



ENVIRONMENTAL POLICY

CatchMark seeks to maximize long-term returns by actively managing our timberlands to achieve an optimum balance among biological timber growth, current harvest cash flow, and responsible environmental stewardship. Our dedication to environmental stewardship is evidenced by our strong commitment to sustainable forestry. Since 2013 we have planted approximately 40 million trees in CatchMark's forests, and that number continues to grow each year with our reforestation programs. This, combined with our target of maintaining between 38 and 43 tons per acre of merchantable timber inventory demonstrates our commitment to sustainability.

Forest Certifications and Best Management Practices

CatchMark is dedicated to meeting the highest standards in forestry, measured through forest certifications. All of our wholly-owned timberlands and joint venture timberlands are required to be third-party audited and certified in accordance with [Sustainable Forestry Initiative®](#) ("SFI") standards. Newly acquired timberlands that were not SFI-certified prior to acquisition will be third-party audited and certified within one year of acquisition. We voluntarily maintain the rigorous standards required to be certified, working with third-party independent auditors to ensure our practices measure up to these standards. SFI standards promote sustainable forest management through recognized core principles, including measures to protect water quality, biodiversity, wildlife habitat and at-risk species, including the prevention of natural habitat conversion.

Please view our latest [SFI](#) audits.

Our timberlands are further managed to meet or exceed all state guidelines through the implementation of state adopted "Best Management Practices" or "BMPs," as well as internal policies designed to ensure compliance. Best Management Practices include voluntary practices that are intended to protect water quality, promote soil conservation and protect special places of interest or concern during forestry activities. They include processes such as pre-harvest planning, procedures with respect to road building, marking stream buffers, as well as site prep and reforestation practices, which are focused on achieving zero-deforestation across all our timberlands. With respect to road building and retirement, the practices may include planting groundcover over bare soil, building runoff diversions, and utilizing silt fences and stream buffers to ensure limited soil movement occurs or reaches streams or waterways.

We also maintain strong internal audit processes to regularly assess how well we implement regional and national standards and to evaluate ways to improve our performance. We conduct periodic field training for our foresters and third-party forest managers who manage the land to ensure they have the knowledge and skills needed.

We believe our continued commitment to environmental stewardship will allow us to maintain our timberlands' productivity, grow our customer base, and enhance our reputation as a preferred timber supplier.

Wildlife

CatchMark is committed to providing a diverse range of habitats that benefit a variety of wildlife species within the context of intensive forest management. Our foresters and third party forest managers identify and conserve habitats of protected, threatened and endangered species, and our Best Management Practices help ensure that our actions are not adversely impacting the normal life cycle or habitat of wildlife.

CatchMark foresters and third party forest managers are trained to recognize protected, threatened and endangered species and their habitats. They rely on mapping and database tools as well as a working knowledge of the land to determine where particular conservation practices are needed. Our Geographical Information Systems have these sensitive areas designated and will automatically alert our foresters whenever an activity is scheduled near them in order to ensure we are following all the proper Best Management Practices associated with species or habitat. Additionally, we are linked to state and national registries in order to be updated whenever updates are made regarding any threatened and endangered species or its habitat.

In addition to our own actions, we also participate in broader industry and conservation initiatives such as population studies and surveys.

Example Species in U.S.

- **Endangered*** - Altamaha Spiny mussel, Hairy Rattleweed, Pondberry
- **Threatened*** - Northern Spotted Owl, Marbled Murrelet, Red Hills Salamander, Indigo Snake, Wood Stork
- **Candidate for Listing*** - Eastern Gopher Tortoise
- **Delisted due to Recovery*** - Bald Eagle

**Federal Status and Species are subject to change.*

Soil

Soil quality is imperative to the health and productivity of our forests. Our objective is to practice state-of-the-art forest management by deploying silvicultural treatments in a site-specific fashion to reduce soil limitations to tree growth and at the same time, take deliberate efforts to protect the soil from damage by erosion, compaction, rutting or excessive loss of nutrients and organic matter.

