

Environment Commitments

PUBLIC COMMITMENTS

Resolute's sustainability performance driven by our public commitments







Resolute Forest Products' sustainability performance is driven by our public commitments – a combination of ambitious long-term objectives, annually revised targets and aspirational goals designed to maintain our competitive position.

We first established a set of public sustainability commitments in 2011, reflecting our approach to balancing the company's environmental, social and economic performance. Since then, we have tracked and reported our progress annually according to the **Global Reporting Initiative** (GRI), updating our targets, as necessary, in order to promote continuous improvement.

In 2021, we integrated the **United Nations Sustainable Development Goals** (SDGs) into our sustainability reporting practices. By tying our ambitious targets and performance updates to the SDGs, we have enhanced our commitment to transparency, accountability and sustainability oversight. To learn more, visit the UN Sustainable Development Goals section of Resolute's corporate <u>website</u>.

The following tables provide a summary of Resolute's public commitments and sustainability performance for all the operations we owned or operated as at December 31, 2021.

Greenhouse Gas (GHG) Emissions

2021 Targets	2021 Performance	2022 Targets
Report climate change data and management practices to CDP, including scope 1, 2 and 3 emissions	Increased to "B" from "B-", maintaining placement at management level and reflecting concrete actions on climate issues and steps taken to manage carbon footprint	Report to CDP's climate change questionnaire, including scope 1, 2 and 3 emissions
	Rating: +	
By 2022 include wood products facilities' GHG emissions in the company's inventory	Wood products facilities now included in inventory and subject to GHG targets Rating: +	N/A – target achieved
By 2025 reduce pulp, paper and tissue mills' absolute GHG emissions (scope 1 and 2) by 30% over 2015 levels	Achieved 33.6% reduction over 2015 levels, including all operations, attributable to scope 1 reduction initiatives as well as significant reductions in scope 2 emissions related to "greening" of U.S. electricity grid	Establish a 2026 GHG emission (scope 1 and 2) reduction target in 2022 in line with the Science Based Target initiative (SBTI)
	Achieved 85.6% reduction compared to 2000 at pulp, paper and tissue mills	New target for 2022
	Rating: ++	
Develop scope 3 GHG emission reduction commitments	Submitted application to SBTi for establishing a science-based target in 2022, which will include a scope 3 emission reduction target	Establish a 2026 scope 3 GHG emission reduction target in line with SBT
	Rating:	New target for 2022
Operate within FPAC's established GHG emission reduction framework, the "30 by 30" Climate Change Challenge, which aims to reduce the industry's	Ongoing work with FPAC to assess progress, which will be reported in 2022 Rating:	Operate within FPAC's established GHG emission reduction framework, the "30 by 30" Climate Change Challenge, which aims to reduce the industry's emissions b
emissions by 30 megatonnes a year by 2030		30 megatonnes per year by 2030

⁺⁺ Surpassed commitment + Achieved commitment = Maintained achievement

> Ongoing progress X Commitment unattained

Environmental Management Systems (EMS)

2021 Targets	2021 Performance	2022 Targets
Record 15 or fewer environmental incidents, with a long- term goal of zero incidents	Recorded 12 class 1 and 2 incidents; trained 165 directors, managers and superintendents to reinforce commitment to environmental management and compliance Rating: +	Record 12 or fewer class 1 and 2 environmental incidents
Maintain ISO 14001 EMS certification at 100% of certified operations	Maintained certification at 100% of certified facilities Rating:	Maintain ISO 14001 EMS certification at 100% of certified operations
Finalize ISO 14001 EMS certification at Menominee (Michigan) pulp mill and Florida tissue mills, and assess implementation of ISO 14001 EMS certification at U.S. sawmills, with goal of completing certification in 2022	Completed certification at Menominee and Florida mills; assessment underway at U.S. sawmills for expected completion in 2022; set target to complete certification at Hagerstown (Maryland) tissue converting facility in 2023 Rating:	Implement ISO 1400 EMS certification at U.S. sawmills
		Implement ISO 1400 EMS certification at Hagerstown tissue converting facility Target for 2023

