flooring I-joists for the construction industry.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

<Not Applicable>

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

<Not Applicable>

**Functional unit used**

<Not Applicable>

**Reference product/service or baseline scenario used**

<Not Applicable>

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

<Not Applicable>

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**

<Not Applicable>

**Explain your calculation of avoided emissions, including any assumptions**

<Not Applicable>

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

46.8

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Acquisition of Boralex powerplant in Senneterre, Quebec

Details of structural change(s), including completion dates

In February 2022, Resolute announced the acquisition of a powerplant in Senneterre, Quebec. Emissions for this power plant were added to Resolute's 2020 and in 2021 GHG inventories (5,462 mt CO2e in 2020 and 5,756 mt CO2e in 2021). This information is also included under C7.9a.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in boundary	In 2021, we added greenhouse gas (GHG) emissions from our wood products emissions to our corporate GHG inventory. These emissions were already monitored but were not significant compared to our pulp, paper and tissue segments. As a result of reductions in the latter three segments, our wood products segment now represents about 5% of our total scope 1 and 2 GHG emissions, and we have integrated them into our GHG emission reporting and targets.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Our GHG management plan requires the base year to be recalculated for every significant change of more than 1% or any structural change.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2015

Base year end

December 31 2015

Base year emissions (metric tons CO2e)

1222951

Comment

Resolute reports on emissions classified as scope 1, including direct emissions from on-site fuel combustion (fixed units and mobile equipment), process emissions, landfills and fugitive emissions. Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year, and a change in boundary was made to include our wood products segment.

#### Scope 2 (location-based)

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1083302

**Comment**

Resolute reports on emissions classified as scope 2, representing indirect emissions from purchased electricity and steam. Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year, and a change in boundary was made to include the wood products segment.

#### Scope 2 (market-based)

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1083302

**Comment**

Same as our location-based scope 2 emissions. The emission rates used to define our scope 2 emissions in year 2015 were, to the extent possible, utility-specific or, if this information was not available, based on provincial, state or regional reports.

#### Scope 3 category 1: Purchased goods and services

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

494127

**Comment**

We track GHG emissions related to our supply chain (scope 3 emissions), as they represent an important aspect of our carbon inventory. We have committed to implementing scope 3 standard GHG accounting and, in 2015, enhanced the disclosure of scope 3 emissions by reporting all relevant scope 3 emission categories to the CDP. Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year. The change in boundary to include the wood product division in Resolute GHG emissions inventory did not impact the Scope 3 calculation, as it would already consider this division.

#### Scope 3 category 2: Capital goods

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

61677

**Comment**

This category was previously considered not relevant, but we decided to include the figure in the inventory to ensure we are appropriately monitoring and tracking this category, should its relative significance increase.

#### Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

367088

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

#### Scope 3 category 4: Upstream transportation and distribution

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

281756

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

**Scope 3 category 5: Waste generated in operations**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

91503

**Comment**

Our GHG inventory was reviewed to include any structural changes occurring since that year.

**Scope 3 category 6: Business travel**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1402

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

**Scope 3 category 7: Employee commuting**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

13152

**Comment**

Our GHG inventory was reviewed to include any structural changes occurring since that year.

**Scope 3 category 8: Upstream leased assets**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

This category is not relevant for Resolute (no change in this category).

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

333487

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

**Scope 3 category 10: Processing of sold products**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

1711673

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

### Scope 3 category 11: Use of sold products

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

This category is not relevant for Resolute as our products do not generate emissions at the use stage.

### Scope 3 category 12: End of life treatment of sold products

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

731028

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year.

### Scope 3 category 13: Downstream leased assets

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

This category is not relevant for Resolute (no change in this category).

### Scope 3 category 14: Franchises

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

Resolute does not own or operate franchises (no change in this category).

### Scope 3 category 15: Investments

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

378

**Comment**

Our 2015 GHG inventory was reviewed to include any structural changes occurring since that year and the share of equity ratio.

### Scope 3: Other (upstream)

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

No additional scope 3 in the "other" category.



**Scope 3: Other (downstream)**

**Base year start**

January 1 2015

**Base year end**

December 31 2015

**Base year emissions (metric tons CO2e)**

0

**Comment**

No additional scope 3 in the "other" category.

C5.3

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**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

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C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

1119629

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

This figure includes GHG direct emissions from on-site fuel combustion, process as well as landfill and fugitive emissions. Our GHG accounting is based on the WRI / GHG protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)). As mentioned in their Greenhouse Gas Protocol - Corporate Standard, Scope 1 GHG emission, direct CO2 emissions from combustion of biomass shall not be included in scope 1, but should be reported separately. Therefore, our scope 1 does not include direct CO2 from combustion of the biomass, which explains why our Implied Emission Factor is low.

C6.2

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**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

As we have operations where we are able to access mills' specific greenhouse gas emissions factors directly from the electricity suppliers, or find residual mix emissions factors, we are able to report scope 2 market-based emissions figures, in addition to scope 2-location-based emissions.

C6.3

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**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

479046

**Scope 2, market-based (if applicable)**

451449

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

Greenhouse gas emissions from the generation of purchased electricity that is consumed by Resolute. Some of our U.S. suppliers have significantly improved their production rates, reducing the use of coal-fired plants to produce the electricity we use.

**C6.4**

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**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

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**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

570657

**Emissions calculation methodology**

Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

75

**Please explain**

Primary data: volumes come from Resolute's business managements systems and are based on suppliers' and procurement data. Material categories included in the inventory are: wood, recycled paper, chemical products and fillers. These categories cover more than 70% of the direct spending for materials.

Secondary data: upstream cradle-to-gate emission factors used in this category come from the National Council for Air and Stream Improvement (NCASI) Footprint Estimator for Forest Products (FEFPro) version 1.4, Tab "Matl Param" (values are Ecoinvent modified). For fiber, upstream factors also come from FEFPro version 1.4, tab "Fiber Param", except for wood consumption by sawmills that use a factor from the USLCI - NCASI SE US model. The total emissions for products included in this category are calculated based on volumes used in reporting year multiplied by CO2-equivalent factors for each material. The emission factors used do not cover the transportation of these materials from suppliers to Resolute as emissions from transportation are reported in Category 4, upstream transportation and distribution.

**Capital goods**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

37963

**Emissions calculation methodology**

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

0

**Please explain**

Newly added category in Resolute's 2021 scope 3 emissions inventory. Even though the emissions represent less than 1% of our scope 3, we've included the figure in our inventory, to ensure we appropriately monitor and track this category, should its relative significance increase.

This data is estimated using the average spend-based method and primary data extracted from our financial databases.

The emission factor for fabricated metal products (worst-case scenario factor applied) is used as the secondary data and taken from EPA "Supply Chain Emission Factors for US Industries Commodities" file.

Amount invested for the year is multiplied with the CO2-equivalent/USD factor for fabricated metal products.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

400023

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data: volumes of fuel and quantities of electricity consumed by our pulp, paper and tissue mills, as well as our wood product facilities, were sourced from Resolute's business management systems as well as from our suppliers.

Secondary data: fuel and electricity upstream emission factors used are from FEFFPro version 1.4 calculation tool developed by NCASI. The emissions used cover the extraction, production and transportation of fossil fuels.

Quantities of fuel and electricity purchased are multiplied with respective CO<sub>2</sub>-equivalent factors.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

271244

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data: Shipments of wood, all types of fibre and purchased chemical products are coming from Resolute's Business System as well as from our Suppliers' Survey. GHG emissions coming from fuel transportation are excluded as these emissions are included in Category 3 of our scope 3 emissions.

Scope 3 GHG emissions from transportation were calculated by using the Global Logistics Emissions Council (GLEC) Methodology based on fuel consumption by transportation mode and fuel emission factors. Default GLEC emission and consumption factors were used.

Secondary data: For chemical products, key data coming directly from major suppliers is used. GHG emissions coming from transportation were calculated by multiplying the quantity of the purchased chemical product by the transportation distance and emission factor for the transportation mode. To cover 100% of chemical products, an extrapolation was then performed.

For wood and fibre products, all shipments received to our sawmills and mills were obtained through Resolute Business system. The calculation of related GHG emissions was obtained by multiplying quantity of wood & fibre received by the transportation distance and emission factor for the transportation mode.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

64418

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data: volumes of solid waste and waste water generated by the manufacturing operations of all Resolute facilities are collected and monitored through Resolute's business management systems. Our data collection method differentiates between on-site and off-site disposal as well as between different disposal methods (waste incineration, energy recovery, landfill, beneficial use, recycling, as well as waste water treatment).

Secondary data: Proportion of inert material and methane densities come from the NCASI FICAT tool developed for the pulp and paper industry. GHG emissions from one off-site landfill not owned by Resolute are calculated using the NCASI FICAT tool for pulp and paper industry and included in this category. Methane emissions from owned landfill sites are not included in this category, as they are part of our scope 1 GHG emissions.

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

268

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data: miles and kilometers per means of transportation traveled by Resolute employees in the reporting year were provided by travel agencies and rental car suppliers. Calculations cover emissions from business flights, train trips and use of rental cars. Ferry and use of own cars are excluded due to a lack of data. These reports are based on distance traveled and emission factors by fuel and vehicle type.

Secondary data: emission factors come from WRI/GHG Protocol Tool and EPA. Emission factors used cover the followings: short-haul, medium-haul and long-haul flights, train trips as well as car rental's fuel consumption.

## Employee commuting

### Evaluation status

Not relevant, calculated

### Emissions in reporting year (metric tons CO2e)

10974

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data: the total number of employees in all facilities and offices worldwide is based on data from Resolute's Human Resources department. Two different commuting scenarios were considered:

- one for office employees who have access to a wide variety of commuting modes, although most of the year 2021 involved telecommuting for this group of employees.
- facilities' employees are more limited in their commuting options and still traveled to work in 2021.

