



Glatfelter SFI Summary 2014 Surveillance Audit Report

The SFI Program of the Glatfelter – Wood Division has achieved continuing conformance with the SFI Standard®, 2010-2014 Edition according to the NSF-ISR SFIS Surveillance Audit Process. The Company is formerly known as Glatfelter Pulpwood Company.

Glatfelter was initially certified to the SFIS on November 9, 2001 and re-certified by NSF-ISR in October, 2004 and 2009. An upgrade audit to the SFI 2010-2014 Standard was conducted in 2010 and a recertification audit in 2012. This report describes the second Surveillance Audit, which included a review of selected requirements as well as consideration of any changes in operations, the effectiveness of your management review system, and your efforts at continuous improvement.

Headquartered in York, PA, Glatfelter is a global manufacturer of specialty papers and fiber-based engineered materials, offering over a century of experience, technical expertise and world-class service. U.S. operations include facilities in Spring Grove, PA and Chillicothe and Fremont, OH. International operations include facilities in Canada, Germany, France, the United Kingdom, and the Philippines, a representative office in China and a sales and distribution office in Russia. Glatfelter's common stock is traded on the New York Stock Exchange under the ticker symbol GLT.

Glatfelter manages approximately 24,096 acres of land in Pennsylvania, Virginia, and Delaware. Glatfelter – Wood Division operates a pulpwood mill in Spring Grove, Pennsylvania that procures wood from Pennsylvania, Delaware, Virginia, Maryland, New York, New Jersey, and West Virginia. The species utilized include most pine and hardwood species. Glatfelter's SFI Program is managed by Scott Kurtzman.

The surveillance audit was performed by NSF-ISR on November 17-18, 2014 by an audit team headed by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits of "Section 9. SFI 2010-2014 Audit Procedures and Auditor Qualifications and Accreditation" contained in Requirements for the SFI 2010-2014 Program: Standards, Rules for Label Use, Procedures, and Guidance. The objective of the audit was to assess conformance of the firm's SFI Program to the requirements of the Sustainable Forestry Initiative® Standard, 2010-2014 Edition.

The scope of the SFIS Audit included fee timberland and procurement operations. Procurement was the focus because there have generally been minimal land management practices undertaken over the past several years (the lands are being sold). However, during the past year there were some harvests, so land management was also reviewed. Forest practices that were the focus of field inspections included those that have been conducted since the previous field audit that was conducted during October 2013. A sample of procurement operations since that time was reviewed to ensure that SFI Procurement Standards were met. In addition, a subset of SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to

incorporate continual improvement systems were reexamined during the audit. Use of the SFI logo and the requirement to provide a public of audit reports were also reviewed.

As with the initial certification, several of the SFI Performance Measures were outside of the scope of the Glatfelter -Wood Division's SFI program and were excluded from the scope of the SFI Certification Audit as follows:

- Indicator 2.1.4 because the Company does not plant exotic tree species.
- Indicator 2.1.7 because the Company does not plant trees in non-forested landscapes.
- Indicator 3.2.5 because BMP guidelines exist where the Company operates.
- Objectives 11-13 because the Company does not procure wood outside of the U.S. and Canada
- Indicator 15.1.2 as this organization does not conduct research on genetically engineered trees via forest tree biotechnology.
- Objective 18 as this Company does not have forest management responsibilities on public lands.

SFIS Surveillance Audit Process

The review was governed by a detailed audit protocol designed to enable the audit team determine conformance with the applicable SFI requirements. The process included the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. Documents describing these activities were provided to the auditor in advance, and a sample of the available audit evidence was designated by the auditor for review.

During the audit NSF-ISR reviewed a sample of the written documentation assembled to provide objective evidence of SFIS Conformance. NSF-ISR also randomly selected a sample of field sites for inspection and requested that Glatfelter foresters pick additional sites based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF-ISR SFI-SOP. NSF-ISR also selected and interviewed stakeholders such as contract loggers, landowners and other interested parties, and interviewed employees within the organization to confirm that the SFI Standard was understood and actively implemented.

The possible findings for specific SFI requirements included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS. Surveillance Audits generally focus on conformance issues and do not generally address exceptional practices.

Overview of Audit Findings

Glatfelter's SFI Program was found to be in full conformance with the SFIS Standard. No non-conformances or opportunities for improvement were identified and there were no non-conformances or OFIs issued during the 2013 audit.

The Recertification Audit is scheduled for October 2015.



General Description of Evidence of Conformity

NSF's audit team used a variety of evidence to determine conformance. A general description of this evidence is provided below, organized by SFI Objective.

Objective 2. Forest Productivity - To ensure long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, soil conservation, afforestation and other measures.

Summary of Evidence –Glatfelter has programs for reforestation, for protection against insects and diseases, and for careful management of activities which could potentially impact soils.

Objective 3. Protection and Maintenance of Water Resources - To protect water quality in streams, lakes and other water bodies.

Summary of Evidence – Field observations of a range of sites were the key evidence. Auditors visited portions of field sites that were close to water resources.