Forest Management (FM)

Environment Commitments

2021 Targets	2021 Performance	2022 Targets
Maintain certification of 100% of Resolute-owned or managed woodlands to at least one internationally recognized FM standard	Maintained certification of 100% of Resolute-owned or managed woodlands Rating:	Maintain certification of 100% of Resolute- owned or managed woodlands to at least one internationally recognized FM standard
Report forests data and management practices to CDP	Received "A-", the highest score granted in this category for North America-based forest products companies, placing us at leadership level and reflecting our environmental best practices, and actions taken to manage harvest risk and implement monitoring programs Rating:	Report to CDP's forests questionnaire
Record no more than five FM incidents leading to regulatory infractions in Canada, excluding those of a strictly administrative nature, with a long-term goal of zero infractions	Recorded two incidents in Lac-Saint-Jean (Quebec) woodlands related to machinery trespasses within 30-meter edges along a cut, for a total of C\$4,190 in fines Rating: +	Record no more than five FM incidents leading to regulatory infractions in Canada, excluding those of a strictly administrative nature

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Fiber Sourcing and Management

2021 Targets	2021 Performance	2022 Targets
Complete integration of U.S. sawmills into Resolute's multisite chain of custody (CoC) certification	Delayed until 2022; assessments of fiber supply sourcing underway Rating: x	Complete integration of U.S. sawmills into Resolute's multisite CoC certification
Maintain CoC certifications to internationally recognized standards at 100% of certified facilities	Maintained CoC certification at 100% of certified facilities Rating:	Maintain CoC certifications to internationally recognized standards at 100% of certified facilities
Integrate Hagerstown (Maryland) tissue converting facility into tissue group's multisite CoC certification	Completed integration of Hagerstown into tissue group's multisite CoC certification	Increase externally sourced certified fiber supply to 75% across company operations New target for 2026
		Reduce roundwood consumption by 0.025 m³/mfbm at wood products facilities New target for 2022
		Reduce roundwood consumption by 0.125 m³/mfbm at wood products facilities
		New target for 2026

Residue and Waste Management

2021 Targets	2021 Performance	2022 Targets
Record fiber losses of no more than 40 kg per metric ton (mt) of production at all pulp, paper and tissue mills	Recorded fiber losses of 39.3 kg per mt of production Rating:	Record fiber losses of no more than 39 kg per mt of production at all pulp, paper and tissue mills
Establish annual fiber loss targets for each of our pulp, paper and tissue mills	Established targets at all facilities Rating:	Establish annual fiber loss targets for each of our pulp, paper and tissue mills
		Reduce waste to landfill by 20% at all pulp, paper and tissue mills against 2018 levels New target for 2026

Water Management

Environment Commitments

2021 Targets	2021 Performance	2022 Targets
Continue to establish annual water reduction targets for each of our pulp, paper and tissue mills	Established targets at all facilities Rating:	Establish annual water reduction targets for each of our pulp, paper and tissue mills
Disclose water security management practices and data to CDP	Sustained a "B" in the water security category, a management level score that reflects actions taken to evaluate and manage environmental risks relating to Resolute's use and treatment of water Rating:	Report to CDP's water security questionnaire

Health and Safety Incidents

2021 Targets	2021 Performance	2022 Targets
Achieve an OSHA incident rate of 0.60 or less, with a long-term goal of zero injuries	Achieved an OSHA incident rate of 0.47	Achieve an OSHA incident rate of 0.55 or less
		Achieve an OSHA incident rate of 0.40 or less New target for 2026
Achieve a severity rate of 16 or less	Recorded a severity rate of 21.6	Achieve a severity rate of 16 or less
		Achieve 30 million hours without a recordable incident across our operations*
		New target for 2026