Secondary data: emission factors are based on World Resources Institute 2012. Compilation of emission factors used in the cross-sector tools.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not applicable, Resolute has no upstream leased assets.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

257592

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

Primary data from past years: for calculating GHG emissions associated with the transportation of Resolute's sold products, our logistics experts built a tracking system of all our shipments from our operating sites to our customers. This system provides distances, weight and transportation mode used for all shipments.

Secondary data from past year: scope 3 GHG emissions from transportation were calculated using the GLEC Methodology based on fuel consumption by transportation mode and fuel emission factors. Default GLEC emission and consumption factors were used with the exception of vessel factors that were adapted to our shipment reality with GLEC guidance.

## Processing of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

1508545

### Emissions calculation methodology

Average data method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Plant-specific GHG emissions and production data are from our customer surveys. From this data, emissions intensity was calculated for three different types of products sold: market pulp, newsprint and specialty papers. Average emission intensities were then calculated and multiplied by our 2020 production for each type of sold product.

## Use of sold products

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not relevant as pulp and paper products do not generate emissions at the use stage.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

531499

### Emissions calculation methodology

Waste-type-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Primary data: production of sold products is from Resolute's business management systems.

Secondary data: emission factors for different end-of-life options are coming from the 2010 VTT study called "Carbon footprint and environmental impacts of print products from cradle to grave".

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Not applicable, Resolute has no downstream leased assets.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Resolute does not own or operate franchises.

## Investments

### Evaluation status

Not relevant, calculated

### Emissions in reporting year (metric tons CO2e)

9241

### Emissions calculation methodology

Investment-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

75

### Please explain

One sawmill (Opitciwan) and one greenhouse (Serre Toundra) in Quebec entered in this category as they are partnerships in which Resolute does not have operational control. The Société en Commandite Scierie Opitciwan, located in Obedjiwan, is an equity method investment in which we have a 45% interest. 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 pulp mill. The greenhouses source a portion of their heat from our Saint-Félicien pulp mill.

Primary Data: for Opitciwan, Fuel consumption was obtained from the partnership upon inquiry in 2013. Since electricity consumption was unknown, we used an averaged electricity consumption based on our Quebec sawmills data. The data is updated for 2021 proportionally to the mill's production. For Serre Toundra, fuel and electricity consumptions were obtained upon inquiry.

Secondary Data: fuel emissions were calculated based on upstream emission factors from EcolInvent.

GHG emissions were determined by multiplying fuels and electricity used by respective emission factors and by share of equity percentage.

## Other (upstream)

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No other material upstream emissions.

## Other (downstream)

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No other material downstream emissions.

C-AC6.8/C-FB6.8/C-PF6.8

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(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Yes

C-AC6.8a/C-FB6.8a/C-PF6.8a

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**(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.**

**CO2 emissions from biofuel combustion (processing/manufacturing machinery)**

**Emissions (metric tons CO2)**

5270633

**Methodology**

Default emissions factors

**Please explain**

More than 75% of the fuel energy used by Resolute facilities comes from the combustion of bark, biosolid and black liquor in our biomass boilers. Our GHG accounting is based on the WRI/GHG protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)). As mentioned in the Greenhouse Gas Protocol - Corporate Standard, Scope 1 GHG emission, direct CO2 emissions from the combustion of biomass shall not be included in scope 1, but should be reported separately.

We are also still waiting for the GHG Protocol's guidance on land use, land-use change and bioenergy to be revised and tested to see how measurement and quantification can be done. We are registered for the pilot test phase of this initiative.

**C-AC6.9/C-FB6.9/C-PF6.9**

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**(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?**

**Agricultural commodities**

Timber

**Do you collect or calculate GHG emissions for this commodity?**

No, not currently but intend to collect or calculate this data within the next two years

**Please explain**

In 2021, we added our wood products' emissions to the corporate GHG inventory. These emissions have always been calculated but found to be insignificant compared to our pulp and paper segments. This has changed, and emissions from this sector now represent about 5% of Resolute's scope 1 and 2 GHG emissions.

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**C6.10**

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**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.000429

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

1571078

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

3664000000

**Scope 2 figure used**

Market-based

**% change from previous year**

23.1

**Direction of change**

Decreased

**Reason for change**

Our revenue increased \$583 million from 2020, an improvement that reflects record market prices in wood products and higher prices for pulp and paper, offset by higher manufacturing costs, including fiber, and the impact of the stronger Canadian dollar.

**Intensity figure**

0.337

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

1571078

**Metric denominator**

unit of production

**Metric denominator: Unit total**

4662282

**Scope 2 figure used**

Market-based

**% change from previous year**

1.4

**Direction of change**

Increased

**Reason for change**

Scope 2 increase: scope 2 emissions increased considerably in 2021 compared to 2020, even though our mills reduced their electricity usage (proportionally to their production). This is mainly due to U.S. electricity rates that increased in 2021 (there had been a more drastic reduction in 2020). The GHG/GWh rate for our Grenada mill increased 18%, representing most of the increase in this category (48,451 mt of CO2 equivalents). This mill consumes more electricity than our other U.S. facilities since it uses a thermomechanical process, which is electricity-intensive. The overall variation in scope 2 for our pulp and paper division, excluding our Hialeah and Sanford mills tissue mills; scope 2 covered under the "change in renewable energy consumption" category; and the variations due to changes in output represent a total increase of 51,085 mt of CO2 equivalents.

**C7. Emissions breakdowns**

**C7.1**

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

**C7.1a**

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	973152	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	136212	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	9150	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	1115	IPCC Fourth Assessment Report (AR4 - 100 year)



C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	559871
United States of America	559758

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Alma	71095	48.565	-71.6558
Amos	2000	48.5625	-78.1625
Baie-Comeau	3751	49.255	-68.1561
Calhoun	298288	35.297422	-84.752558
Clermont	4375	47.6994	-70.2255
Coosa Pines	175654	33.324343	-86.358521
Dolbeau	15532	48.879367	-72.220469
Gatineau	40016	45.479076	-75.650611
Kenogami	30702	48.4289	-71.2437
Menominee	34419	45.102199	-87.610452
Hialeah	12970	25.857574	-80.260646
Sanford	9077	28.803923	-81.307791
Grenada	17031	33.830426	-89.820957
Saint-Félicien	90201	48.730407	-72.508176
Thunder Bay	196587	48.3486	-89.3067
Landfill sites from closed mills (Canada)	56655	45.5124	-73.55468
Wood product facilities	61277	45.5124	-73.55468

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

No

C-AC7.4c/C-FB7.4c/C-PF7.4c

(C-AC7.4c/C-FB7.4c/C-PF7.4c) Why do you not include greenhouse gas emissions pertaining your business activity(ies) in your direct operations as part of your global gross Scope 1 figure? Describe any plans to do so in the future.

	Primary reason	Please explain
Row 1	We are planning to include in the next two years	<p>We are still waiting for the GHG Protocol's guidance on land use, land-use change and bioenergy to be revised and tested to see how measurement and quantification can be done. We are registered for the pilot test phase of this initiative.</p> <p>We understand the feasibility of this exercise for a company that owns the forest land it harvests and has full responsibility for the logging on that land. This situation, however, is not the reality for the majority of the companies in this sector. Here is the operational structure of Resolute:</p> <ul style="list-style-type: none"> <li>-We source the majority of the virgin fiber consumed by our operations in Canada from Crown land over which we hold harvesting rights, volume commitments, short-term volume allocations and auction sales. The control we have on these woodlands is limited to the sustainable management of harvesting operations by our subcontractors, and these subcontractors work on trees in areas defined and allocated by the government. We therefore have limited control on the overall forest management strategy, particularly in Quebec, where the government is responsible for forest management planning. Purchases from private forest landowners complement sourcing from public land.</li> <li>-For our U.S. operations, we source much of the fiber externally, through a suppliers' network, from numerous small, non-industrial private forest landowners. We have limited influence and control over the woodlands operations of all these small non-industrial landowners suppliers.</li> </ul> <p>Future methodologies on forestry land-use could be relevant to us, although we do not know to what extent. We are closely following developments on this topic, as access to fiber is essential for our highly integrated operations. Harvested trees from our woodland operations are processed into lumber, mainly for construction or renovation of houses, which preserves the carbon accumulated in the wood for decades. Our manufacturing facilities and processes optimize fiber use, reducing waste and creating value. Processing a log at a sawmill generates by-products, mainly wood chips, sawdust, shavings and bark. The bark is used to generate energy, while chips and other residues are used mainly to produce pulp and paper. Our wood remanufacturing facilities produce box spring components, finger joints, furring strips and I-joists, further ensuring optimal fiber use.</p>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	13880	13880
United States of America	465166	437569

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Alma	121	121
Amos	4	4
Baie-Comeau	0	0
Calhoun	36251	26047
Clermont	466	466
Coosa Pines	34109	112256
Dolbeau	301	301
Gatineau	370	370
Grenada	288231	207023
Kenogami	21	21
Menominee	67689	64490
Hialeah	9175	5263
Sanford	7656	4212
Saint-Félicien	153	153
Thunder Bay	11388	11388
Wood product facilities	23112	19332

