



# Enhancing Everyday Life™ Sustainably

2019/2020 ESG REPORT



# About This Report

We are pleased to share Glatfelter Corporation's first Environmental, Social and Governance (ESG) report. Our organizational commitment to sustainability and being a responsible corporate citizen has been longstanding, rooted in our Company history, culture and Core Values. As we continue our strategic transformation, we are also taking this opportunity to further formalize our ESG priorities, strengthen our commitments and disclose our sustainability performance.

In preparation for this report, we conducted a materiality assessment to identify which ESG topics matter most to Glatfelter and its stakeholders – our employees, investors, customers, suppliers and communities where we live and work. Our ESG priorities and the development of this report were informed by our review of the Sustainability Accounting Standards Board (SASB) standards and various ESG reporting frameworks, ratings and rankings.

As a result, this report addresses the topics that we feel are most meaningful to our business, that we have the ability to impact, and that our stakeholders care about. Our focus is on providing this information in a clear, transparent manner, with an acknowledgement that we are reporting on a journey that is still in progress and gradually evolving with a commitment to continuous improvement.

This report was published in December 2020 and is primarily based on fiscal year 2019 data, while also including additional commitments and examples from 2020 – thus, the 2019/2020 date on the cover. For additional information on our ESG initiatives, please visit [www.glatfelter.com/sustainability/](http://www.glatfelter.com/sustainability/) or contact [sustainability@glatfelter.com](mailto:sustainability@glatfelter.com).

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# To Our Stakeholders:

Our commitment to sustainability and being a responsible corporate citizen has been a hallmark of our more than 155-year history. Sustainability helps guide our business and is reflected in our longstanding Core Values of Integrity, Financial Discipline, Mutual Respect, Customer Focus, Environmental Responsibility and Social Responsibility.

We truly live these values each day as we contribute to the health, wellbeing and everyday lives of millions of people around the world. Sustainability is also a core attribute of our products. We use natural, renewable fibers to create materials that are rooted in nature and engineered for performance.

We believe this is the right time to formalize our priorities and publish this first report – as we advance our strategic transformation to the New Glatfelter, a growth-oriented, higher-margin global engineered materials company. We implemented several sustainability initiatives in 2019 and the first half of 2020 that accelerated our progress and helped us strategically focus our efforts in areas where we believe we can have the greatest local and global impact.

Our cross-functional Environmental, Social and Governance (ESG) Steering Committee has made great strides recently in establishing our ESG strategy, creating our [Sustainability Policy](#), significantly expanding and improving our communications, and providing implementation support to Glatfelter’s segments and facilities. I am proud of the progress we have made to date, but acknowledge we have plenty of opportunity to grow our program and commitments as we continue on the path of building a more sustainable company. At Glatfelter, continuous improvement is part of our operating culture and our sustainability priorities are no exception. We will continue to engage with and support our employees, customers, suppliers and the communities where we live and work.

At the time of this report’s publication, we are still facing the many challenges from the COVID-19 pandemic and the uncertainty about the global impact this virus will have on the overall well-being of people and the economy. As we respond to this challenging situation, ensuring the health and safety



of Glatfelter PEOPLE and their families remains our highest priority. We are part of the essential workforce and remain highly committed to providing our customers with the engineered materials necessary to manufacture critical products required by healthcare professionals and consumers to maintain good health, cleanliness and personal comfort. I am incredibly proud of our employees, who are making a difference through their resilience and dedication. Their strength and commitment are the key to our continued success.

Thank you for your interest in Glatfelter. We hope you find our report insightful and we look forward to reporting on our progress in the future. If you have any comments or questions about our report, please direct them to [sustainability@glatfelter.com](mailto:sustainability@glatfelter.com).

Sincerely,

A handwritten signature in black ink that reads "Dante C. Parrini". The signature is fluid and cursive.

Dante C. Parrini  
Chairman and Chief Executive Officer

# About Glatfelter

Glatfelter Corporation is a leading global supplier of engineered materials, creating products that help enhance everyday life. Our custom solutions can be found in food and beverage applications, personal hygiene products, building and industrial products, home care and more.

In recent years, we have undertaken a significant transformation to position Glatfelter as a leading global supplier of engineered materials. Through the drive and determination of our employees around the world, we have been able to execute our strategy of:

- Expanding our engineered materials platform;
- Driving continuous improvement and cost optimization initiatives; and
- Maintaining a healthy balance sheet and financial flexibility.

## The Evolution of Glatfelter

### Pre-1998

- > **U.S. Uncoated Freesheet focused business**

### 1998-2008

- > **Expanded internationally**, acquiring Schoeller & Hoesch GmbH creating Composite Fibers business
- > **Acquired Lydney, UK facility**, expanding tea and coffee business

### 2010-2014

- > **Acquisition of Concert Industries** creates Airlaid business
- > **Dresden acquisition** adds nonwoven wallcover product line
- > **Completed capacity expansion** to serve growing tea, coffee, and technical specialty markets
- > **Ober-Schmittgen acquisition** expands electrical product line

### 2018-2020

- > **New Airlaid facility** in Fort Smith, AR expands capacity by 20%
- > **Acquisition of GP's European nonwovens business (Steinfurt)** further expands Airlaid business
- > **Sale of Specialty Papers business** creates more focused engineered materials platform
- > **Migration to functional operating model** creates a flatter, more agile and integrated engineered materials company
- > **Corporate Headquarters relocation to Charlotte** provides enhanced access to resources, and easier and more efficient business travel

## Glatfelter Corporation at a Glance

FOUNDING: 1864

HEADQUARTERS: Charlotte, North Carolina

ANNUAL REVENUES: ~\$925 million in 2019

NYSE: GLT

EMPLOYEES: ~2,500

LOCATIONS: 18 locations in the Americas, Europe and Asia

2 global centers of excellence    10 manufacturing facilities    4 sales offices    2 specialty fiber facilities