*Based on increments of facilities achieving 250,000 consecutive hours without a recordable injury; the 30 million hours are not consecutive

Health and Safety Procedures

Social Commitments

2021 Targets	2021 Performance	2022 Targets
Ensure more than 95% of hourly employees submit at least two proactive near-miss reports	98% of hourly employees submitted at least two proactive near-miss reports Rating: +	Ensure 100% of hourly employees submit at least two proactive near-miss reports
Review and resolve more than 75% of submitted proactive near-miss reports	Reviewed and resolved 91% of proactive near-miss reports submitted Rating: +	Review and resolve more than 75% of submitted proactive near-miss reports
Ensure more than 95% of hourly employees create and review at least four job safety analyses (JSA) or safe operating procedure (SOP) reports	99% of hourly employees created and reviewed at least four JSA or SOP reports Rating: +	Ensure 100% of hourly employees create and review at least four JSA or SOP reports

Key Strategic Partnerships

2021 Targets	2021 Performance	2022 Targets
Ensure and sustain ongoing outreach with stakeholders, and develop key strategic partnerships across our operations	Entered into partnership with Nature Conservancy of Canada committing C\$60,000 over next four years to support Carapace Project in Mauricie (Quebec), a campaign to raise awareness about turtles on roads Renewed five-year, C\$175,000 commitment to fund Laval University's educational leadership chair in Indigenous forestry via Quebec Forest	Ensure and sustain ongoing outreach with stakeholders, and develop key strategic partnerships across our operations
	Industry Council Rating:	

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Human Rights and Diversity

2021 Targets	2021 Performance	2022 Targets
Train 100% of new employees on workplace respect and civility	Trained 100% of new employees on workplace respect and civility Rating:	Train 100% of new employees on workplace respect and civility
		Establish diversity, equity and inclusion working committee
		New target for 2022
		Develop human rights policy according to international best practices to complement Resolute's existing policies related to human rights
		Strive to increase women's representation on the board of directors to 30% by 2024 New target for 2024

Collective Agreements

2021 Targets	2021 Performance	2022 Targets
Renew six expired or expiring collective agreements covering 326 employees at wood products operations in Canada	Signed seven collective agreements, covering 540 employees at our wood products facilities in Canada Rating:	Renew 20 collective agreements covering 1,160 employees at pulp and paper operations and 860 employees at wood products facilities

Renewal and Retention

Social Commitments

2021 Targets	2021 Performance	2022 Targets
Continue developing	Ongoing implementation of international	Implement new
our understanding of	recruitment strategy	leadership and human
the attraction and		resources practices to
retention challenges	Completed benchmarking of	create an inclusive and
faced in each	compensation practices and tools	diverse workplace
operating region, and		
implement new	Supported Asset Performance team	(see also: 'Human
leadership and human	toward developing an asset	Rights and Diversity')
resources practices to create an inclusive	performance and improvement culture	
workplace that	Continued focus on Emerging Talent	
attracts, retains and	Program, promotion of Employee	
engages a diverse	Referral Program and development of	
workforce	diversity, equity and inclusion (DE&I)	
	strategy	
	Rating:	
Disclose annual hires.	Hired 1,490 new and permanent	Disclose annual hires,
turnover rates and	employees	turnover rates and
internal employee		internal employee
movements	Recorded 18.6% turnover rate, including	movements
	a 4.7% involuntary turnover rate	
	Recorded 210 internal employee	
	movements	
	Rating:	

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Community Outreach and Contributions