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	20421	Decreased	1.3	<p>Our Alma and Clermont paper mills in Quebec have reduced their scope 1 emissions by increasing the use of electrical boilers, using electricity from Hydro-Quebec hydropower plants, to replace natural gas or bunker C for fuel. These scope 1 reductions count for 9,180 metric tons (mt) of CO2 equivalents (CO2e). Also, our Gatineau (Quebec) newsprint mill has improved its biomass boiler fuel mix, allowing for more biomass to be used with less tire-derived fuel. This translates into an additional reduction of 5,604 mt of CO2e in scope 1, for a total of 14,784 mt of CO2e.</p> <p>The remaining 5,637 mt of CO2e comes from scope 2 reductions at our two Florida tissue manufacturing facilities starting in July 2021. Both our Hialeah and Sanford tissue mills began participating in the SolarTogether™ program, a community program offered by Florida Power &amp; Lighting (FPL) that helps local homes and businesses access emissions-free energy. FPL operates dozens of solar energy centers across the state, increasing the use of solar power on the energy grid and helping to offset the use of other non-renewable energy resources.</p> <p>Total scope 1 and 2 associated with changes in renewable energy consumption is therefore 14,784+5,637 = 20,421 mt of CO2e.</p>
Other emissions reduction activities	16353	Decreased	1	<p>Great importance is given to the reliability of the equipment in our mills, and mill employees work to maintain and improve them. Our Saint-Félicien (Quebec) mill has worked on improving reliability, control and energy efficiency of its assets from 2020 through 2021, resulting in reductions of 16,353 metric tons of CO2 equivalents. This would namely include the lime kiln chain system replacement (listed under C4.3b) for which implementation was completed in fall 2021. This project alone will reduce natural gas consumption by approximately 2.5 million m3 per year.</p>
Divestment	0	No change	0	No change in 2021.
Acquisitions	294	Increased	0.02	In February 2022, Resolute announced the acquisition of a powerplant in Senneterre, Quebec. Emissions for this facility were included in Resolute's 2020 and in 2021 GHG inventories (5,462 mt CO2e in 2020 and 5,755 mt CO2e in 2021).
Mergers	0	No change	0	No change in 2021.
Change in output	24909	Decreased	1.6	<p>The pandemic has been particularly challenging for marketing paper products such as newspapers, inserts and flyers. We idled our Amos and Baie-Comeau (Quebec) newsprint mills in spring 2020, and these two mills remained idled in 2021, their only GHG emissions relating to mobile equipment and electricity usage. This cumulates to a total reduction of 8,355 metric tons (mt) of CO2 equivalents (CO2e). Our revised total for 2020 is 1,559,168 mt of CO2e, decreasing emissions by 0.5% through <math>(-8,355/1,559,168)*100 = -0.51\%</math></p>
Change in methodology	0	No change	0	No change in methodology.
Change in boundary	9392	Increased	0.6	<p>The GHG emissions of our wood product facilities used to be below the materiality threshold of 1% that is considered in our GHG management plan, but this changed with the acquisition of our three U.S. sawmills in 2020. In early 2021, Resolute committed to including our wood products facilities' previously-excluded GHG emissions in our GHG emissions inventory for 2020 and 2021, resulting in an increased scope 1 and 2 emissions of 9,392 metric tons (mt) of CO2 equivalents (CO2e).</p> <p>2021 was a good year for lumber production, and some of our sawmills that had been idled in 2020 restarted production in 2021. This was the case for our Ignace and El Dorado sawmills, which restarted production respectively in June and July 2021, therefore increasing scope 1 and 2 emissions by 12,269 mt CO2e. As the rest of the division decreased its GHG emissions by 2,583 mt CO2e, the final 2021 increase due to wood product emissions is as follows:</p> <p>-increased scope 1: 6,497 mt in 2021 compared to 2020                      -increased scope 2: 2,895 mt in 2021 compared to 2020</p> <p>Note: this excludes the Senneterre powerplant counted under row 5.</p>
Change in physical operating conditions	0	No change	0	No change in physical operating conditions.
Unidentified	115	Decreased	0	There is no specific explanation for this reduction of 115 metric tons of CO2 equivalents. This would be the sum of all other plus and minus variations occurring in our operations' scope 1 and 2 emissions during the year.
Other	61478	Increased	3.9	<p>Scope 2 increase: scope 2 GHG emissions increased considerably in 2021 compared to 2020, even though mills reduced their electricity usage (proportionally to their production). This is mainly due to the U.S. electricity rates increasing in 2021 (there had been a more drastic reduction in 2020). The GHG/GWh rate for our Grenada (Mississippi) mill increased 18%, representing most of the increase in this category (48,451 metric tons (mt) of CO2 equivalents (CO2e). This mill consumes more electricity than our other U.S. facilities since it uses a thermomechanical process, which is electricity-intensive. The overall variation in scope 2 for our pulp and paper division, excluding our Florida tissue mills; scope 2 covered under the "change in renewable energy consumption" category; and the variations due to changes in output represent a total increase of 51,085 mt of CO2e.</p> <p>Scope 1 increase: for two pulp and paper mills in 2021, scope 1 emissions increased due to additional natural gas usage. The additional 12,003 mt of CO2e translates to an overall increase of <math>(12,003/1,571,078)*100 = 0.8\%</math></p> <p>Scope 1 reduction: closed mills' landfill emissions are decreasing over time since residues are no longer disposed of in these sites. This translated into a reduction of 1,610 mt of CO2e in 2021.</p> <p>The total increase for scope 1 and 2 under 'Other' was 3.9%.</p> <p>Calculation is as follows: <math>((51,085+12,003-1,610)/1,561,712)*100 = 3.9\%</math></p>

**C7.9b**

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**C8. Energy**

**C8.1**

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 20% but less than or equal to 25%

C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	15068714	4944266	20012980
Consumption of purchased or acquired electricity	<Not Applicable>	3909316	759496	4668811
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1020564	<Not Applicable>	1020564
Total energy consumption	<Not Applicable>	19998593	5703762	25702356

C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**Heating value**  
HHV

**Total fuel MWh consumed by the organization**  
15068714

**MWh fuel consumed for self-generation of electricity**  
<Not Applicable>

**MWh fuel consumed for self-generation of heat**  
0

**MWh fuel consumed for self-generation of steam**  
13745701

**MWh fuel consumed for self-generation of cooling**  
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**  
1323013

**Comment**

Sustainable biomass includes black sludge, bark, and black liquor solids. Black liquor is burned to generate steam, and part of the generated steam is used to generate electricity in some of our mills via cogeneration. We also utilize alternative sustainable biomass such as railroad ties and construction and demolition residues to reduce fossil fuel consumption. At Resolute, 75% of fuel energy usage is derived from sustainable biomass. Optimizing the use of renewable energy sources such as hydroelectricity and carbon-neutral biomass, while reducing consumption of fossil fuels, is a key element of our strategy to improve our carbon footprint.

**Other biomass**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Not applicable.

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Not applicable.

**Coal**

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

0

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

0

**Comment**

Resolute no longer uses coal as a fuel source. This change was made in 2014.

## Oil

### Heating value

HHV

### Total fuel MWh consumed by the organization

254712

### MWh fuel consumed for self-generation of electricity

<Not Applicable>

### MWh fuel consumed for self-generation of heat

0

### MWh fuel consumed for self-generation of steam

246625

### MWh fuel consumed for self-generation of cooling

<Not Applicable>

### MWh fuel consumed for self- cogeneration or self-trigeneration

8087

### Comment

Oil fuels include bunker C oil, light fuel oil, diesel, and motor gasoline.

## Gas

### Heating value

HHV

### Total fuel MWh consumed by the organization

4576395

### MWh fuel consumed for self-generation of electricity

<Not Applicable>

### MWh fuel consumed for self-generation of heat

0

### MWh fuel consumed for self-generation of steam

4316796

### MWh fuel consumed for self-generation of cooling

<Not Applicable>

### MWh fuel consumed for self- cogeneration or self-trigeneration

259599

### Comment

Gas based fuels include natural gas, propane for fixed units, and propane for mobile equipment.

## Other non-renewable fuels (e.g. non-renewable hydrogen)

### Heating value

HHV

### Total fuel MWh consumed by the organization

124187

### MWh fuel consumed for self-generation of electricity

<Not Applicable>

### MWh fuel consumed for self-generation of heat

0

### MWh fuel consumed for self-generation of steam

107114

### MWh fuel consumed for self-generation of cooling

<Not Applicable>

### MWh fuel consumed for self- cogeneration or self-trigeneration

17073

### Comment

Resolute's other non-renewable fuels includes tire-derived fuel.

**Total fuel****Heating value**

HHV

**Total fuel MWh consumed by the organization**

20024008

**MWh fuel consumed for self-generation of electricity**

&lt;Not Applicable&gt;

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

18416235

**MWh fuel consumed for self-generation of cooling**

&lt;Not Applicable&gt;

**MWh fuel consumed for self- cogeneration or self-trigeneration**

1607773

**Comment**

Total fuels include natural gas, bunker C oil, light fuel oil, propane, tire-derived fuel, diesel and motor gasoline, together with sustainable biomass such as black sludge, bark, black liquor solids, railroad ties and construction and demolition residues. At Resolute, 75% of fuel energy usage is derived from sustainable biomass. Optimizing the use of renewable energy sources such as hydroelectricity and carbon-neutral biomass, while reducing consumption of fossil fuels, is a key element of our strategy to improve our carbon footprint.

**C8.2d**

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2645706	1559986	2337311	1395784
Heat	169688	169688	0	0
Steam	19854320	19854320	15068714	15068714
Cooling	0	0	0	0

**C8.2e**

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**

Purchase from an on-site installation owned by a third party

**Energy carrier**

Electricity

**Low-carbon technology type**

Solar

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

Other, please specify (North American Renewables Registry (NAR))

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

12617

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

United States of America

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

2021

**Comment**

Both our Hialeah and Sanford mills in Florida began participating in the SolarTogether™ program in July 2021. This community program offered by Florida Power & Lighting (FPL) helps local homes and businesses access emissions-free energy. FPL operates dozens of solar energy centers across the state, increasing the use of solar power on the energy grid and helping to offset the use of other non-renewable energy resources. On 3/22/2022, Florida Power and Light (ST) retired those Renewable Energy Certificates (RECs). The issuance and ownership of these RECs has been tracked in the North American Renewables (NAR) Registry using unique serial numbers to prevent double counting or double selling. Now that these RECs have been retired from the registry permanently, no one else can hold or retire the RECs.