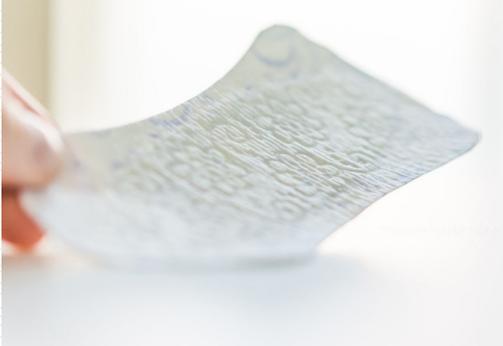
COUNTRIES SERVED: +100 countries



### Our Operating Segments

**Composite Fibers** processes specialty long fibers, primarily from natural sources such as abaca, to create premium value-added products in the following categories:

- Food & beverage filtration;
- Wallcover base material;
- Technical specialties (used in electrical, building and industrial applications);
- Composite laminates (used in production of furniture and flooring applications);
- Dispersible wipes and hygiene products; and
- Metallized products.



**Airlaid Materials** produces highly absorbent and engineered cellulose-based airlaid nonwoven materials, primarily used to manufacture consumer products for growing global end-user markets. Our products are composed of all-natural fluff pulp, which is sustainable by design. The categories served by Airlaid Materials include:

- Feminine hygiene;
- Specialty wipes;
- Table top and towels;
- Adult incontinence;
- Home care;
- Baby diapers; and
- Food pad and other consumer products.



Learn more about Glatfelter at: [www.glatfelter.com](http://www.glatfelter.com) >

# About Glatfelter

## > Our Sustainability Journey

Glatfelter was founded in 1864 with a strong focus on environmental sustainability. Even in the very early days, the Company went to great lengths to support and protect forests, streams and wildlife. It was the right thing to do and enabled the Company to rely on natural resources as critical materials for production. The commitment to sustainability and being a responsible corporate citizen is also reflected in our Core Values of Integrity, Financial Discipline, Mutual Respect, Customer Focus, Environmental Responsibility and Social Responsibility.

In 2019, Glatfelter took steps to further formalize its sustainability program under the ESG (Environmental, Social, Governance) pillars. We believe this enhanced focus on ESG is an important element of our ongoing strategic business transformation and ability to create additional value for all stakeholders. In 2019 and early 2020, Glatfelter:

- Formed a cross-functional ESG Steering Committee made up of Glatfelter managers from across our business, with a primary role of overseeing the sustainability/ESG strategy for the Company and providing implementation support to Glatfelter's businesses and facilities.

- Published a formal Sustainability Policy and Human Rights Policy, which complement our existing Global Health and Safety Policy, Environmental Policy, Quality Statement, The Glatfelter Code of Business Conduct, and other Corporate Governance documents, all of which are posted on our website and referenced throughout this report.
- Addressed our ESG efforts and impact in our proxy, creating a new level of transparency and accountability with our shareholders.

We worked with a third-party consultant to conduct a materiality assessment to identify our ESG priorities. Our materiality process included peer and industry research, internal stakeholder interviews, ESG team workshops and application of best practices. We also took into consideration the expectations and recommendations of leading ESG ratings organizations and sustainability standards such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and U.N. Sustainable Development Goals (UN SDGs). We evaluated topics based on their potential impact on Glatfelter, the Company's ability to impact them and our stakeholders' interest in these topics. We settled on seven priorities, which are organized along the E, S and G pillars.



# Environmental Impact

Glatfelter is committed to operating as a responsible steward of the environment and creating a more sustainable world for future generations.

We empower employees to take personal responsibility for environmental issues with the goal to make progress in environmental sustainability across our global operations. This commitment is expressed through our Core Value of Environmental Responsibility and our Company-wide [Environmental Policy](#). Our environmental pillar is focused in two areas that impact our business and where we can make a difference for our stakeholders: **Environmental Management**; and **Innovation and Environmentally Responsible Products**.



## > Environmental Management

As stated in our [Environmental Policy](#), our concern for the environment guides everything we do. This policy was instituted in 1997 as part of the ISO 14001 certification process and is the foundation for our Environmental Management Systems (EMS). We are committed to complying with environmental laws and regulations in the regions where we operate, as well as the voluntary principles and certifications to which we subscribe at our operating sites. We are focused on maintaining the planet's resources through robust programs for natural resource management, energy-efficient processes, waste reduction and continuous improvement.

## > Zero reportable spills/releases or other environmental incidents from 2018 – 2020\*

\*As of December 2020 publication date.

## Natural Resource Management

Natural materials are the most significant feedstock in our manufacturing processes. In fact, the responsible use of **natural fibers** is one of our main competitive advantages – 60% to 80% of our product content is natural cellulose fibers, which, from an environmental responsibility and life cycle perspective, compare very favorably to products having more synthetic content. The sustainability and replenishment of the supply chain of these natural fibers are critical to Glatfelter's ability to continue to serve customers and reduce risk.

Glatfelter has achieved Forest Stewardship Council® (FSC®) certification at all our manufacturing facilities – maintaining a strong chain of custody to ensure that 100% of the wood fibers we use come from well-managed, sustainable forests. As the world's top purchaser of abaca fiber, Glatfelter monitors its farmers and traders in the Philippines, Costa Rica and Ecuador to ensure they follow local compliance requirements and Glatfelter's [Supplier Code of Conduct](#).

## ENVIRONMENTAL IMPACT >

Our shared commitments – to sustainable farming and continuously improving farm operations – protect, sustain and enhance the abaca supply chain and improve the viability of the farms and their communities. We also partner extensively with the Rainforest Alliance™ and Sustainable Agriculture Network to ensure that the farms meet both groups' standards for environmental, social and economic sustainability. A list of our facilities' certifications can be found at [www.glatfelter.com/sustainability/policies-and-certifications/](http://www.glatfelter.com/sustainability/policies-and-certifications/).