2021 Targets	2021 Performance	2022 Targets
Ensure 100% of operations report community outreach activities consistently and transparently, focusing on local engagement with external stakeholders	100% of operations reported community outreach activities, with monthly average of 75% Rating:	Ensure 100% of operations report community outreach activities consistently and transparently, focusing on local engagement with external stakeholders
Make annual community and charitable contributions of at least \$1 million (with emphasis on environmental stewardship, health and education programs), and support operations and employee fundraising initiatives	Made community, charitable and academic contributions at the corporate and operations levels: - \$250,111 at operations level - \$241,930 through Board of Directors Safety Award - \$148,425 through vaccination incentive program - \$166,042 through other corporate donations - \$295,047 in academic support** - \$118,650 through Resolute Golf Classic - \$56,736 to Centraide Total: \$1.3 million***	Make annual community and charitable contributions of at least \$1 million (with emphasis on environmental stewardship, health and education programs), and support operations and employee fundraising initiatives

Community Outreach and Contributions (continued)

Social Commitments

2021 Targets	2021 Performance	2022 Targets
		Contribute at least \$5 million to academic and charitable community organizations across all operations New target for 2026
		Donate at least \$1 million to charitable community organizations through the Board of Directors Safety Award program

^{**}Includes \$85,085 in awards from Resolute endowment funds

^{***}Includes amounts under Key Strategic Partnerships and Public Policy

Sustainability Oversight and Risk Management

Sustainability Oversight and Kisk Management		
2021 Targets	2021 Performance	2022 Targets
Maintain effective sustainability oversight and risk management practices via quarterly meetings of the sustainability committee	Maintained sustainability oversight via four sustainability committee meetings as well as four meetings of board of directors' environmental, health, safety and sustainability (EHS&S) committee; in December 2021, EHS&S committee formally added sustainability to its name to better reflect the sustainability role for which it was already responsible Rating:	Maintain sustainability oversight and risk management practices via quarterly meetings of sustainability committee and board's EHS&S committee
		Develop governance charter for sustainability committee New target for 2022
Improve governance disclosures in Resolute's Management Proxy Statement, including detailed disclosure of attendance	Reported detailed disclosure of board member attendance in Management Proxy Statement Rating:	Disclose adoption of related persons policy in Management Proxy Statement New target for 2022
		Provide board directors, executive team and sustainability committee members training on environmental, social and governance (ESG) New target for 2022
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Sustainability Oversight and Risk Management (continued)

2021 Targets	2021 Performance	2022 Targets
Maintain enterprise risk management (ERM) process to address risk factors identified by the disclosure committee, executive management, as well as board of directors' audit committee, which are outlined in 2020 Form 10-K	Included risk factors identified through ERM process in 2020 Form 10-K Rating:	Maintain enterprise risk management (ERM) process to address risk factors identified by the disclosure committee, executive management, as well as the board of directors' audit committee, which are outlined in 2021 Form 10-K
		Introduce GHG emission reduction incentive into the annual short-term incentive plan (STIP), building on safety and environmental performance measures already in place
		New target for 2022

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Public Policy

2021 Targets	2021 Performance	2022 Targets
Maintain best-in-class participation in the Resolute political action committee (PAC) at the U.S. operations level and communicate regularly with PAC participants; make special solicitation effort at Arkansas, Florida and Tennessee operations	Resolute PAC made \$35,370 in contributions to 17 political campaigns Raised \$55,078 via employee PAC contributions Rating:	Maintain participation in the Resolute PAC at the U.S. operations level and communicate regularly with PAC participants; make special solicitation effort at Arkansas, Florida and Maryland operations
Ensure a Resolute voice in public policy discussions that impact operations, employees, communities and partners	Continued efforts to oppose softwood lumber duties and support a final resolution to the dispute on the basis of fair and open trade Continue to work with forest industry associations and a range of stakeholders in the U.S. and Canada in an effort to provide stakeholder awareness on facts related to the boreal forest and to address anti-boreal legislation in the U.S. Maintained Canadian public policy focus on harmonizing federal and provincial regulatory and legal frameworks – as well as interministerial collaboration within governments – with respect to land and species at risk management.	Ensure a Resolute voice in public policy discussions that impact company operations, employees, communities and partners