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**Sourcing method**

Default delivered electricity from the grid (e.g. standard product offering by an energy supplier) from a grid that is 95% or more low-carbon and where there is no mechanism for specifically allocating low-carbon electricity

**Energy carrier**

Electricity

**Low-carbon technology type**

Hydropower (capacity unknown)

**Country/area of low-carbon energy consumption**

Canada

**Tracking instrument used**

No instrument used

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2587025

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Canada

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

1944

**Comment**

All of our Quebec mills are supplied with electricity by Hydro-Quebec, a provincial government corporation providing its customers with electricity that is over 99% clean and renewable, mainly from hydroelectric generating stations. Hydro-Québec's generating fleet comprises 61 hydroelectric generating stations and 24 thermal plants with a total installed capacity of 37.2 GW. Its hydropower facilities also include 28 large reservoirs with a combined storage capacity of over 176 TWh, as well as 681 dams and 91 control structures.

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**C8.2g**



**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**

United States of America

**Consumption of electricity (MWh)**

1646164

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

1646164

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

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**Country/area**

Canada

**Consumption of electricity (MWh)**

4582468

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

4582468

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

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**C9. Additional metrics**

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**C9.1**

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Waste

**Metric value**

105855

**Metric numerator**

Metric tons of fiber losses

**Metric denominator (intensity metric only)**

Our metric is not intensity based.

**% change from previous year**

3

**Direction of change**

Increased

**Please explain**

The above figures pertain to fiber losses specifically, as disclosed on our corporate website. Resolute is focused on reducing the waste generated by our operations. Our approach to waste management includes identifying beneficial-use alternatives, such as land spreading, in order to reduce the amount of waste sent to landfills, which generate emissions. We also pursue process efficiencies, such as optimizing fiber use, to minimize the cost of effluent treatment. In 2021, we remained committed to establishing annual fiber loss targets for each of our pulp, paper and tissue mills, and have set a target to record fiber losses of no more than 39 kg per metric ton of production.

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**Description**

Waste

**Metric value**

39.42

**Metric numerator**

Kilograms of fiber loss

**Metric denominator (intensity metric only)**

Production in metric tons

**% change from previous year**

8

**Direction of change**

Increased

**Please explain**

We pursue process efficiencies, such as optimizing fiber use, to minimize waste sent to landfill, optimize beneficial use alternatives and decrease the cost of effluent

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treatment. We measure our performance on fiber loss intensity by dividing it by our annual production in metric tons, as disclosed on our corporate website. In 2021, we remained committed to establishing annual fiber loss targets for each of our pulp, paper and tissue mills, and have set a target to record fiber losses of no more than 39 kg per metric ton of production.

---

**Description**

Waste

**Metric value**

117707

**Metric numerator**

Metric tons of waste sent to landfill

**Metric denominator (intensity metric only)**

Our metric is not intensity based.

**% change from previous year**

6

**Direction of change**

Decreased

**Please explain**

Waste disposal programs implemented at our operations have more than doubled the total waste that Resolute recycles or repurposes through beneficial uses like agricultural land spreading for farmland fertilization. In 2021, we redirected 71% of pulp, paper and tissue mill residues toward beneficial uses, and away from landfills. The above figure pertains to waste sent to landfill specifically, as disclosed on our corporate website at [https://www.resolutefp.com/Sustainability/Mill\\_Environmental\\_Performance/Key\\_Performance\\_Indicators/](https://www.resolutefp.com/Sustainability/Mill_Environmental_Performance/Key_Performance_Indicators/).

In May 2022, we announced a series of longer-term targets including a commitment to reduce waste to landfill at our pulp, paper and tissue mills 15% by 2026 compared to 2018 levels.

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**Description**

Energy usage

**Metric value**

75

**Metric numerator**

Renewable fuel as a % of total fuel use.

**Metric denominator (intensity metric only)**

Total fuel usage in MWh is 20 024 008 MWh.

**% change from previous year**

0

**Direction of change**

No change

**Please explain**

By utilizing bark, wood residues and biosolids for energy instead of sending these waste products to landfills, Resolute is able to reduce consumption of non-renewable energy by replacing fossil fuels with sustainable biomass, reducing GHG emissions. In 2021, 75% of our fuel usage was derived from biomass, which is about the same ratio as for 2020. The portion of renewable energy consumed (including purchased electricity) was close to 78%.

We track and report on the percentage of fuel we consume from renewable resources, as disclosed on our corporate website at [https://www.resolutefp.com/Sustainability/Climate\\_Change\\_and\\_Energy/Green\\_Energy/](https://www.resolutefp.com/Sustainability/Climate_Change_and_Energy/Green_Energy/).

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**Description**

Other, please specify (Roundwood consumption at wood products facilities)

**Metric value**

0.02

**Metric numerator**

Roundwood (timber)

**Metric denominator (intensity metric only)**

Thousand board feet of wood products

**% change from previous year**

0

**Direction of change**

No change

**Please explain**

In May 2022, Resolute announced 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. We are striving to optimize the long-term carbon capture of wood products by improving roundwood consumption at our wood products facilities by 0.125 m3/mfbm compared to 2021. In parallel, we set an initial target for 2022 to achieve 0.025 m3/mfbm.

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**C10. Verification**

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

11208029-LTR-5-MarchI-Resolute FP 2021 OBPS Verification Report.pdf  
 11208029-LTR-5-MarchI-Resolute FP 2021 OBPS Verification Report.pdf

**Page/ section reference**

11208029-LTR-5-MarchI-Resolute FP 2021 OBPS Verification Report.pdf:  
 - pages 21 et 22, section 16: Statement of Verification, Schedule 5, Section 3(n)(i) and 3(n)(ii)  
 N.B. Similar verification reports were conducted for our eleven (11) facilities covered by Quebec's cap and trade system in 2021

2021\_10-K\_Resolu-PFR.pdf:

- page 30

GRI Content Index.pdf:

- page 5

**Relevant standard**

Other, please specify (ISO 14064 -1 and 3 ; Ontario Regulation 390/18 ; Canada Output-Based Pricing System Regulations ; Quebec Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere.)

**Proportion of reported emissions verified (%)**

27

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C5. Emissions performance	Year on year change in emissions (Scope 1 and 2)	Global Reporting Initiative Standards: Core option	<p>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, as we report according to the GRI Standards biannually.</p> <p>The Center for Sustainability and Excellence (CSE) was retained by Resolute to provide verification of the application of the 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:</p> <ul style="list-style-type: none"> <li>-Statements, information and performance data; and</li> <li>-Data and information as per the requirements of the GRI Standards Sustainability Reporting Guidelines, as indicated in the GRI content index.</li> </ul> <p>With respect to the scope of work, CSE verified that Resolute's sustainability reporting was prepared in accordance with the GRI Standards: Core option.</p> <p>The company's management approach to risk assessment, management and mitigation can be found on our corporate website at:</p> <p><a href="https://www.resolutefp.com/Sustainability/Climate_Change_and_Energy/GRI_Content_Index.pdf">https://www.resolutefp.com/Sustainability/Climate_Change_and_Energy/GRI_Content_Index.pdf</a></p>

## C11. Carbon pricing

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### C11.1

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**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

#### C11.1a

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**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

Canada federal fuel charge

Canada federal Output Based Pricing System (OBPS) - ETS

Québec CaT - ETS

Other carbon tax, please specify (Quebec fuel charge)

#### C11.1b

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**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

**Canada federal OBPS - ETS**

**% of Scope 1 emissions covered by the ETS**

18

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2021

**Period end date**

December 31 2021

**Allowances allocated**

162786

**Allowances purchased**

33290

**Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

196076

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

Resolute's Thunder Bay (Ontario) pulp and paper mill was covered by the Canada's federal Output-Based Pricing System (OBPS) in 2021, but all of Resolute's operations in this jurisdiction were impacted by the cost of carbon, including sawmills and woodland operations. A carbon price is included in decision-making at our facilities operating in cap-and-trade jurisdictions. For other facilities, the impact of each project on the company's GHG emissions is evaluated, and taken into consideration in the decision-making process.

The verified scope 1 is slightly different than the one reported under section C7.3b, as different methodologies are used for corporate and regulatory purpose.

**Québec CaT - ETS****% of Scope 1 emissions covered by the ETS**

20

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2021

**Period end date**

December 31 2021

**Allowances allocated****Allowances purchased****Verified Scope 1 emissions in metric tons CO<sub>2</sub>e**

225431

**Verified Scope 2 emissions in metric tons CO<sub>2</sub>e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

Eleven (11) Resolute facilities were covered by Quebec's cap-and-trade (CaT) program in 2021, but all of Resolute's operations in this jurisdiction were impacted by the cost of carbon, including sawmills and woodland operations. Voluntary opting-in was allowed as of January 1, 2019, for mills that emit more than 10,000 metric tons of GHG per year. All eight pulp and paper mills in Quebec are registered to the CaT system, alongside three sawmills. A carbon price is included in decision-making at our facilities operating in cap-and-trade jurisdictions. For other facilities, the impact of each project on GHG emissions is evaluated, and taken into consideration in the decision-making process. Information pertaining to allowances must remain confidential as required by law. Starting in January 2013, our operations in Quebec that emit more than 25,000 metric tons of GHG per year receive a certain number of free allowances from the Quebec CaT scheme calculated based on baseline emissions. This is also now the case for voluntary opt-in mills as of January 2019. The amount of free allowances is reduced annually to achieve the Quebec government's GHG reduction target. Depending on the level of our emissions, we may have to either carry out emissions reduction projects and/or purchase rights - although we may end up in a position to sell rights.