**Water** is a significant natural resource input for our Composite Fibers business in Europe. Water is used for the manufacturing process, equipment cleaning, and in a few cases for cooling purposes. Apart from the cooling water, all water used in our manufacturing process is recycled at least once, helping reduce the use of first-pass water and our overall interaction with local water sources. None of our facilities take water from regions with High or Extremely High Baseline Water Stress.

For water that can be no longer reused within the Composite Fibers manufacturing process, each manufacturing facility has a dedicated wastewater treatment plant to remove solids and biodegradable materials to ensure that the final effluent discharged back into the water system meets or exceeds jurisdictional permit requirements.

Our Airlaid Materials products are manufactured with a dry forming process, and, therefore, water is not a significant natural resource for those facilities.

As an engaged member of our local communities, we discuss water-related risks with public officials and local authorities on a regular basis. In addition, we make regular investments in and around our facilities to ensure continued efficient water management. At our Composite Fibers facility in Gernsbach, Germany, for example, we are building cooling towers to help manage our output while also addressing rising water

temperatures in the area. We review our water-related risks annually as part of our Company-wide risk assessment process and adjust our mitigation strategies as necessary to ensure we are properly protecting local water sources. Manufacturing facilities are responsible for tracking their water consumption and measuring it against monthly targets established by the facility in collaboration with Glatfelter's global Environmental, Health and Safety (EHS) team. Certain sites also have water usage reduction targets based on the nature of their operations. Our total wastewater discharge for all sites in 2019 was 20.878 million cubic meters (m<sup>3</sup>).

Overall, our operations used 69.6 m<sup>3</sup> of water per metric ton of production in 2019.

### WATER USAGE

*(in millions of cubic meters)*

2019: 21.340

2018: 21.877



Glatfelter has dedicated wastewater treatment plants to ensure the final effluent meets or exceeds jurisdictional permit requirements.

Fish ladders and eel passes are installed at several Glatfelter facilities to ensure operations do not impact the local ecosystem.



## Energy Use and Greenhouse Gas Emissions Reduction

One of the byproducts of transforming our business into a leading global supplier of engineered materials is that we have become a less-energy-intensive, lower-emissions company. Nonetheless, **energy** still accounts for up to 10% of our cost of goods sold, and we seek to drive efficiencies through equipment upgrades and process improvements, where feasible. Five of our European sites certify compliance with the ISO 50001 standard for energy management. Our U.K. sites have improvement targets to reduce energy usage per metric ton as part of formal industry agreements with the government to achieve long-term energy efficiency improvements.

We continue to look for opportunities to drive efficiencies and reduce our use of nonrenewable energy. One way we do this is by producing a significant amount of electricity through cogeneration at several of our Composite Fibers facilities. The cogeneration process is more efficient than a typical electric generating plant and produces useful heat that can be used in the manufacturing process. In 2019, a total of 65,800 megawatt hours of our electricity was produced by cogeneration at our facilities. In addition, our Gernsbach facility has two water turbines to generate electric power that is sold to neighboring utilities.

We seek to drive additional efficiencies through equipment upgrades and process improvements. Many of our facilities utilize energy-efficient LED lighting to reduce electricity usage. Management of vehicle emissions is not part of our strategy, as Glatfelter does not own or operate a Company fleet.

In 2019, our operations consumed 1.49 megawatt hours of electricity per metric ton of production. Approximately 85% of our consumed electricity came from the grid in 2019.

## ENERGY USAGE *(in megawatt hours)*

	2019	2018
Total energy used	1,484,054	1,498,822
Total electricity consumed	456,937	454,878
Total electricity produced on site	66,868	71,522
Electricity produced on site by co-generation	65,800	70,847
Electricity produced from renewable resources	1,068	675
Electricity sold to local utility	5,571	5,766

Glatfelter is working to lower its **greenhouse gas emissions** and energy consumption by reducing carbon dioxide emissions and increasing energy efficiency across our operations. In addition to using the cogeneration process, complying with ISO 50001 and participating in climate change agreements, we consistently work to drive improvements in process efficiency and invest in more modern equipment. Furthermore, variable speed drives, improved heat recovery and the use of LED lighting also improve our carbon footprint. Each facility targets improvement, tracks progress and reports results to the corporate EHS team for data collection and analysis.

Our greenhouse gas emissions in 2019 were 0.616 per metric ton of production, which represents approximately a 3% decrease over the previous year.

## GREENHOUSE GAS EMISSIONS *(in metric tons)*

	2019	2018
Scope 1	188,740	192,421
Scope 2	130,217	142,583

### Waste and Recycling

Consistent with our application of Lean Manufacturing and Six Sigma principles, we view waste as an opportunity to improve efficiency and cost effectiveness, while reducing our environmental impact. We have had **waste reduction and recycling** success in both our Composite Fibers and Airlaid Materials segments. For example, a significant volume of off-spec material in Composite Fibers is used for lower-grade applications. In Airlaid Materials, we strive for zero waste to landfill by recycling materials and finding buyers that value our byproducts' high-absorbency performance.

We also have general business waste recycling efforts in place at our Corporate Headquarters and several of our major locations. Employees have access to recycling bins in common areas and offices, and we encourage double-sided and non-color printing.



### Fort Smith Facility Delivers on Waste Reduction Agenda

Glatfelter is one of the largest producers of airlaid materials in the world – at facilities in Gatineau, Canada; Falkenhagen, Germany; Steinfurt, Germany; and Fort Smith, Arkansas. Wherever possible, we seek to reduce waste to landfill by recycling, or finding other uses for byproducts of production.

Our state-of-the-art production facility in Fort Smith, Arkansas, opened in 2018 with a strong focus on reducing waste for both cost savings and sustainability benefits. Everyone in the facility is

focused on driving toward zero waste and understands that landfilling is a last resort. Recycling and waste reduction efforts are tracked and managed on a weekly basis at Fort Smith.

