

Glatfelter SFI Summary 2015 Recertification Audit Report

The SFI Program of the Glatfelter – Wood Division has achieved continuing conformance with the SFI 2015-2019 Standards and Rules®, Section 3 according to the NSF Audit Process.

Glatfelter was initially certified to the SFIS on November 9, 2001 and re-certified by NSF 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 next Recertification Audit, which included a review of all of the requirements as well as consideration of any changes in operations, the effectiveness of the management review system, and the 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 – 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 recertification audit was performed by NSF at various dates in October 2015 by an audit team headed by Norman Boatwright, Lead Auditor. Audit team members fulfill the qualification criteria for conducting SFIS Certification Audits. The objective of the audit was to assess conformance of the firm’s SFI Program to the requirements of the SFI 2015-2019 Standards and Rules®, Section 3.

The scope of the SFIS Audit included operations. Forest practices that were the focus of field inspections included those that have been conducted since the previous field audit in October 2014. 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 5.2.2: The Company does not conduct research on genetically engineered trees.
- Objective 8: The Company does not have Public Land Management responsibilities.
- Objectives 11-13: The Company does not procure wood outside of the U.S. and Canada

SFIS Recertification 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 reviewed a sample of the written documentation assembled to provide objective evidence of SFIS Conformance. NSF 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 SFI SOP. NSF 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.

Overview of Audit Findings

Glatfelter's SFI Program was found to be in full conformance with the SFI Standard. A transitional minor non-conformance was identified and there were no non-conformances or OFIs issued during the 2015 Surveillance audit.

CI 6.1.5 Program Participants shall have written agreements for the use of qualified logging professionals and/or certified logging professionals (where available) and/or wood producers that have completed training programs and are recognized as qualified logging professionals.

Finding: A PO reviewed during the audit did not contain language that addresses logger training.

The Company exceeds the Standard requirements in the following area:

CI 6.2.1 Participation in or support of SFI Implementation Committees to establish criteria and identify delivery mechanisms for wood producer training courses and periodic continuing education that address...

Finding: The Company has an exemplary program of SIC support and participation, including active involvement with the MD/DE, PA and VA SICs.

The next Surveillance Audit is scheduled for the week of October 24, 2016.



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 1. Biodiversity in Fiber Sourcing - To address the practice of *sustainable forestry* by conserving *biological diversity*.

Summary of Evidence – Review of records, interviews with landowners and participation in the MD, PA and VA SICs.

Objective 2. 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.

Objective 3. Use of Qualified Resource and Qualified Logging Professionals - To encourage forest landowners to utilize the services of *qualified logging professionals*, *certified logging professionals* (where available) and *qualified resource professionals*.

Summary of Evidence – Training records of selected personnel, records associated with harvest sites audited, interviews with loggers and wood suppliers and landowner interviews were the key evidence for this objective.

Objective 4. Legal and Regulatory Compliance - To comply 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 contacted included the MD, PA, VA Forestry Commissions.

Objective 5. Forestry Research, Science and Technology - To invest in *forestry* research, science and technology, upon which sustainable forest management decisions are based and broaden the awareness of *climate change* impacts on forests, *wildlife* and *biological diversity*.

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

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

Objective 7. Community Involvement and Landowner Outreach - To broaden the practice of *sustainable forestry* through public outreach, education, and involvement and to support the efforts of *SFI Implementation Committees*.

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

Objective 9. Communications and Public Reporting - To increase transparency and to annually report progress on conformance with the *SFI Fiber Sourcing Standard*.

Summary of Evidence – Confirmed audit report was filed on time with SFI Inc. and that the Company maintains copies of previous reports.

Objective 10. Management Review and Continual Improvement - To promote continual improvement in the practice of *sustainable forestry* by conducting a management review and monitoring performance.

Summary of Evidence – Records of program reviews, agendas and notes from management review meetings, internal audits and interviews with personnel from all involved levels in 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 areas, and to conform with forestry 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 lands that are ecologically, geologically or culturally important in a manner that 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. Legal Compliance

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

9. Research

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

10. Training and Education

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

11. Community Involvement and Social Responsibility

To broaden the practice of sustainable forestry on all lands through community involvement, socially responsible practices, and through recognition and respect of Indigenous Peoples' rights and traditional forest-related knowledge.

12. Transparency

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

13. Continual Improvement

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

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

(Applies only to the SFI 2015-2019 Fiber Sourcing Standard)

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.

Source: Sustainable Forestry Initiative® (SFI) Standard, 2015–2019 Edition.

For Additional Information Contact:

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