Sustainability Reporting and Transparency

2021 Targets	2021 Performance	2022 Targets
Maintain commitment to transparency and annual sustainability reporting by integrating the United Nations Sustainable Development Goals (SDGs) into sustainability reporting prepared in accordance with Global Reporting Initiative (GRI) Standards	Successfully integrated SDGs into Resolute's annual reporting practices; created new webpage under corporate website's sustainability section highlighting contributions to SDG targets; aligned sustainability reporting according to the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) Rating:	Maintain commitment to transparency and annual sustainability reporting by completing materiality assessment according to the new GRI Universal Standards
		Continue to align reporting according to UN SDGs
		Assess compliance of annual disclosures with SASB standards for forestry management and pulp and paper products New target for 2022

Governance and Economic Commitments

Code of Business Conduct

2021 Targets	2021 Performance	2022 Targets
Conduct annual review of <u>Code of</u> <u>Business Conduct</u> and <u>Ethics Reporting</u> <u>Policy</u>	Completed annual review of Code of Business Conduct and Ethics Reporting Policy Rating:	Conduct annual review of Code of Business Conduct and Ethics Reporting Policy
Train 100% of new employees on Code of Business Conduct	Trained 100% of new employees on Code of Business Conduct Rating:	Train 100% of new employees on Code of Business Conduct

Data Security and Privacy

2021 Targets	2021 Performance	2022 Targets
Review annually Resolute's continuous improvement strategy for data security and privacy according to best practices, emerging trends and data security threats	Implementing five-year continuous improvement strategy to consolidate our security design and controls; reported to the board of directors' audit committee on Resolute's security posture Rating:	Report twice a year to the board's audit committee on Resolute's security posture New target for 2022
		Assess reporting according to GRI Standard 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data New target for 2022

Customer Satisfaction

2021 Targets	2021 Performance	2022 Targets
Focus on customer satisfaction by measuring quality and service key performance indicators (KPIs) and monitoring established processes for pulp, paper and tissue	Wood products committed to participating in KPI initiative effective 2022; pulp, paper and tissue segments continued to track KPIs on a monthly basis, as in previous years Rating:	Continue measuring quality and service KPIs and monitor established processes for pulp, paper and tissue, and integrate wood products into the initiative
Ensure 88% of root cause problem elimination (RCPE) cases are reviewed and closed for pulp, paper and tissue segments	Reviewed and closed 95% of pulp, paper and tissue RCPE cases Rating:	Ensure 90% of RCPE cases are reviewed and closed for pulp, paper and tissue segments

Procurement

2021 Targets	2021 Performance	2022 Targets
Complete deployment of Regional Supplier Registry web portal across all operations to support development of local, regional and Indigenous business in our operating communities	Completed deployment of Regional Supplier Registry web portal in Ontario and U.S. operations, after completing deployment in Quebec in 2020: over 5,000 businesses have signed up through the new portal Rating:	Leverage Regional Supplier Registry across all operations to support development of local, regional and Indigenous business in our operating communities
Continue integration of sustainability practices by working with a representative sample of suppliers and related stakeholders to develop scope 3 GHG emission reduction commitments	Updated scope 3 inventory for CDP climate change questionnaire; introduced new initiative to further refine inventory based on the National Council for Air and Stream Improvement's (NCASI) new scope 3 emissions tool Engaged with suppliers to reduce carbon footprint of product shipments: chemical vendor to establish new terminals in Thunder Bay (Ontario) and Saguenay–Lac-Saint-Jean (Quebec) to shift long distance transportation of shipments from trucking to rail Added a section to the Code of Business Conduct indicating that it is every employee's responsibility to make environmental considerations an integral part of their daily decisions, including following best sustainability and environmental practices in daily work routine, and reducing their own carbon footprint at work through responsible transportation and consumption	See "Greenhouse Gas Emissions" for further information on scope 3 emissions
	Rating:	