For packaging, the facility has a recycling contract that helps keep bags, rolls, pulp slab, plastics and cardboard out of landfills. In addition, the Fort Smith team connects with other local businesses that can utilize the plant's reclaimed raw materials and manufacturing byproducts in their businesses – including highly absorbent materials such as bale waste

and dust pucks in many different forms that can be used for wet waste absorption. Fort Smith utilizes local landfills for only approximately 150 to 175 U.S. tons of bale waste and pucks per month. While we do not currently have a contract for this waste, we are actively seeking a buyer. At least one large truckload of reusable materials leaves the Fort Smith plant on a weekly basis, which significantly reduces landfill costs and protects the environment.

## > Innovation and Environmentally Responsible Products

Creating environmentally responsible products and sustainable solutions is one of Glatfelter's primary opportunities for industry leadership and Company growth. We believe our core competency in using natural fibers gives us significant competitive advantage, as we are well positioned to help our customers achieve their sustainability goals and fulfill their environmental commitments to their customers.

To capitalize on these opportunities, we are focused in two primary areas:

- Helping our customers and markets appreciate the full sustainability benefits of our **existing products**, which are mostly plant-based; and
- Developing **new products** with enhanced sustainability profiles, by replacing oil-based plastic ingredients with plant-based materials that provide improved biodegradability and compostability.

### Sustainable Solutions ... Today and Tomorrow

With natural cellulose fibers accounting for 60% to 80% of our product content, natural materials are the most significant raw material input into our products. The remaining content consists of a combination of binders, coatings and adhesives – some of which are derived from petroleum products and/or are plastic-based. Environmental considerations are an ongoing part of product line discussions internally and with customers and suppliers. For example, we are pursuing alternatives to traditional petroleum-based plastics, including the use of polylactic acid (PLA), a plastic substitute made from fermented plant starch (usually corn).

Given that many of our products already have a high percentage of natural content, we believe we have an advantage in developing next-generation solutions with enhanced sustainability benefits that will further differentiate Glatfelter in the market. Sustainability considerations are a part of every new product development program at Glatfelter, with heightened focus in recent years as we serve an increasingly environment-aware marketplace.



Glatfelter is the world's top purchaser of abaca fiber.

We take an active approach to innovation and work directly with our customers to learn more about how we can collaborate to create better sustainable products. This includes holding ongoing innovation sessions with key customers to understand how we can help them make better, more differentiated products. Sustainability has become an increasingly important aspect of virtually every innovation session. Our goal is to anticipate emerging customer needs and build our innovation programs accordingly. Most notably, we are focused on ways to reduce the amount of plastic used in our products, replacing it with natural and bio-based materials.



## ENVIRONMENTAL IMPACT >

### Innovation in Action

We currently have several innovation programs and customer partnerships in place to advance Glatfelter's already sustainable solutions. Areas of progress and opportunity for our Composite Fibers and Airlaid Materials segments include:

- **Food and beverage:** Introducing PLA-based materials and replacing some oil-based plastics for tea bags and single-serve coffee applications.
- **Wipes:** Developing plant-based fiber solutions that can eliminate the use of oil-based plastics in baby wipes and other wipes products so they can be home compostable. Given the increased use of wipes in response to the COVID-19 pandemic, this represents a significant growth opportunity for the Company.
- **Feminine hygiene:** Increasing the amount of biodegradable, recycled or plant-based content in end-products, which would significantly improve the sustainability profile of our customers' products without compromising absorbency. These solutions also have application in the adult incontinence and food pad markets.
- **Table top:** Creating plastic-free napkins and towels to make them compostable, which is a significant market driver in Europe.
- **Packaging:** Conducting R&D work on plant-based alternatives to plastic-based flexible packaging.



## Glatfelter Responds to COVID-19 PPE Needs with Increased Capacity and Innovative Solutions

Glatfelter produces personal protective equipment (PPE) materials such as the inner and outer layers of face masks to protect the critical filtration layer. When the COVID-19 pandemic hit, customer demand for those products increased and Glatfelter responded by increasing production at its mill in Scaër, France, and adding capacity at one of its manufacturing lines in Gernsbach, Germany. The materials are used by our customers to create protective masks for medical personnel and their patients around the world.

We also created new products to respond to the growing demand for, and, in some cases, the shortage of face masks. This included utilizing our

airlaid technology to create materials for community masks, suitable for daily use by the public. We also partnered with our customers to help repurpose materials and establish new capacity to increase face mask supply. Glatfelter's technology team is also exploring novel functionalities and active materials that could even deactivate viruses and bacteria.

The sustainability aspects of disposable masks are also important to Glatfelter. Many mask materials are fully synthetic, which limits their recyclability, compostability and biodegradability. Glatfelter's mask materials are made of 70% to 75% natural cellulosic fiber,

which could provide significant sustainability benefits for our customers and end users.

As we look overall at how COVID-19 has impacted our business, we are very proud of the way Glatfelter PEOPLE have responded to the challenges related to the virus. The health and safety of our employees and their families has remained a top priority, and we have taken all necessary measures to protect them. This has included several new safety, hygiene and communication protocols throughout our facilities. As a result, all our facilities have remained open so that we can be part of the essential workforce supporting global response efforts to the pandemic.

## ESSENTIAL for Everyday Life

As part of Glatfelter's broader purpose, we are proud to produce innovative materials that are essential for everyday life. Approximately 85% of Glatfelter's revenues are tied to essential consumer staples, whether they are hygiene and personal care products to maintain a healthy lifestyle, food and beverage products enjoyed on a daily basis, or solutions that keep customers and their surroundings clean and safe. Our customers can rely on us to fulfill this essential role.