**C11.1c**

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**(C11.1c) Complete the following table for each of the tax systems you are regulated by.****Canada federal fuel charge****Period start date**

January 1 2021

**Period end date**

December 31 2021

**% of total Scope 1 emissions covered by tax**

1

**Total cost of tax paid**

1500000

**Comment**

Starting April 1, 2019, the federal fuel charge applied to all Resolute sawmills, woodlands operations and transportation in Ontario. Resolute sawmills are part of scope 1 emissions whereas woodlands operations and transportation fall under the scope 3 category. Based on the fuel consumption of our Ontario sawmills, and using an estimation of the fuel used by woodlands operators and transportation-related costs, the overall fuel charge in 2021 was estimated to be around C\$2 million.

**Other carbon tax, please specify****Period start date**

January 1 2021

**Period end date**

December 31 2021

**% of total Scope 1 emissions covered by tax**

1

**Total cost of tax paid**

4700000

**Comment**

Under Quebec jurisdiction, other carbon taxes apply when fuel suppliers transfer their cap and trade costs to their customers. Because of this, Resolute estimates an indirect carbon cost in 2021 of C\$6 million, based on the fuels used in mobile equipment at our eleven facilities, which are all registered to Quebec's cap and trade system. The indirect carbon cost also factors in fuels from our Quebec sawmills, woodlands operations and transportation.

**C11.1d**

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**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

As of January 2013, any of our operations in Quebec emitting more than 25,000 metric tons (mt) of greenhouse gas (GHG) emissions per year received a certain number of free allowances from the Quebec cap-and-trade system, which are calculated based on baseline emissions. As of January 1, 2019, mills emitting more than 10,000 mt of GHG emissions per year were able to opt-in to the cap-and-trade system. The amount of free allowances is reduced annually to achieve the Quebec government's GHG reduction target. Depending on the level of our emissions, we must either carry out emissions reduction projects and/or purchase rights, or even be in a position to sell. One of the first mandates of Resolute's carbon committee was to develop a carbon strategy by prioritizing these compliance mechanisms. The prioritized mechanism we identified was to ensure subsequent GHG emission reductions were spearheaded and implemented at the mill level. A list of potential projects was consolidated and is revised on a continuous basis based on the progress mills are making. Projects from this list are prioritized by the executive team based on different factors, namely return on investment.

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**C11.2**

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

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**C11.3**

**(C11.3) Does your organization use an internal price on carbon?**

Yes

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**C11.3a**

**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

- Navigate GHG regulations
- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities

**GHG Scope**

Scope 1

**Application**

In 2021, all of Resolute's facilities in Canadian jurisdictions were either registered to Quebec's cap-and-trade program, Canada's federal Output-Based Pricing System, or impacted by the cost of carbon, including sawmills and woodland operations. A carbon price is included in decision-making at our facilities operating in Quebec. For other facilities, the impact of each project on greenhouse gas emissions is evaluated and taken into consideration in the decision-making process.

On a monthly basis, costs associated with carbon pricing (not including the free allowances we receive from the government) are updated and shared with the president & CEO and executive team, senior management, controllers, and mill managers in order to create awareness and internal change in behavior. In doing so, the goal is also to promote projects with low-carbon opportunities in order to reduce costs over the longer term.

**Actual price(s) used (Currency /metric ton)**

30

**Variance of price(s) used**

Resolute updates the price based on the most up-to-date information following a cap-and-trade auction. In 2021, the price used under Quebec's system was C\$29/metric ton. For all Ontario operations, C\$40/metric ton was used.

**Type of internal carbon price**

Other, please specify (Decision making)

**Impact & implication**

All of Resolute's facilities in Ontario and Quebec are impacted by the cost of carbon, including sawmills and woodland operations. A carbon price is included in decision-making at our facilities operating in these jurisdictions. For the other facilities, the impact of each project on greenhouse gas emissions is evaluated, and taken into consideration in the decision-making process.

On a monthly basis, costs associated with carbon pricing (not including the free allowances we receive from the government) are updated and shared with the president & CEO and executive team, senior management, controllers, and mill managers in order to create awareness and internal change in behavior. In doing so, the goal is also to promote projects with low-carbon opportunities in order to reduce costs over the longer term.

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**C12. Engagement**

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**C12.1**

**(C12.1) Do you engage with your value chain on climate-related issues?**

- Yes, our suppliers
- Yes, our customers/clients
- Yes, other partners in the value chain

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

Other, please specify (Survey suppliers on importance of the environment and related climate initiatives in terms of Resolute's impact and value chain)

**% of suppliers by number**

1

**% total procurement spend (direct and indirect)**

9

**% of supplier-related Scope 3 emissions as reported in C6.5**

0.35

**Rationale for the coverage of your engagement**

As part of the Global Reporting Initiative (GRI) reporting process, Resolute conducts targeted stakeholder outreach to better understand the sustainability issues of material importance to the company and how stakeholders perceive we manage these issues. We undertook an update of these issues in 2020, targeting 25 suppliers from all product segments representing a significant portion of our annual spend, including multi-national transportation, fiber and chemical suppliers. We undertake this form of engagement with suppliers bi-annually, and will be completing a similar consultation in 2022.

Resolute is committed to further integrating sustainability practices into our procurement process, including tendering and contracts, in order to better track the sustainability of vendors' supply chains. In 2019, we added principles of product stewardship to chemical contracts, including commitments to data reporting, information-sharing, chain of custody and environmental tracking, and put in place contract extensions covering principles of product stewardship for suppliers who signed on prior to introduction of our new Master Supply Agreement. In 2020, we implemented guidelines relating to the review of procurement contracts as well as Guidelines for High-Risk Environmental Contracts; all new chemicals purchased are subject to approval of Resolute's corporate environmental and product stewardship director. These measures allow us to reach the lion's share of our suppliers on these important issues. Without this engagement, and the disclosure that is tied to it, suppliers may not qualify for approval.

In 2021, we made a commitment to the Science Based Targets Initiative (SBTi) to set scope 1, 2 and 3 greenhouse gas (GHG) emission reduction goals for 2026. In June 2022, SBTi validated the targets: a 41.5% reduction in scope 1 and 2 GHG emissions and a 16.5% reduction in scope 3 GHG emissions from a 2015 base year. We will engage with our suppliers as part of this new initiative.

We are also aiming to create an online, one-stop-shop procurement portal for local, regional and global vendors to highlight supply chain transparency, which will include a process for tracking and disclosing the carbon footprint of our supply chain more closely. The target date is 2026.

**Impact of engagement, including measures of success**

By broadening how we track sustainability in our contracts with vendors, while building relationships with local and regional suppliers, we are closely engaged with our supply chain, enabling our Procurement department to better track our footprint. As part of the stakeholder outreach we undertook in 2020, suppliers were asked to rank sustainability issues of importance; respond to open-ended questions covering environmental issues; and select the United Nations' Sustainable Development Goals relevant to our business, including SDG #13: Climate Action. Suppliers ranked climate change as low-range importance, while placing economic performance, responsible procurement, forest management, environmental compliance and the rights of Indigenous Peoples as high priorities for Resolute. In all, 43% of the suppliers we contacted engaged in this process. Our largest vendors, as a percentage of procurement spend, were among them, including multi-national transportation, fiber and chemical suppliers.

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

In 2021, we completed the deployment of our Regional Supplier Registry web portal across all operations to support development of local and regional business in our operating communities. This new registration process has far exceeded expectations - over 5,000 businesses have signed up in Quebec, Ontario and the United States. As part of our initiative to create an online, one-stop-shop procurement portal for local, regional and global vendors to highlight supply chain transparency by 2026, we will include a process for tracking and disclosing the carbon footprint of our supply chain more closely.

**Comment**

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**C12.1b**

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**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement & Details of engagement**

Collaboration & innovation	Run a campaign to encourage innovation to reduce climate change impacts
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**% of customers by number**

4

**% of customer - related Scope 3 emissions as reported in C6.5**

2.5

**Please explain the rationale for selecting this group of customers and scope of engagement**

We engage with customers in a variety of ways in order to better understand their interests, concerns and goals, including frequent customer emails, one-on-one meetings, surveys and questionnaires. These efforts help us identify high-impact, high-interest issues (or shared priority issues) that drive everything from the development of our sustainability strategy to decisions about what we report on and how we set public commitments.

As part of the Global Reporting Initiative (GRI) reporting process, Resolute has also conducted targeted stakeholder outreach to better understand the sustainability issues of material importance to the company and how stakeholders perceive we manage these issues. In 2020, we engaged with close to 20 of our biggest customers from all product segments in order to assess our sustainability priorities, including GHG emissions, energy consumption and environmental compliance. We undertake this form of engagement with customers bi-annually, and will be completing a similar consultation in 2022.

We also regularly engaged with our customer base on sustainability issues through product scorecards and supply chain evaluations, such as the Environmental Paper Assessment Tool (EPAT), WWF's Environmental Paper Company Index (EPCI), the Book Chain Project and Ecovadis. We continuously monitor, analyze and update our performance, engaging and building productive working relationships with our customers via these databases. Customers can contact us directly for their sustainability related queries. Of the 166 customer requests we received in 2021, 24 were related to climate change and/or greenhouse gas emissions specifically.

**Impact of engagement, including measures of success**

Sustainability is one of Resolute's corporate values, and our Sales team is thoroughly involved in the deployment of our sustainability strategy through their involvement on our sustainability committee and customer sustainability requests, for which we have a formal system in place for allowing Sales to directly engage with our Communications, Environment and Legal teams on sustainability-related queries from customers.