Procurement (continued)

2021 Targets	2021 Performance	2022 Targets
Complete implementation of '3E Connect' tracking system to support product stewardship and track conformity of our supply chain	Completed implementation of '3E Connect' tracking system; new database now used to respond to customer requests and for other product stewardship initiatives Rating: +	N/A – target achieved
		Create an online, one- stop-shop procurement portal for local, regional and global suppliers to highlight supply chain transparency

Product Innovation

2021 Targets	2021 Performance	2022 Targets
Continue developing new ways to efficiently produce and commercialize innovative bioproducts derived from wood	Construction of facility specializing in production of cellulose filaments at Kénogami (Quebec) paper mill scheduled for completion in 2022 At 2021 Edison Awards, won silver award in manufacturing, logistics and transportation category for	Complete construction and ramp-up of cellulose filaments plant at Kénogami paper mill
	thermomechanical pulp (TMP) biorefinery in Thunder Bay	
	Secured initial orders for TMP for use in absorbent agricultural products Rating:	

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Indigenous Business Opportunities and Employment

indigenous Business Opportunities and Employment		
2021 Targets	2021 Performance	2022 Targets
Provide equitable access to commercial opportunities and promote economic participation of Indigenous peoples and businesses in the forest products sector	Ongoing consultative relationships and business partnerships with close to 40 Indigenous communities and organizations, including these 2021 highlights: Held press event in Thunder Bay to celebrate 20 years of partnership with Fort William First Nation Organized meetings in Northwestern Ontario between First Nation chiefs and our President and CEO Donated C\$25,000 to Lac des Mille Lacs Education Centre (Ontario), an innovative Indigenous-led school, to support experiential learning, Anishinaabemowin (Ojibwe) language instruction and a hockey program Contributed C\$3,000 to the economic development corporation of Pekuakamiulnuatsh Takuhikan First Nation (Quebec) to support the development of female entrepreneurship Initiated discussions with local and regional partners on developing a model for the professional integration of Indigenous workers in Côte-Nord (Quebec) woodlands	Promote economic participation of Indigenous peoples and businesses in forest products sector

Unless otherwise noted, amounts in this document are in U.S. dollars, and data reported is as at December 31, 2021.

Cautionary Statements Regarding Forward-Looking Information

Statements in this document that are not reported financial results or other historical information of Resolute Forest Products Inc. (with its subsidiaries, "we," "our," "us", "Resolute" or the "company") are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. They include, for example, statements relating to our expectations to meet greenhouse gas emission reduction targets and other ESG targets and commitments, as well as strategies for achieving our goals generally. Forward-looking statements may be identified by the use of forward-looking terminology such as the words "should," "would," "could," "will," "may," "expect," "believe," "see," "continue," "improve," "strive," "position," "achieve," "maintain," "aim," "ensure," "develop," "reduce," "drive," "complete," "implement," "establish," "strategy," "commitment," "target" "goal," and other terms with similar meaning indicating possible future events or potential impact on Resolute's business or its shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management's current assumptions, beliefs, and expectations, all of which involve a number of business risks and uncertainties that could cause actual performance to differ materially. The potential risks and uncertainties that could cause Resolute's actual future financial condition, results of operations, performance and targets to differ materially from those expressed or implied in this document include, but are not limited to, the potential risks and uncertainties set forth under Part I, Item 1A, "Risk Factors," of Resolute's latest annual report on Form 10-K filed with the U.S. Securities and Exchange Commission (or, the "SEC"), which have been heightened by the COVID-19 pandemic, including related governmental responses and economic impacts, market disruptions and resulting changes in consumer habits.

All forward-looking statements are expressly qualified by the cautionary statements contained or referred above and in Resolute's other filings with the SEC and the Canadian securities regulatory authorities. Resolute disclaims any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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To learn more about Resolute's sustainability activities and leadership, visit resolutefp.com/sustainability.