**FOOD & BEVERAGE**  
tea bag; single-serve coffee; food pads

**ESSENTIAL** as you brew your favorite beverage and prepare nutritious meals for your family.



**PERSONAL CARE**  
feminine hygiene; adult incontinence; baby wipes

**ESSENTIAL** for maintaining a healthy and active lifestyle even as we practice social distancing.



**CONSUMER SOLUTIONS**  
floor & home care; table top; dispersible wipes

**ESSENTIAL** for maintaining a clean and safe environment for your family.

**Approximately 85% of Glatfelter revenue is tied to essential consumer staples**

# Social Responsibility

Social Responsibility is a Glatfelter Core Value, and we have a consistent record of following through on commitments to our PEOPLE and supporting communities where we work and live.

Now, more than ever, we are seeing how important it is to be a good neighbor, employer and corporate citizen. We have identified three priority areas in Social Responsibility where we believe we can have the greatest impact: **Occupational Health and Safety; Product Safety and Quality;** and **Community and Employee Engagement.**



## > Occupational Health and Safety

We view health and safety as everyone's responsibility and involve all employees at every level of the organization in our programs. Glatfelter facilities are striving to be "injury free every day" through implementation of our Global Health & Safety Policy, regulatory compliance, site-specific safety plans, safety resources and training, and an ongoing risk assessment and safety auditing program. Six of our ten manufacturing facilities and one of our specialty fiber facilities are third-party certified under ISO 45001, which is the updated version of the Occupational Health and Safety management standard OHSAS 18001.

We track multiple safety metrics, including total case incident rate (TCIR), to encourage and ensure continuous improvement and mitigation of potential safety risks. In recent years, Glatfelter's TCIR has consistently ranked in the top quartile of safety performance in our industry. Glatfelter's TCIR for 2019 was 0.74, which is approximately 15% lower than in 2018 and a 22% improvement over 2017.

With every injury-free day that passes, employees return home to their families and as a company, we get closer to achieving world-class safety performance. Despite our best efforts, our last fatality occurred in 2012 in a facility that was part of a business unit that has since been divested.

## Measuring Improved Safety Performance

### TOTAL CASE INCIDENT RATE (TCIR)<sup>1</sup>



<sup>1</sup> Rates represent the average number of work-related injuries incurred by 100 full-time employees working 200,000 hours per year.

## Keeping Our PEOPLE Safe during COVID-19

Ensuring the health and safety of Glatfelter PEOPLE has remained our highest priority as we continue to navigate the challenges of the COVID-19 pandemic. Glatfelter has successfully maintained all operations due to the resilience and commitment of our employees to follow the Company's COVID safety protocols and assume a "duty of care" to their fellow employees. Our team members have excelled at providing our customers with the engineered materials solutions and services necessary to manufacture critical products required by healthcare professionals and consumers to maintain good health, cleanliness and personal comfort.

Led by our COVID-19 Global Response Team, our facilities have implemented

the following actions to protect the health and safety of our employees:

- Instilled a "duty of care" mindset through frequent health and safety communications;
- Expanded safety and hygiene protocols within our facilities including frequent and vigilant handwashing, regular disinfecting of work and common areas, wearing face masks, and physical distancing mandates;
- Provided additional hand sanitizing/ washing stations and facemasks;
- Established temperature checks as permitted or required by local laws;
- Shifted to a work-from-home arrangement, where feasible, and discontinued entry of non-essential visitors to Glatfelter facilities;
- Implemented stringent procedures to quickly isolate team members with symptoms of illness including, but not limited to, COVID-19;
- Discontinued all non-essential business travel until further notice;
- Leveraged technology to keep all employees informed and connected; and
- Provided a recognition bonus to our operations employees to demonstrate appreciation for their dedication and professionalism during these challenging times.

As the COVID-19 situation continues, we regularly assess, adjust and audit these measures to keep our employees and their families safe, while delivering critical materials for our customers.

### LOST DAY INCIDENT RATE (LDIR)<sup>2</sup>



### MINOR ACCIDENTS



### NEAR MISSES



<sup>2</sup> Rates represent the average number of work-related injuries incurred by 100 full-time employees working 200,000 hours per year.

> **Product Safety and Quality**

Ensuring a consistent, high level of product safety and quality is critical, given our leading positions in several food-grade and personal hygiene segments. People around the world rely on Glatfelter’s solutions for their most important daily needs – from their morning cup of coffee to the cleaning wipes that keep families healthy. We take pride in our role in Enhancing Everyday Life™.

Our regulatory obligations include complying with requirements and guidelines from the U.S. Food and Drug Administration, U.S. Federal Trade Commission, European Union, and good manufacturing practice guidelines along with ISO 9001 quality standards. We conduct extensive product testing during the development and commercialization stages, and have an ongoing program to make sure that, first and foremost, our products continue to meet and exceed product safety requirements and quality specifications. In 2019, the Company had no product recalls due to product safety or quality concerns.

Our R&D team also looks for innovative ways to continue to enhance the sustainability, biodegradability and compostability of our products. For more information on these efforts, see the [Innovation and Environmentally Responsible Products](#) section of this report.

**Supply Chain Sustainability**

The quality, reliability and responsibility of our suppliers are critical to the success of our business and our ability to serve customers and contribute to a better world. We partner with stable, trusted, high-quality suppliers and contractors that uphold our standards of safety and quality as outlined in Glatfelter’s [Supplier Code of Conduct](#). We encourage our partners to have the same expectations of their suppliers and contractors. Our questionnaire for qualifying suppliers looks at a wide variety of factors, including their safety, compliance and quality.