Resolute also measures customer engagement and satisfaction by tracking and reporting quality and service key performance indicators (KPI) and by keeping a close eye on our established monitoring processes. Tissue joined our customer satisfaction tracking initiative in August 2020, and we continue to track KPIs on a monthly basis, as in previous years. In 2021, we reviewed and closed 95% of the Root Cause Problem Elimination (RCPE) cases that were initiated through our customer satisfaction initiative, an improvement over 2020. In addition, we received and completed 166 customer sustainability requests, which spanned issues as diverse as product and environmental stewardship to health and safety practices, but were also heavily focused on climate change. Twenty-four (24) were related directly to climate change and/or greenhouse gas emissions.

As part of the Global Reporting Initiative (GRI) reporting process, our targeted stakeholder outreach provided in-depth input on the priorities of our customers. Ranking climate change as a mid-range issue, customers identified ethics, responsible procurement, forest management, water management and employee health, safety & wellness as their priority concerns. In all, 44% of the customers we contacted engaged in this process, including some of our largest customers.

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**C12.1d**



**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Engaging and building productive working relationships with our stakeholders is at the core of our commitment to being a responsible and responsive company. We view a stakeholder as any individual or group that has an interest in or may be affected by – or have an effect on – our operations, initiatives or products. Resolute is committed to listening and contributing to constructive conversations with our stakeholders, including customers, employees, Indigenous peoples, environmental organizations, business partners, governments, investors and members of the communities where we live and work. 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 and operations.

As part of the Global Reporting Initiative (GRI) reporting process, Resolute has also conducted targeted stakeholder outreach to better understand the sustainability issues of material importance to the company and how stakeholders perceive we manage these issues. Resolute reports sustainability performance on these shared priority issues, initially based on a detailed analysis the company completed in 2010 as part of our first GRI disclosure. Comprehensive updates of our shared priorities assessment were completed in 2012, 2013, 2016 and 2020. During each of these exercises, we reached out to key partners and stakeholders to assess whether our sustainability strategy, public commitments and reporting practices continued to reflect their most relevant interests and needs. The 2020 survey included nine stakeholder groups: employees and retirees, customers, suppliers, First Nations and other Indigenous groups, investors, (E)NGOs, government representatives, civil society and local community representatives, and finally company executives and board members.

As always, the survey was conducted by a third party to facilitate an unbiased process and analysis. A representative geographic participation was ensured (responses were received from Ontario, Quebec, the United States and several international locations), as well as stakeholder involvement from various Resolute operations, including head office, pulp, paper and tissue mills, woodlands operations and wood products facilities.

Outlined below are a few of our stakeholder engagement initiatives that take place on an annual or more frequent basis.

Through our information-sharing program, we build and maintain strong relationships with key members of our operating communities. We exchange regularly, providing a forum for addressing a range of issues of mutual importance – from harvest area allocation and energy conservation to implementing solutions to noise pollution. However, in 2021, face-to-face meetings were less frequent as a result of the pandemic.

We are determined to continue developing constructive relationships with our First Nations and other Indigenous neighbors, with whom we share a common interest in ensuring that our forests continue to provide for future generations. We regularly and systematically engage with chiefs, band councils and elders in the communities located in or near our operations to ensure that the company takes local environmental, social and economic issues into consideration. We have ongoing partnerships and consultative relationships with close to 40 Indigenous communities and organizations.

We also continue to develop information resources such as The Resolute Blog and our social media accounts for the benefit of our stakeholders, including Facebook, Instagram, LinkedIn, Twitter and others. Our corporate communications strategy includes frequent customer/stakeholder emails highlighting our sustainability initiatives, including climate-related investments and projects.

As required by provincial legislation, Resolute prepares forest management plans for our woodlands operations in Canada. We revise these plans every five years. Public participation is a critical part of the process, and we encourage local community groups, individuals and Indigenous communities to participate in the planning process. More information on these processes is available on the websites of the Ontario Ministry of Natural Resources and the Quebec Ministry of Forests, Wildlife and Parks. The forest management plans for the woodlands we manage in Canada, which include our forest management policies and details about the public participation process, are available online.

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## C12.2

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

No, and we do not plan to introduce climate-related requirements within the next two years

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### C-AC12.2/C-FB12.2/C-PF12.2

**(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?**

Yes

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### C-AC12.2a/C-FB12.2a/C-PF12.2a

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**(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.**

**Management practice reference number**

MP1

**Management practice**

Enhanced forest regeneration practices

**Description of management practice**

The regeneration of harvested woodlands is an essential component of sustainable forest management. Resolute relies on various forest management techniques and best practices, including regeneration surveys, site preparation, the planting of seedlings, and aerial and terrestrial seeding – all in combination with natural regeneration. Accordingly, our commitments extend well beyond strict compliance with applicable forestry regulations, which in Quebec and Ontario are already among the most – if not the most – rigorous in the world. Resolute maintains certification for 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®). We continue to be one of the largest holders of SFI and FSC forest management certificates in North America. 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.

**Your role in the implementation**

Financial  
Knowledge sharing  
Operational

**Explanation of how you encourage implementation**

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 United States operations, fiber is mostly sourced externally, from numerous small non-industrial private forest landowners. Our own third-party 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. We work 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. We are continually working with them and 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® (ATFS) and the FSC Family Forests Program. We are positioning ourselves to maintain and reinforce our position as a worldwide distributor of wood-based products from sustainable sources.

As part of its certifications, 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.

Finally, Resolute is donating C\$1 million over five years toward the creation of a prestigious industrial research Chair sponsored by the Natural Sciences and Engineering Research Council of Canada at the University of Quebec in Chicoutimi, focusing on the spruce budworm.

**Climate change related benefit**

Emissions reductions (mitigation)  
Increasing resilience to climate change (adaptation)  
Increase carbon sink (mitigation)

**Comment**

Resolute also discloses to CDP's Forests program – earning an A- score last year. More details on forest management practices are available in that report.

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**C-AC12.2b/C-FB12.2b/C-PF12.2b**

**(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?**

Yes

**C12.3**

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**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers  
Yes, we engage indirectly through trade associations

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

No, and we do not plan to have one in the next two years

**Attach commitment or position statement(s)**

<Not Applicable>

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Our sustainability strategy, based on a balanced approach to environmental, social and economic performance, is designed to enhance our competitive position, ensure the responsible management of resources in our care, and generate positive socio-economic impacts. Aligned with the principles of the circular economy, the strategy is supported by public commitments under four pillars:

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

As part of our public commitments, we strive to ensure we have a Resolute voice in public policy discussions that impact operations, employees, communities and partners. Our vice president, Corporate Communications, Government Affairs and Sustainability, leads our public affairs program, in addition to chairing our sustainability committee, toward the goal of ensuring our outreach activities are undertaken consistently, transparently and in line with our corporate values.

Our Code of Business Conduct establishes the fundamental ethical values and standards of behavior that we are expected to demonstrate in all our work and business activities. For more information:

[https://www.resolutefp.com/uploadedFiles/About\\_Us/Corporate\\_Governance/Code\\_of\\_Business\\_Conduct.pdf?v=1](https://www.resolutefp.com/uploadedFiles/About_Us/Corporate_Governance/Code_of_Business_Conduct.pdf?v=1)

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**C12.3a**

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Emissions trading schemes

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Quebec's cap-and-trade system: SPEDE

**Policy, law, or regulation geographic coverage**

Sub-national

**Country/region the policy, law, or regulation applies to**

Other, please specify (Quebec)

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

Quebec's cap-and-trade system, also known as Quebec's carbon market or SPEDE, is an innovative economic tool that contributes to reducing greenhouse gas (GHG) emissions by imposing an overall annual cap on GHG emissions on all emitters covered. Using market forces to promote the least expensive way of reducing GHG emissions, the cap-and-trade system provides emitters with flexibility in choosing how they can meet their compliance obligations, which lowers overall mitigation costs.

Resolute's active participation in the development of the system allowed us to influence the mechanisms for credit allowances, and to raise awareness on the importance of recognizing actions taken prior to implementation of the system. We also strongly support that proceeds from carbon pricing be used to promote GHG reduction projects - ie. that revenue generated from the system be reinvested in carbon-cutting initiatives - as is the case in Quebec's carbon market.

Resolute supports the implementation of cap-and-trade systems, that like SPEDE, recognize participants' proactive actions, as well as biomass carbon neutrality. We believe that cap-and-trade systems generate GHG emission reductions by allowing participants to benefit from implementation of cost-effective projects that provide financial impact. Recognizing actions that were taken prior to system implementation is critical to rewarding proactive players for their early efforts. The carbon neutrality of biomass sourced from sustainably managed forests is another critical issue for which Resolute strongly advocates.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Focus of policy, law, or regulation that may impact the climate**

Mandatory climate-related reporting

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Securities and Exchange Commission (SEC) proposed climate rule

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

United States of America

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

The Securities and Exchange Commission (SEC) has proposed rule changes that would require registrants to include certain climate-related disclosures in their registration statements and periodic reports, including information about climate-related risks that are reasonably likely to have a material impact on their business, results of operations, or financial condition, and certain climate-related financial statement metrics in a note to their audited financial statements. The required information about climate-related risks also would include disclosure of a registrant's greenhouse gas (GHG) emissions, which have become a commonly used metric to assess a registrant's exposure to such risks.

Resolute supports mandatory carbon reporting and perceives this exercise as a useful tool to promote transparency and drive GHG emission reduction initiatives. Through participation in government consultations, Resolute has provided, among other things, detailed comments on the relevance of proposed emission factors, as well as on the appropriateness of measurement methodologies and the status of biomass CO2 emissions.