Our foresters and land managers classify our land and use our knowledge of soils to guide management practices for each rotation – minimizing the impact of heavy machinery during harvesting, roading and re-establishment phases of the forest cycle.

We implement Best Management Practices, which are designed to minimize erosion and prevent sediment from entering waterways during forest management activities. Our knowledge of soil properties that affect the retention and movement of fertilizers and herbicides enables CatchMark to fine-tune application rates and timing to optimize the efficiency of these silviculture treatments and minimize the potential for off-site movement.

Water

Forests and watersheds play a critical role in capturing, storing and filtering water used by people and wildlife. We adhere to all regulatory requirements, and deploy best practices to protect the water in our forests, which is essential to the long-term sustainability of our forests and the communities they support. We have clear established guidelines that are maintained, updated and used for training on a regular basis to help ensure that our forest management practices protect water quality.

Chemicals

Through our Best Management Practices we limit the application of chemicals to the lowest amounts possible and the lowest frequency possible to still be effective in controlling undesirable species in the forest that will impede the establishment and growth of a healthy and productive forest. All applicators are licensed and registered professionals utilizing the latest technology for application and mapping to ensure chemicals are only applied to the designated sites and kept out of sensitive areas and waterways. All applications are made on a stand specific basis and tailored to the needs of the site and are vegetation specific.

Fire

The use of fire as a management tool is available and utilized on a limited basis only to improve access for regeneration when chemical use is not effective to prepare the site or there is a vegetation control issue that will limit the effective establishment of a new plantation. All fire applications are contracted with certified and trained professionals and plans are coordinated with state agencies to help ensure proper procedures and notifications are followed and adhered to.

Contractor Training and Certification

All third-party forestry contractors are required to be trained in the appropriate Best Management Practices for logging, road building, chemical, fertilization and tree planting activities. Logging contractors are required to be registered and certified with their state master logger certification program as designated by the SFI-SIC committees and they must maintain annual continuing education credits to maintain certification in order to operate on CatchMark timberlands. All contractors are required to provide proof of certification or be in the process of earning certification before any work can be conducted for CatchMark. Additionally, all contractors are required to adhere to OSHA safety standards at all times per our contracting policies and standards.

Climate Change

In our evaluation of climate change, we consider the positive impact that forests have in capturing carbon, intercepting water, and stabilizing soils, thereby mitigating negative effects on the environment. Trees, through photosynthesis, absorb carbon and other pollutants, then emit pure oxygen into the atmosphere: thereby helping to counteract climate change. We do, however, also recognize the risks to society and CatchMark from the effects of climate change and are deliberately taking steps to mitigate those risks.

Carbon Footprint

CatchMark has opportunities to respond to the effects of climate change through our forest management practices. Fertilizing nutrient-deficient soils increases forest growth. Lifecycle analysis has demonstrated that this increased growth also increases long-term carbon sequestration. In addition, as temperatures rise, trees in some areas will grow faster and sequester more carbon, which will help to further mitigate climate change. Even after they have been harvested, trees continue to store carbon in products like lumber, providing a long-term positive impact.

Risks And Opportunities

In the long-term, the potential risk to CatchMark posed by climate change is the gradual shift that could alter the diversity of plants and trees growing across certain regions, as well as the potential for new diseases and soil conditions that could impact future forests. This long-term risk is mitigated through our proactive work with best in class growers and nursery managers that deploy the most current technology and tree improvement research to develop and grow the highest quality seedlings possible. We also support and participate in external research initiatives that are searching for other long-term solutions. Changes in the forest environment as a result of climate change present an opportunity for targeted genetic tree improvement to decrease the overall risk to CatchMark.

There are also short-term events that impact our lands such as hurricanes, windstorms and forest fires. CatchMark takes deliberate steps to mitigate these potential risks with actions such as: prescribed controlled burns, creating fire breaks and fire lines, and geographically diversifying our portfolio.

Refer to our Form 10-K for a list of additional weather-related risk factors.

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