Nowhere are these commitments more evident than in how we work with abaca traders and farmers who supply us with a critical, natural “super-fiber” most notably for our food and beverage product category. We are focused on protecting the integrity of the abaca natural resource and maintaining a sustainable supply chain. We work directly with abaca farmers, primarily in the Philippines, and also in Costa Rica, as well as with traders in Ecuador, to ensure their practices are aligned with local compliance requirements, as well as Glatfelter’s [Supplier Code of Conduct](#). Priority areas include human rights, safe working conditions, employee training, sustainable farming and

**Certification by Facility**

LOCATION	QUALITY	ENVIRONMENT	ENERGY	WORKPLACE	FOOD SAFETY			SUSTAINABILITY			
	ISO 9001	ISO 14001	ISO 50001	ISO 45001	ISO 22000	BRCGS	EN 15593	FSC®	PEFC	RAC™	SFI®
Caerphilly, UK	✓			✓				✓			
Dresden, DE	✓	✓	✓	✓				✓	✓		
Falkenhagen, DE	✓	✓	✓				✓	✓	✓		
Fort Smith, AR, US								✓			✓
Gatineau, QC, CA	✓							✓			✓
Gernsbach, DE	✓	✓	✓	✓		✓		✓		✓	
Lydney, UK	✓	✓		✓		✓		✓		✓	
Ober-Schmitten, DE	✓	✓	✓		✓			✓	✓		
Scaër, FR	✓	✓		✓		✓		✓		✓	
Steinfurt, DE	✓		✓		✓			✓	✓		
Balo-I, PH	✓	✓		✓				✓			

helping farmers improve their operations – all of which serve to reduce supply risk for Glatfelter and improve the viability of the farms and their communities.

In addition, we invite farmers into our facilities to show them how we utilize abaca to create sustainable solutions. Providing this level of insight and education helps illustrate the importance of their role in our supply chain and their contribution to a customer's end product. Our supply chain success is a direct result of our local management teams' ability to build and expand strong, local relationships. We also partner extensively with the Rainforest Alliance™ to ensure that the farms meet Alliance standards for environmental, social and economic sustainability.

### › **Community and Employee Engagement**

Glatfelter has been a successful company for more than 155 years thanks in large part to the dedication of our PEOPLE and support from communities where we operate. We aim to provide current and potential employees around the globe with meaningful work, close to home.

#### **Talent Attraction, Retention and Development**

Glatfelter PEOPLE make essential contributions to our success and ability to drive growth and innovation. Even as the organization has undertaken substantial change in recent years, our culture, vision and Core Values remain the center of our steadfast culture. We are always working to enhance our human resources programs by implementing and integrating enterprise-level processes for talent attraction, career development and training. Creating a best-in-class, globally consistent process for these employee experiences has become even more important as part of our strategic transformation and the move of our corporate headquarters to Charlotte, North Carolina.

Glatfelter's Performance Management program is one of the core tools that provides us with the ability to excel. Through this program, we provide direction, coaching, performance feedback and encouragement to motivate employees and improve overall individual and Company performance. This is done by linking employee goals,



## **Our Vision and Values**

At Glatfelter, our vision is to become the global supplier of choice in engineered materials. We bring this vision to life through six Core Values.

- 1 > Integrity
- 2 > Financial Discipline
- 3 > Mutual Respect
- 4 > Customer Focus
- 5 > Environmental Responsibility
- 6 > Social Responsibility

feedback and rewards to key business objectives. This approach ensures we remain focused on generating value for our customers and shareholders.

Glatfelter supports its team by providing fair wages, competitive salaries, comprehensive benefits, diverse wellness programs and other benefits to help enhance the lives of our employees. We regularly review our employee offerings to ensure we are positioned to attract and retain world-class talent. For more information, visit the Careers section of our website.

### Employee Training

Training and professional growth are central to developing our workforce and driving long-term success for our organization. Global training at Glatfelter encompasses a variety of programs, from apprenticeships and machine-specific skill development, grant-funded partnerships, Lean Six Sigma principles training and leadership development.

Our signature training and education programs include:

- **Impact Zone Leadership (IZL)**, a competency model that aligns employee capabilities and behaviors with Glatfelter’s business needs and strategies.
- Access to **leadership skills training** for executives, supervisors and managers – including learning modules from Harvard ManageMentor®.
- **All-employee training** on topics such as basic financial principles, multi-tasking, team-building, language training and cultural awareness for our global workforce.
- **Tuition reimbursement** for approved job-related courses through accredited colleges and universities.

Due to the continuous evolution of the business to focus on increasingly sophisticated engineered materials, Glatfelter has operational apprenticeship programs in many of our global locations. For example, our Gernsbach, Germany, facility offers apprenticeships for papermakers, electronic technicians, industrial mechanics and industrial clerks.

Glatfelter also sponsors regional and international university degree and internship programs. We have active programs in the U.S., U.K., France, and our Dresden, Falkenhagen, Gernsbach and Ober-Schmitt facilities in Germany.

For more information on our various training and development programs, visit this link: [www.glatfelter.com/wp-content/uploads/GLT-Training-and-Development.pdf](http://www.glatfelter.com/wp-content/uploads/GLT-Training-and-Development.pdf).

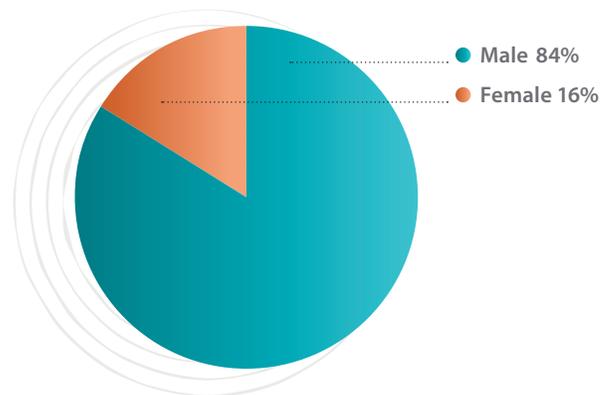
### Diversity and Inclusion

We are a global company that encourages and embraces different cultures and backgrounds. Our PEOPLE, including our management team, are diverse – as our facilities hire locally for leadership positions, as well as salaried and production positions at all levels. We strive to create an inclusive culture and provide opportunities for people of all backgrounds to share their unique viewpoints and contribute to our success. The global nature of our business helps drive the inclusive corporate environment, as we regularly collaborate with colleagues who have different backgrounds, ethnicities and world views.

