



## **UK Tax Strategy**

In compliance with paragraph 16(2) of Schedule 19 of the UK Finance Act 2016, P. H. Glatfelter Company below sets forth its UK tax strategy, applicable for the year ending December 31, 2017. As the parent company of a global enterprise, this strategy statement applies to the following UK subsidiaries:

- Glatfelter Lydney Limited
- Glatfelter Caerphilly Limited

This strategy statement takes into account all applicable UK taxes, including: corporation tax, VAT, withholding taxes, stamp duties, customs duties, employment-related taxes (PAYE and NI), and other applicable UK taxes.

### **Background and Overview**

For over 150 years, Glatfelter has demonstrated its commitment to sustainability, by recognizing the important role we play in being a good corporate citizen and in meeting or exceeding the expectations of our stakeholders. Instrumental to Glatfelter's success in becoming the global supplier of choice to our customers in specialty papers and engineered products has been the steadfast adherence to Glatfelter's Core Values:

#### **▪ Integrity**

We are ethical and responsible in all of our business endeavors, all the time.

#### **▪ 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 them with rewarding challenges and opportunities for advancement.

#### **▪ Customer Focus**

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

▪ **Environmental Responsibility**

We recognize that our business impacts the [environment](#). We are committed to continuous environmental improvement and the prevention of pollution. We will be in compliance with all environmental laws and regulations.

▪ **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.

As a global enterprise, Glatfelter pays a significant amount of tax to the taxing authorities where we conduct our business activities, including corporate income taxes, property taxes, customs and excise duties, social taxes on employment, consumption taxes, and stamp duties. We are also responsible for collecting value added and sales taxes, and withholding income taxes on payments to employees and customers.

Glatfelter has established a strong framework of corporate governance, with the Glatfelter Code of Business Conduct documenting our commitment to ethical business practices in all facets of our global operations.

**I. Approach to risk management and governance arrangements with regard to UK taxation**

Glatfelter strives to ensure that we are, at all times, compliant with the applicable tax laws, reporting obligations, and payment obligations in all jurisdictions in which we operate. Management of tax risks in the UK is achieved through the collaborative efforts of UK finance management along with corporate tax, finance, internal audit and legal departments. We engage external advisors as appropriate, and are in frequent contact with them to ensure all tax-related matters in the UK are properly reviewed and addressed.

**II. Tax planning**

Glatfelter is committed to aligning any tax planning strategy to the needs and objectives of our business, and to ensuring that all tax planning is consistent with Glatfelter's Core Values and the Code of Business Conduct. We make every effort to undertake all tax planning and related reporting in a transparent manner. Any tax planning involving the UK is carefully researched, reviewed, conducted in an arms' length manner, and reported transparently.

**III. Tax risk and governance**

Glatfelter's established policies, practices, and framework of governance operate to foster an environment to ensure the identification, careful evaluation, and internal vetting of any significant tax position or risk. We are mindful of the importance of our reputation in all jurisdictions where we operate, and our approach to tax risk is grounded in that basic consideration. Accordingly, our UK tax risk profile is consistent with that approach.

**IV. Relationship with Her Majesty's Revenue & Customs (HMRC)**

We make every effort to maintain open and transparent relationships with all taxing authorities where we do business, including HMRC. We aim to ensure that we comply with all tax filing obligations in the UK in a timely and accurate manner, and to fulfill relevant disclosure requirements. We also strive to be responsive and thorough to any inquiries from HMRC, or any taxing authority.