Objective 4. Conservation of Biological Diversity including Forests with Exceptional Conservation Value To manage the quality and distribution of wildlife habitats and contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals, including aquatic species.

Summary of Evidence – Field observations and policies, availability of specialists, and regular staff involvement in conferences and workshops that cover scientific advances were the evidence used to assess the requirements involved biodiversity conservation.

Objective 5. Management of Visual Quality and Recreational Benefits - To manage the visual impact of forest operations and provide recreational opportunities for the public.

Summary of Evidence – Field observations of completed operations were assessed during the evaluation.

Objective 6. Protection of Special Sites - To manage lands that are ecologically, geologically, or culturally important in a manner that takes into account their unique qualities.

Summary of Evidence –Field observations of completed operations and records of special sites were all assessed during the evaluation.

Objective 7. Efficient Use of Forest Resources - To promote the efficient use of forest resources.

Summary of Evidence –Field observations of completed operations, contract clauses, and discussions with supervising field foresters and with loggers provided the key evidence.

Objective 10. Adherence to Best Management Practices - To broaden the practice of sustainable forestry through the use of best management practices to protect water quality.

Summary of Evidence – Field observations and review of BMP monitoring records were the primary evidence used to assess adherence to BMPs.

Objectives 11 -13 are Not Applicable.

Objective 14. Legal and Regulatory Compliance -

Compliance with applicable federal, provincial, state and local laws and regulations.

Summary of Evidence – Field reviews of ongoing and completed operations were the most critical evidence. Regulatory organizations were also contacted.

Objective 15. Forestry Research, Science, and Technology - To support forestry research, science, and technology, upon which sustainable forest management decisions are based.

Summary of Evidence – Support for the National Council on Air and Stream Improvement was the key item in determining conformance. Foresters were interviewed regarding their knowledge of climate change predictions and possible impacts.

Objective 16. Training and Education -To improve the implementation of sustainable forestry practices through appropriate training and education programs.

Summary of Evidence – Confirmed by Glatfelter’s financial and physical support of the Pennsylvania, Virginia and Maryland/Delaware SICs and their development of education and logger training programs.

Objective 17. Community Involvement in the Practice of Sustainable Forestry - To broaden the practice of sustainable forestry by encouraging the public and forestry community to participate in the commitment to sustainable forestry, and publicly report progress.

Summary of Evidence – Confirmed by Glatfelter’s financial and physical support of the Pennsylvania, Virginia and Maryland/Delaware SICs and their development of handouts for forest landowners.

Objective 18: Public Land Management Responsibilities - Not Applicable.

Objective 19. Communications and Public Reporting - To broaden the practice of sustainable forestry by documenting progress and opportunities for improvement.

Summary of Evidence – Reports filed with SFI Inc. and the SFI Inc. website provided the key evidence.

Objective 20. Management Review and Continual Improvement - To promote continual improvement in the practice of sustainable forestry, and to monitor, measure, and report performance in achieving the commitment to sustainable forestry.

Summary of Evidence – Records of program reviews, agendas and notes from management review meetings, and interviews with personnel within the organization were assessed.



Relevance of Forestry Certification

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

1. Sustainable Forestry

To practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

2. Forest Productivity and Health

To provide for regeneration after harvest and maintain the productive capacity of the forest land base, and to protect and maintain long-term forest and soil productivity. In addition, to protect forests from economically or environmentally undesirable levels of wildfire, pests, diseases, invasive exotic plants and animals and other damaging agents and thus maintain and improve long-term forest health and productivity.

3. Protection of Water Resources

To protect water bodies and riparian zones, and to conform with best management practices to protect water quality.

4. Protection of Biological Diversity

To manage forests in ways that protect and promote biological diversity, including animal and plant species, wildlife habitats, and ecological or natural community types.

5. Aesthetics and Recreation

To manage the visual impacts of forest operations, and to provide recreational opportunities for the public.

6. Protection of Special Sites

To manage forests and lands of special significance (ecologically, geologically or culturally important) in a manner that protects their integrity and takes into account their unique qualities.

7. Responsible Fiber Sourcing Practices in North America

To use and promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible.

8. Avoidance of Controversial Sources including Illegal Logging in Offshore Fiber Sourcing

To avoid wood fiber from illegally logged forests when procuring fiber outside of North America, and to avoid sourcing fiber from countries without effective social laws.

9. Legal Compliance

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

10. Research

To support advances in sustainable forest management through forestry research, science and technology.

11. Training and Education

To improve the practice of sustainable forestry through training and education programs.

12. Public Involvement

To broaden the practice of sustainable forestry on public lands through community involvement.

13. Transparency

To broaden the understanding of forest certification to the SFI 2010-2014 Standard by documenting certification audits and making the findings publicly available.

14. Continual Improvement

To continually improve the practice of forest management, and to monitor, measure and report performance in achieving the commitment to sustainable forestry.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2010-2014 Edition

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