In 2020, we were extremely saddened by the tragic events in the United States that highlighted the need to address the injustices and inequalities present in our society. The resulting social unrest, which spread globally, was an important reminder to treat people of all backgrounds fairly and consistent with our Core Values of Mutual Respect, Integrity and Social Responsibility.

We are committed to making our Company a more diverse and inclusive place to work, while also strengthening the communities in

GLOBAL GENDER DIVERSITY



### U.S. Racial Diversity at a Glance

	White	People of Color	No Data
<b>Total Workforce</b>	75%	18%	7%
<b>Manager and Director Levels</b>	76%	19%	5%
<b>Vice President Level</b>	82%	12%	6%

> In 2019, Glatfelter recorded donations of ~\$145,000 to 24 organizations in communities where we operate. We recently contributed an additional \$40,000 to two non-profits with social justice missions.

which we live. To reflect this commitment, in June 2020, we announced the following actions:

- Develop plans to advance our diversity aspirations that further enrich the Glatfelter Culture and build a workforce that more closely resembles the global markets we serve;
- Enhance our existing compliance training by adding content that brings a focus to diversity and unconscious biases existing in the workplace; and
- Allocate 25% of our annual charitable giving budget to support community partners whose missions address social inequities and racial injustice.

### Supporting Our Communities

Through philanthropy and volunteerism, Glatfelter positively impacts many communities and groups across our footprint. We believe that supporting our communities not only involves financial contributions, but also extends to partnering with community organizations, giving time and talent to those who need our help and supporting causes important to Glatfelter PEOPLE. We focus our support for nonprofit organizations in four key areas:

- 1. Education:** We encourage the development of knowledge for individuals and application of knowledge for the betterment of society.
- 2. Arts and Culture:** We recognize the importance of experiences with culture and the arts and help enhance the participation and exposure for local programs.
- 3. Civic:** We engage in challenges and opportunities that impact the local community, and, where possible, we find opportunities to lead by example.
- 4. Environment:** We support programs that protect and conserve the natural environment, including critical habitats and waterways.

The Glatfelter leadership team encourages each site to identify and support local initiatives in these four key areas. Employees are encouraged to participate in Glatfelter's Charitable Giving Program and request support for local nonprofit organizations that are important to them and reflect our Company's Core Values and community priorities.

As we moved our corporate headquarters to Charlotte in 2020 and are continuing to fine-tune the New Glatfelter, we are committed to evaluating all aspects of our community engagement program. This includes ensuring we can have a meaningful, sustained impact in Charlotte, as well as enhancing the level of engagement and tracking progress at all Glatfelter locations around the world.



### Engagement with Filipino Communities

In the Philippines, we facilitate an abaca sustainability initiative aimed at improving people's lives. Since its inception, the program has offered agricultural education, training and certification coordination for hundreds of local farmers, and it has established and supported a women's handicraft group. The Philippines Team has also donated water, food and personal hygiene supplies to the Marawi Relief Operation and Relief Center.



# Governance and Ethics

The pursuit of our vision to be the leading global supplier of engineered materials is supported by strong governance standards, the Glatfelter Code of Business Conduct, and a variety of policies and principles, including a new, specific policy dedicated to human rights.

We believe that strong **Corporate Governance** and holding ourselves accountable to the highest standards of **Ethics and Integrity** are critical to effectively delivering value to our shareholders, employees, customers and other stakeholders.



## > Corporate Governance

The Glatfelter Board of Directors and Management Team are dedicated to effective corporate governance. The Board-adopted Corporate Governance Principles provide a framework for the Company's governance. The Board also oversees implementation of the Company's Code of Business Conduct.

### Board of Directors

The Board currently consists of 10 members, who have dedicated themselves to the Company's success. Members of our Board of Directors have diverse experience across a broad range of industries in the public and not-for-profit sectors. Their unique skills, qualifications and viewpoints strengthen and enrich the Board's oversight on behalf of our shareholders. All Directors are elected on an annual basis by Glatfelter shareholders. In February 2020, Marie T. Gallagher, a senior executive with PepsiCo, was elected as a Director, bringing the Board's gender diversity at the time of her appointment to 22%. In October 2020, Darrel Hackett, a senior executive with Bank of Montreal (BMO) Wealth Management – U.S., was elected as Director. We believe a diverse Board helps bring

unique perspectives to the organization, and we are committed to maintaining Board diversity. Board member bios can be found on our website at [www.glatfelter.com/investors/corporate-governance/](http://www.glatfelter.com/investors/corporate-governance/).

Nine of our Board members are classified as independent directors and Dante Parrini, Glatfelter's Chief Executive Officer, serves as our Chairman. The Board believes our CEO's level of experience and in-depth knowledge of Glatfelter's business operations, strategic plan and overall capabilities make Mr. Parrini best qualified to serve Glatfelter and its stakeholders as Chairman. The Board also determined that when the same person serves as both Chairman and CEO, the interests of the Company and the shareholders are best served by appointment of an independent Lead Director. Kevin Fogarty, who joined the Board in 2012, is Glatfelter's current independent Lead Director and is also a member of the Nominating & Corporate Governance Committee.

In our Corporate Governance Principles, the Board adopted the New York Stock Exchange (NYSE) standards for determining the independence of directors, which require that a director not have a material relationship with the Company. Our nine independent directors meet these standards. All Board determinations regarding director independence are disclosed in our [Annual Shareholders Meeting proxy statement](#).