Through our industry association in the United States, the American Forest & Paper Association, we submitted comments to the SEC on the proposed rule changes, highlighting the following points, among others:

- The SEC should be mindful of the carbon benefits of the U.S. forest-based circular bioeconomy;
- Given the extensive carbon benefits of the bioenergy generated at pulp and paper mills, public companies should be allowed to report biogenic CO2 emissions separately using existing programs;
- Estimating scope 3 emissions is a highly complex and evolving endeavor.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

Resolute supports the implementation of mandatory carbon reporting as long as participants' proactive actions and the carbon neutrality of biomass are recognized. Recognizing actions that were taken prior to system implementation is critical to rewarding proactive players for their early efforts. The carbon neutrality of biomass sourced from sustainably managed forests is a critical issue for which Resolute strongly advocates. In addition, mandatory reporting should provide reasonable timelines, given the need and availability of third-party information, such as utilities' emission factors for scope 2 reporting, and that calculating scope 3 emissions is highly complex.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

**Focus of policy, law, or regulation that may impact the climate**

Carbon tax

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Carbon Pricing and Canada's Federal Clean Fuel Standard

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

Canada

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

Resolute supports carbon-pricing policies as a market mechanism that drives competitiveness, creates jobs, encourages innovation and delivers meaningful emission reductions. A market price for carbon is currently included in decision-making at many of our facilities. While we do favor the implementation of cap-and-trade systems over the use of carbon taxes, as cap-and-trade provides greenhouse gas (GHG) emission reductions at the lowest cost while allowing participants to benefit from cost-effective solutions, we recognize carbon pricing's ability to reduce emissions and accelerate innovation. We also strongly support that proceeds from carbon pricing be used to promote GHG emission reduction projects - ie. that revenue generated from the system be reinvested in carbon-cutting initiatives - as is the case in Quebec's carbon market.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

The Clean Fuel Standard (CFS) is a regulation planned under the Environmental Protection Act that requires a reduction of carbon content in domestically used liquid fuels, such as gasoline and diesel, on average, by 12 to 14% between 2022 and 2030. We engage with governments in Canada to bring to light that 78% of our carbon costs are associated with provincial or federal fuel levies. Carbon costs incurred are primarily for heavy machinery in our woodland operations and for transportation of fiber from the forest to our sawmills, and from sawmills to paper & paper mills. The CFS represents an additional financial burden when there are few or no viable solutions to reduce GHG emissions in either of these cases for the time being.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

C12.3b

**(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**

Other, please specify (Forest Products Association of Canada)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

As the Forest Products Association of Canada (FPAC) puts it: Canada's forest products industry punches above its weight when it comes to mitigating climate change. Our forests play a critical role in the global carbon cycle — absorbing tremendous amounts of carbon dioxide (CO2) from the atmosphere and storing it in trees and soil.

Canada's forests represent 347 million hectares of forest land or 9% of the world's forests. These vast expanses are not just globally important ecosystems - they are also an economic driver that helps support many remote and Indigenous communities, while acting as one of the largest sources of employment in the country. The entire world is grappling with the urgent need to address climate change and cut carbon emissions. This will require fresh ideas, bold changes, and extraordinary will.

The Canadian forest products industry has the determination and drive to do its part by embracing an ambitious climate change challenge. FPAC is pledging to remove 30 megatonnes of CO2 a year by 2030 – more than 13% of the Canadian government's emissions reduction target.

As custodians of 9% of the world's forests, Canada's forest sector is serious about its responsibility to maintain this critical global ecosystem. Our stewardship focus works to mitigate climate change, because keeping forests healthy means more greenhouse gases are stored in trees and soils - not the atmosphere.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Trade association**

Other, please specify (American Forest & Paper Association)

**Is your organization's position on climate change consistent with theirs?**

Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**

We publicly promote their current position

**State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)**

In the United States, we work with the American Forest and Paper Association (AF&PA). Regional and state government policies are being considered or implemented across the U.S. to reduce greenhouse gas (GHG) emissions. These policies must balance environmental, social and economic concerns to ensure that the U.S. economy and paper and wood products industry remain globally competitive. They should also recognize the industry's unique role and early actions to reduce GHG emissions, including the efficient production and use of large quantities of carbon-neutral biomass energy, sustainable forest management and procurement practices, carbon sequestration, electricity generation and paper recycling.

Between 2005 and 2014, AF&PA members reduced their GHG emissions intensity by 16%, surpassing their Better Practices, Better Planet 2020 goal of a 15% reduction. In 2017, wanting to further improve their performance, members launched a new goal to achieve a 20% reduction of GHG emissions intensity by 2020 from the 2005 baseline. AF&PA members achieved a 23.2% reduction of absolute GHG emissions in 2019 compared to 2005.

Building on this success, AF&PA announced new 2030 reduction targets in 2021, including a scope 1 and 2 GHG emission intensity reduction of 50% from a 2005 baseline and a commitment to establish a goal by 2025 for relevant scope 3 emissions.

AF&PA submitted comments to the SEC on the proposed rule changes for climate reporting, highlighting the following points, among others:

- The SEC should be mindful of the carbon benefits of the U.S. forest-based circular bioeconomy;
- Given the extensive carbon benefits of the bioenergy generated at pulp and paper mills, public companies should be allowed to report biogenic CO2 emissions separately using existing programs;
- Estimating scope 3 emissions is a highly complex and evolving endeavor.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization's funding**

<Not Applicable>

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

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**C12.4**

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

2021\_10-K\_Resolu-PFR.pdf

**Page/Section reference**

See. p. 7-8, 30

**Content elements**

Governance

Strategy

Emissions figures

Other, please specify (Incentives)

**Comment**

To illustrate the importance of sustainability for Resolute, salaried employees have short-term compensation directly linked to specific ESG measures. In addition to performance metrics tied to Occupational Safety and Health Administration incident rates, safety severity rates and environmental incidents, a new measure has been added for Resolute's 2022 Short-Term Incentive Plan with respect to reductions in greenhouse gas emissions. In total, 25% of the 2022 STIP target includes ESG measures, with 5% tied to emission reductions.

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**C13. Other land management impacts**

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**C-AC13.2/C-FB13.2/C-PF13.2**

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**(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?**

Yes

**C-AC13.2a/C-FB13.2a/C-PF13.2a**

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**(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.**

**Management practice reference number**

MP1

**Overall effect**

Positive

**Which of the following has been impacted?**

Biodiversity

Soil

Water

Yield

**Description of impacts**

For both our internal and external wood and fiber, 100% is sourced in accordance with Sustainable Forestry Initiative® (SFI®) fiber sourcing requirements, Programme for the Endorsement of Forest Certification (PEFC) chain of custody (CoC) due diligence requirements or the Forest Stewardship Council® (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, including fiber from our suppliers. 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. 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, and issues related to biodiversity.

As part of its certifications, Resolute must take appropriate steps to ensure that it, and the suppliers and woodlot owners we source 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.

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 and wood products.

**Have any response to these impacts been implemented?**

Yes

**Description of the response(s)**

100% of the lands we own or manage are third-party certified to at least one internationally recognized forest management standard. Protection of biodiversity is an important aspect of these standards and a key component of the 25-year forest management plans that forestry companies must develop in association with government and the public. These plans ensure that specific objectives and monitoring processes are prepared and are in place for all woodlands operations. Annual surveillance audit reports for each of our woodlands operations are available on the certification standards' websites. The audit reports contain detailed information on the biodiversity value of each area and our forest management practices.

In addition to these forest management plans, Resolute has adopted strategies to safeguard biodiversity. They include identification of protected areas, implementation of selected management practices (such as partial or progressive cuts, retention of trees for nesting, buffering around eagle nests and leaving riparian green belts), and natural and planted forest regeneration. We use cutting-edge technologies to plan and conduct forest management activities, including 3D digital imagery and Global Positioning System (GPS) mapping technology, along with sophisticated geographic information system (GIS) applications. These and other tools help us better identify and address environmental and social factors (such as cultural landmarks) in our management plans, accurately lay out boundaries, and sustainably manage the resources in our care.

At our operations in the U.S. 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 approximately 700 external suppliers and more than \$500 million in annual payments.

In coordination with the provincial governments, Indigenous partners and suppliers, Resolute also 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.

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## C15. Biodiversity

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### C15.1

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**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>The chair leads the board of directors, which together with its environmental, health, safety and sustainability (EHSS) committee and its human resources and compensation/nominating and governance committee, are responsible for overseeing the company's sustainability plans and strategies as well as the company's ESG performance. The board's 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, including forests-related risks, such as biodiversity. 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>The vice president, Woodland Operations, assesses and manages forest-related risks and opportunities, which are reported to the president, Wood Products, who reports directly to the president &amp; CEO of the company. The position is also 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. The senior director, Forestry, who also reports to the president, Wood Products, monitors our third-party certification systems, including chain of custody (CoC) and forest management certifications. In addition, he reports quarterly to the sustainability committee with respect to the company's forests-related targets.</p> <p>We remain committed to maintaining internationally recognized forest management and CoC certifications at 100% of our woodlands and facilities, such as Sustainable Forestry Initiative® (SFI®), Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®). In addition, 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.</p>	<Not Applicable>

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to respect legally designated protected areas Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Commitment to secure Free, Prior and Informed Consent (FPIC) of Indigenous Peoples Commitment to no trade of CITES listed species	Please select

**C15.3**

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only	<Not Applicable>

**C15.4**

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy

**C15.5**

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	State and benefit indicators

**C15.6**



**(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Governance	See p. 6 and 30. 2021_10-K_Resolute-RFP.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Influence on public policy and lobbying Risks and opportunities Biodiversity strategy	See our 2021 CDP Forests questionnaire. On July 31, 2022, we will submit an updated version of this disclosure detailing our 2021 performance. Resolute_Forest_Products_Inc._.CDP_Forests_Questionnaire_2021_-_20210716202610.pdf
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Influence on public policy and lobbying	See our online sustainability reporting prepared in accordance with the Global Reporting Initiative's GRI Standards, available on our corporate website: <a href="https://www.resolutefp.com/Sustainability/Forestry_and_Fiber_Sourcing/">https://www.resolutefp.com/Sustainability/Forestry_and_Fiber_Sourcing/</a>

## C16. Signoff

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### C-FI

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**(C-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).

