

ENVIRONMENTAL & SOCIAL POLICY

VISION STATEMENT

As an industry leader, Clifford Paper, Inc. leverages its influence in the marketplace to conserve, protect and restore natural resources. With sustainability as our cornerstone, Clifford Paper, Inc. pursues a forest resources policy to promote the development of markets for environmentally responsible forest products.

PREAMBLE

Clifford Paper, Inc. recognizes that business leadership carries a responsibility to the environment, including a responsibility to sustaining the world's forests. Clifford Paper, Inc. is positioned to influence both supply and demand in the market, and thus contribute to the development of sustainability solutions that conserve, protect and restore forests. Clifford Paper, Inc. fully supports sustainability practices that reduce our carbon footprint, protect biodiversity and ecosystem integrity resulting in long-term social and economic benefits to human communities.

Toward these ends, Clifford Paper, Inc. hereby establishes the following policy commitments:

POLICY

Sustainable Forestry Practices

Clifford is FSC, SFI & PEFC certified. Clifford's intention is to maximize the purchase of paper products from companies that subscribe to, and encourage, credible sustainable forestry programs.

We also recognize there are a variety of different, credible sustainable forest management systems in place throughout North America and the world:

- The American Tree Farm System - Certification of Tree Farms through the American Tree Farm System (ATFS), under the oversight of the American Forest Foundation (AFF), is the oldest and largest voluntary, third party verification process in the United States. Since 1941, ATFS has been certifying the practice of sustainable forestry.
- The Canadian Standards Association - The CSA worked with a diverse range of stakeholders interested in sustainable forest management to develop Canada's National Standard for Sustainable Forest Management (SFM) CAN/CSA-Z809.
- The Sustainable Forestry Initiative® program promotes the practice of sustainable forestry on all lands, regardless of size or ownership, and recognizes the importance of landowner outreach and landowner education in achieving a broad commitment to wise forest use.

- The Forest Stewardship Council (FSC) is an international organization that brings people together to find solutions which promote responsible stewardship of the world's forests.
- The PEFC Council (Programme for the Endorsement of Forest Certification schemes) is an independent, non-profit, non-governmental organization, founded in 1999 which promotes sustainably managed forests through independent third party certification.

Education

We will educate our staff, suppliers, and customers about our commitment to the environment and promote awareness and accountability on environmental issues. We regularly review this policy to ensure it reflects the latest information and affords opportunities for us to exercise leadership in the development of environmental standards.

Paper Recovery & Recycling

We aim to strike the right balance between end user requirements and the environment. We recognize that recovered paper is a valuable raw material for the paper industry and suitable for use in certain grades of paper. We believe the fiber content and composition of each grade of paper should be driven by consumer end-use requirements that include the strength, brightness, stiffness, cost and other properties of paper.

Recovered fiber is a valuable raw material that can be used to supplement virgin wood fiber and Clifford Paper supplies recycled content products in most of the paper grades we offer because it helps support our customers' environmental goals.

Contrary to popular belief, the environmental benefit of recycling is not in saving trees, which are among the few truly renewable resources on earth, but in diverting as much useable fiber from landfills as possible. By diverting useable fiber from landfills, we not only reclaim a valuable raw material, but also help reduce methane emissions and our carbon footprint. Methane, a greenhouse gas that contributes to global climate change, is released into the atmosphere when paper biodegrades in landfills.

Many believe the best way to divert the maximum amount of useable fiber from landfills is to mandate increasingly higher levels of post-consumer content across all paper products. Clifford Paper believes that the amount of post-consumer waste in paper products should be decided by yield analysis to determine which products can achieve desired technical specifications at a given post-consumer content with the lowest energy, chemical and capital input. It makes sense to use high levels of recycled content in some products and less or none in others, based on a thorough evaluation of the environmental, economic and performance consequences at each level.

The ultimate objective of recycling should be to increase fiber recovery rates to the maximum possible in the United States, and then to re-use all fiber that is recovered.

Clifford Paper supports aggressively pursuing the potential U.S. maximum for fiber recovery. Today, about 53.4 percent of paper consumed in the United States is recovered for recycling – about 360 pounds for every man, woman and child.

Environmental Health & Safety Practices

We encourage our suppliers to commit to making environmental, health and safety considerations priorities in operating existing facilities, as well as planning new facilities. We regularly train our employees in environmental health and safety responsibilities and promote awareness and accountability on these matters.

Energy Conservation

We encourage our suppliers to pursue energy conservation, increased energy efficiency, greater utilization of renewable energy sources, and opportunities for cogeneration of electricity.

Continuous Improvement

We encourage suppliers to document continuous improvement in resource management, reducing pollutants and water consumption, and increasing energy efficiency in the papermaking process. We will continue to work with our suppliers to develop innovative technologies to meet this goal. We will continue to look for opportunities to improve our environmental policies and work toward achieving aggressive company environmental goals.

Protection of Biodiversity

We support measures that conserve areas scientifically considered to represent high biodiversity value, contain unique or rare forest communities or viable populations of individual plant and animal species deemed critically imperiled. We support the conservation of forests in areas outside of North America identified as biodiversity hotspots and major tropical wilderness areas.

Illegal Logging

We support the conservation of forest areas designated for protection by law and will encourage governments and the private sector to work together to end all illegal logging in areas where timber harvesting is expressly prohibited. We will also support government monitoring and assessment of forests as essential to devising appropriate and effective means to counteract illegal logging.

Conducting Business Responsibly

At Clifford Paper, Inc., our vision is to be a company with passion that is trusted and respected by all.

Ensuring Equal Employment Opportunity

Clifford Paper, Inc. provides equal employment opportunity for all qualified individuals, regardless of their age, gender, marital status, national origin, race, color, religion, disability, sexual orientation, military or veteran status, or any other category protected by applicable law. All employment decisions are based on job-related requirements. This policy pertains to recruiting, hiring, training and development, promotions, compensation, benefits, transfers, education, company activities and all other aspects of employment with Clifford Paper, Inc.

Our leadership team is responsible for bringing this policy to the attention of all employees, for implementing it through diversity awareness at all company operations within their areas of responsibility and for ensuring that all personnel actions are administered in a manner consistent with this policy.

Providing a Great Work Environment

Attracting and retaining top talent is a key focus of Clifford Paper. To accomplish this, we offer competitive compensation, health and welfare benefits and opportunities for advancement and training. Our compensation program is based on competitive market analysis, job responsibilities and individual performance. In addition, to enhance our employees' well-being we offer a 401k savings plan with an attractive matching company contribution. We also pride ourselves on our people development program which promotes continual dialogue on learning and growth opportunities between supervisors and employees. To complement this important program, we continue to develop training programs.

Promoting a Culture of Compliance

All of our people are expected to comply in all respects with the laws, rules and regulations that apply to Clifford Paper and our business. This requirement applies to both the letter and the spirit of the law.