The Board has a focused committee structure for the conduct of Board business as required for the operation of a publicly owned company. Currently, the Board relies on three active standing committees: 1) Audit Committee; 2) Compensation Committee; and 3) Nominating and Corporate Governance Committee.

Our commitment to sustainability and responsible corporate practice begins with our Board of Directors. Six of our ten directors have environmental/sustainability skills and experience, and all Board members have skills and experience in corporate governance, compliance and risk management. While the Board has always focused on these issues, in recent years, the focus on ESG has increased. The Board has had more frequent discussions around sustainability and our impact on environmental and social topics including climate issues, bio-based materials and sustainable solutions, waste reduction, employee health and safety, and diversity.

### ESG Steering Committee

In 2019, Glatfelter formed a cross-functional ESG steering committee as part of our efforts to formalize our sustainability program under the ESG pillars. The primary role of the committee, which is co-led by the Legal and Investor Relations functions and supported by Human Resources, Supply Chain, Environmental, Health and Safety (EHS), Finance, and Marketing/Business Development, is responsible for setting the sustainability/ESG strategy and providing implementation support to Glatfelter's businesses and facilities. The steering committee currently reports to the CEO and provides ESG updates at least twice a year to the Board. The Board also receives an annual update on Glatfelter's EHS progress, with more frequent updates provided in 2020 due to the COVID-19 pandemic.

Over the last two years, the ESG steering committee has made significant progress and continues to drive action across the Company. The steering committee successfully published our [Sustainability Policy](#), led a materiality assessment to identify our ESG priorities, integrated the ESG strategy and progress to date into key disclosures, such as our website and proxy, and played an instrumental role in the publishing of this ESG report.

### > Ethics and Integrity

Glatfelter PEOPLE respect each other, our business and all of our stakeholders, and this sentiment has helped us earn a reputation as a high-integrity company for more than 155 years. This is a remarkable accomplishment that we are very proud of and strive to preserve and strengthen as our organization continues to evolve.



### Core Values and Code of Business Conduct

Our Core Values have always been, and will continue to be, the cornerstone of our business, guiding our decisions and enabling our success. We believe these values – Integrity, Financial Discipline, Mutual Respect, Customer Focus, Environmental Responsibility and Social Responsibility – will help us achieve our vision to be the global supplier of choice for engineered materials. The Glatfelter Code of Business Conduct aligns with our values and defines appropriate conduct and behaviors for our organization. The Code is available on our website at [www.glatfelter.com/wp-content/uploads/Governance-Code-of-Conduct.pdf](http://www.glatfelter.com/wp-content/uploads/Governance-Code-of-Conduct.pdf).

Our Legal Department, which oversees our compliance function, reviews and updates the Code and also administers our compliance and ethics training programs. To reinforce our commitment, we provide compliance and ethics training for all salaried employees every quarter. We expect, and regularly achieve, 100% participation in the training by the completion deadline, and following the training, we require our employees to pass a test with a score of 80% or better. In 2020, in response to events that highlighted the injustices and inequalities present in our society, we committed to enhancing our compliance training by adding content that focuses on diversity and unconscious bias in the workplace.

In addition, we have controls in place for our employees and outside partners to report and address critical concerns. Our Integrity Helpline provides an anonymous, confidential way to report a concern. It is free to use and is available 24 hours a day, seven days a week, in multiple languages to support our global population. The Helpline is operated by an independent service provider, and callers can remain anonymous. Concerns can also be shared directly with our General Counsel or our Board of Directors' Audit Committee Chair. In 2019, seven reports were made to the Helpline. Upon investigation, three of these seven instances were unsubstantiated and four resulted in corrective action including advice or counsel, training and education, or termination.

We also expect our suppliers to conduct their businesses in a way that protects people and the environment and complies with applicable Glatfelter policies and environmental, health and safety laws and

regulations. Our Supplier Code of Conduct makes clear our global expectations for how they conduct business with us and on our behalf. You can review our Supplier Code of Business Conduct on our website at [www.glatfelter.com/suppliers/](http://www.glatfelter.com/suppliers/).

### Human Rights

In 2020, we officially adopted and published our Human Rights Policy on our intranet and Company website. This policy expands on the human rights language that has been part of the Glatfelter Code of Business Conduct and other employment policies for years. The publication of this policy is a recognition of the global importance of this issue to business, government and other stakeholders, and our commitment to continue to ensure that our business and our supply chain adhere to high ethical standards. The Glatfelter Human Rights Policy covers a range of topics, including safety and health, labor standards and prohibition of child labor, diversity and equal opportunity, and the right to water (access to safe drinking water). The policy is posted on our website at [www.glatfelter.com/wp-content/uploads/GLT-Human-Rights-Policy.pdf](http://www.glatfelter.com/wp-content/uploads/GLT-Human-Rights-Policy.pdf).



> **Our Core Values** are at the heart of everything we do. They are the basis of our Code of Business Conduct and guide our choices. Making decisions based on our Core Values is what makes us who we are as a Company.



### **Integrity**

We act ethically and responsibly in all of our business endeavors at all times.



### **Financial Discipline**

We are responsible for the prudent management of the resources entrusted to us and for the generation of financial value for all constituents.



### **Mutual Respect**

We treat each other with honesty and respect. We recognize that what we have and what we will achieve is through the efforts of our employees. We will strive to provide you with rewarding challenges and opportunities for advancement.



### **Customer Focus**

We are dedicated to understanding and anticipating the needs of our customers and helping them achieve their business objectives.



### **Environmental Responsibility**

We empower employees to take personal responsibility for environmental issues that arise on the job. We strive to prevent pollution by using natural resources efficiently, reducing waste, encouraging recycling and reuse, and reducing adverse environmental impacts relating to our operations, all with the goal to foster environmental sustainability worldwide for the benefit of future generations.



### **Social Responsibility**

We recognize our responsibility to contribute to the betterment of the communities in which we operate and the world in which we live.



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