### C16.1

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**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

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

## SC. Supply chain module

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### SC0.0

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**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

Measuring and analyzing our carbon footprint is an essential step toward reducing the environmental impact of Resolute's operations. We have tracked and reported our carbon footprint since 2006, beginning with scope 1 and 2 greenhouse gas (GHG) emissions, and adding public disclosure of our scope 3 (supply chain) emissions in 2013, which we have updated annually since 2016. Our reporting commitments include disclosing our annual environmental performance to CDP, a globally-recognized, non-profit framework that has long championed environmental disclosure as standard business practice. For detailed information on all three scopes, please consult our CDP Climate Change disclosure.

In 2021, we took two important steps toward further integrating sustainability practices in our supply chain: committing to work with our suppliers and related stakeholders to develop scope 3 GHG emission reduction commitments; and signing on to the Science Based Targets initiative (SBTi). Our science-based target – in addition to encompassing goals for reducing scope 1, 2 and 3 emissions – will apply to all of our operations, as we delivered on our 2021 commitment to integrating our wood products facilities into our emissions reporting.

SBTi validated the targets in June 2022: a commitment to reduce scope 1 and 2 greenhouse gas (GHG) emissions by 41.5% and scope 3 emissions by 16.5% by 2026 from a 2015 base year. We are taking important steps toward further integrating sustainability practices in our supply chain by committing to work with our suppliers and related stakeholders to develop scope 3 GHG emission reduction commitments.

Wood products, as well as books, magazines and other durable pulp and paper products, store the carbon that began in the forest, and the recycling of paper avoids the methane emissions that occur at the landfill. These carbon sinks and avoided emissions can be subtracted from the emissions generated in the life cycle of wood products.

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

**SC0.1**

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

	Annual Revenue
Row 1	3664000000

**SC1.1**

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

**Requesting member**

News Corp

**Scope of emissions**

Scope 1

**Allocation level**

Facility

**Allocation level detail**

Based on scope 1 greenhouse gas emissions intensity at our Clermont (Quebec) newsprint mill.

**Emissions in metric tonnes of CO2e**

82560

**Uncertainty (±%)**

25

**Major sources of emissions**

Bunker C oil. In 2021, our Clermont mill started operating an electrical boiler to replace bunker C usage.

**Verified**

Yes

**Allocation method**

Allocation not necessary due to type of primary data available

**Market value or quantity of goods/services supplied to the requesting member**

4128

**Unit for market value or quantity of goods/services supplied**

Metric tons

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our GHG emissions are impacted by seasonal variability. There is typically an increase of intensity for the sources of energy we utilize during the winter season, and the intensity decreases in the summer season.

**Requesting member**

News Corp

**Scope of emissions**

Scope 2

**Allocation level**

Facility

**Allocation level detail**

Based on scope 2 greenhouse gas emissions intensity at our Clermont (Quebec) newsprint mill.

**Emissions in metric tonnes of CO<sub>2</sub>e**

8256

**Uncertainty (±%)**

25

**Major sources of emissions**

Hydro electricity

**Verified**

No

**Allocation method**

Allocation not necessary as secondary data used

**Market value or quantity of goods/services supplied to the requesting member**

4128

**Unit for market value or quantity of goods/services supplied**

Metric tons

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our GHG emissions are impacted by seasonal variability. There is typically an increase of intensity for the sources of energy we utilize during the winter season, and the intensity decreases in the summer season.

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**Requesting member**

WestRock Company

**Scope of emissions**

Scope 1

**Allocation level**

Facility

**Allocation level detail**

Based on scope 1 greenhouse gas emissions intensity at our Menominee (Michigan) recycled pulp mill.

**Emissions in metric tonnes of CO<sub>2</sub>e**

192150

**Uncertainty (±%)**

25

**Major sources of emissions**

Natural gas

**Verified**

No

**Allocation method**

Allocation not necessary due to type of primary data available

**Market value or quantity of goods/services supplied to the requesting member**

854

**Unit for market value or quantity of goods/services supplied**

Metric tons

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our GHG emissions are impacted by seasonal variability. There is typically an increase of intensity for the sources of energy we utilize during the winter season, and the intensity decreases in the summer season.

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**Requesting member**

WestRock Company

**Scope of emissions**

Scope 2

**Allocation level**

Facility

**Allocation level detail**

Based on scope 2 greenhouse gas emissions intensity at our Menominee (Michigan) recycled pulp mill.

**Emissions in metric tonnes of CO<sub>2</sub>e**

360388

**Uncertainty (±%)**

25

**Major sources of emissions**

Natural gas

**Verified**

No

**Allocation method**

Allocation not necessary as secondary data used

**Market value or quantity of goods/services supplied to the requesting member**

854

**Unit for market value or quantity of goods/services supplied**

Metric tons

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Our GHG emissions are impacted by seasonal variability. There is typically an increase of intensity for the sources of energy we utilize during the winter season, and the intensity decreases in the summer season.

**SC1.2**

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

Our greenhouse gas emissions are published on our corporate website at [www.resolutefo.com/sustainability/Climate\\_Change\\_and\\_Energy/Carbon\\_Footprint/](http://www.resolutefo.com/sustainability/Climate_Change_and_Energy/Carbon_Footprint/)

A breakdown of our facilities' scope 1 and 2 emissions is published annually in CDP's Climate Change questionnaire. Our scope 3 emissions are broken down by mill according to their annual production in metric tons. For more information on our scope 3 footprint, see our section C6 of the questionnaire.

**SC1.3**

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Resources specialized in downstream emissions of pulp and paper products. We need a better understanding of the differences between our pulp and paper segments' downstream emissions specifically, beginning with further analysis of our downstream transportation networks, as well as an assessment of customers - and their customers - processing and handling of manufactured goods. In addition to the collaboration of our customers, we will require the expertise and support of third parties, such as specialists in these fields.

**SC1.4**

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

Yes

**SC1.4a**

**(SC1.4a) Describe how you plan to develop your capabilities.**

In 2021, we made a commitment to the Science Based Targets Initiative (SBTi) to set scope 1, 2 and 3 greenhouse gas (GHG) emission reduction goals for 2026. In June 2022, SBTi validated the targets: a 41.5% reduction in scope 1 and 2 GHG emissions and a 16.5% reduction in scope 3 GHG emissions from a 2015 base year. We are taking important steps toward further integrating sustainability practices in our supply chain by committing to work with our suppliers and related stakeholders to develop scope 3 GHG emission reduction commitments. As part of this initiative, we will need a better understanding of the differences between our pulp and paper segments' downstream emissions, beginning with further analysis of our downstream transportation networks, as well as an assessment of customers - and their customers - processing and handling of manufactured goods. In addition to the collaboration of our customers, we will require the expertise and support of third parties, such as specialists in these fields.

**SC2.1**

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

**Requesting member**

WestRock Company

**Group type of project**

New product or service

**Type of project**

New product or service that reduces customers products / services operational emissions

**Emissions targeted**

Actions that would reduce both our own and our customers' emissions

**Estimated timeframe for carbon reductions to be realized**

1-3 years

**Estimated lifetime CO2e savings**

**Estimated payback**

3-5 years

**Details of proposal**

In early 2020, we announced the construction of a commercial plant to produce cellulose filaments, a new sustainable biomaterial derived from wood fiber that can be integrated into commercial and consumer products for many industries, including transportation, construction and energy, increasing the resistance and durability of those products. The strength of cellulose filaments can be compared to that of synthetic reinforcement fibers made from non-renewable petroleum inputs. The difference is that cellulose filaments are entirely renewable, with a lower carbon footprint.

The cellulose filaments will be marketed with the help of Performance BioFilaments Inc., a joint venture established in 2014 by Resolute and Mercer International Inc., dedicated to the development of non-traditional applications for cellulose filaments. The investment in cellulose filaments - a total of C\$27 million - represents an opportunity to enter into non-traditional growth markets. The cellulose filament and Kénogami mill optimization projects will create synergies within our network of operations in Saguenay-Lac-Saint-Jean. The project is scheduled for completion in 2022.

There are opportunities to meet WestRock's sourcing needs with the products we will put to market.

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**Requesting member**

News Corp

**Group type of project**

Reduce Logistics Emissions

**Type of project**

Other, please specify (Potential Implementation of a hybrid component in planetary trucks (Electro truck) as well as hybrid multifunctional harvesters)

**Emissions targeted**

Actions that would reduce our own supply chain emissions (our own scope 3)

**Estimated timeframe for carbon reductions to be realized**

3-5 years

**Estimated lifetime CO2e savings**

12500

**Estimated payback**

Other, please specify (To be determined)

**Details of proposal**

In order to reduce emissions associated with logging and forest transportation, Resolute is currently evaluating the potential use of hybrid planetary trucks (electro trucks) and hybrid multifunctional harvesters for our Quebec woodlands operations. After the evaluation of these possible projects in Quebec, we are planning to conduct the same evaluation for our Ontario woodlands operations.

The potential use of hybrid planetary trucks is in its second phase of evaluation. With 55 trucks currently in service for Resolute's woodlands operations in Quebec, electro trucks could result in fuel savings of close to 1.2 million liters of diesel; about 3500 t of CO2 equivalents per year.

Another promising project is the potential use of hybrid multifunctional harvesters. We are scheduled to test this type of equipment during the winter of 2023 in our Quebec woodlands operations, in collaboration with the federal government. We estimate that the use of this equipment in our Quebec woodlands operations could result in fuel savings of close to 3 million liters of diesel each year; about 9000 t of CO2 equivalents.

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**SC2.2**

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**

No

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**SC4.1**

**(SC4.1) Are you providing product level data for your organization's goods or services?**

No, I am not providing data

Submit your response

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**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