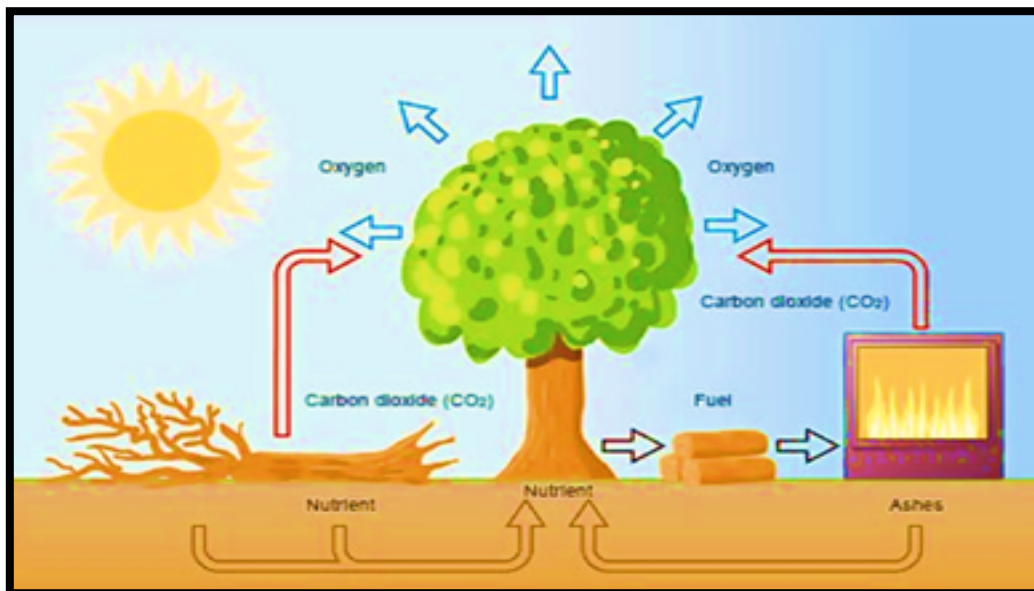


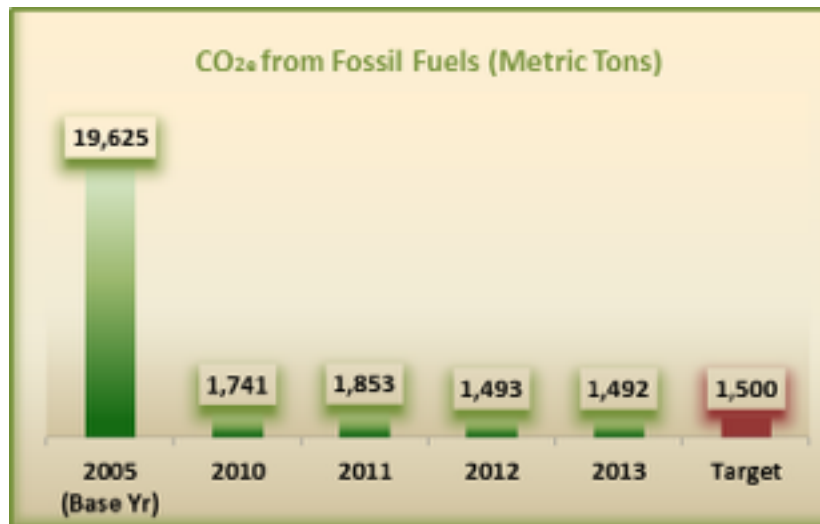
SEAMAN PAPER'S SOFT STEPS FORWARD INITIATIVE

SEAMAN PAPER has incorporated its sustainability policy into a program that it calls "Soft Steps Forward Initiative". Seaman is committed to operating in a manner which promotes sustainability, respect for the environment and efficient operations. Seaman is continuously examining and enhancing its procedures to improve its sustainability performance. Seaman Paper has committed to initiatives in several areas, including; environmental, energy, fiber use, recycling, water, and safety improvements.

ENVIRONMENTAL INITIATIVES

- Seaman uses approximately 900,000 gallons of water per day from the adjacent Otter River. After use in the paper making operation, this water receives primary and secondary treatment in Seaman's private waste water treatment plant. The plant is able to remove over 99% of the solids and biochemical-oxygen demand in the wastewater.
- Seaman installed a wood fired boiler in 2006 and installed another in 2009. Burning wood instead of oil reduced our NOX emissions by 18% (7 tons per year) and our SO2 emissions by 97% (127 tons per year).
- Biomass is considered greenhouse gas neutral as trees reabsorb CO2 quickly as opposed to fossil fuels. When you consider biomass as carbon "neutral", Seaman has been able to reduce its greenhouse gas emissions by 92%.

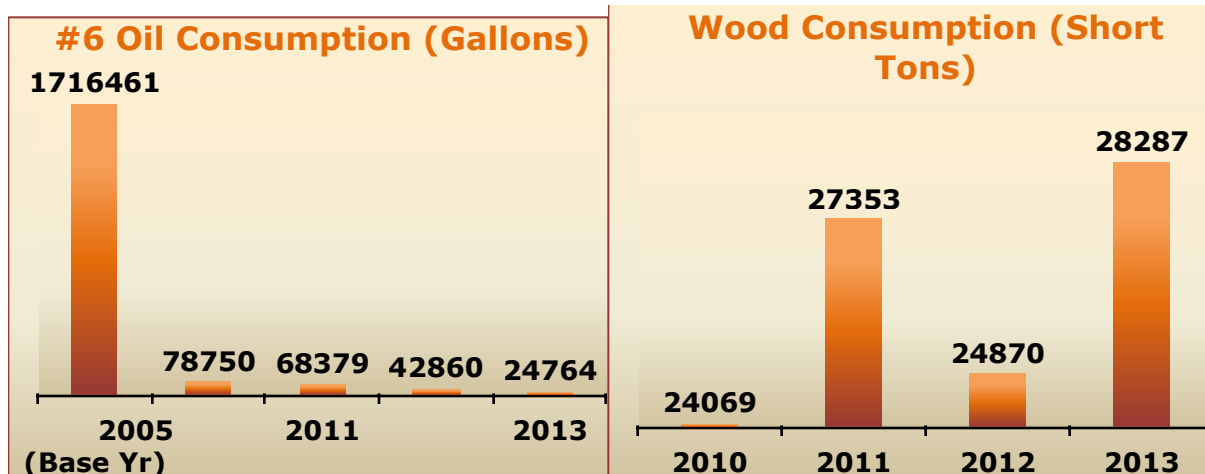




ENERGY INITIATIVES

Thermal Fuel Substitution

- Seaman installed a wood fired boiler which reduced its oil consumption by 63% in 2006 and installed another in 2009, which reduced its oil consumption by over 97% per year. (Oil is now only used as a backup to the wood system.)
- In 2013, we were able to replace 40,283 barrels of oil with 28,287 tons of shredded wood pallets. This fuel source is domestic, stable and renewable.



Thermal Energy Conservation

Since 1999, Seaman has made improvements which reduced its steam use by 60 million pounds per year. This is equivalent to 11,429 barrels of oil. Specific actions include:

- Installation of thermo compressors to reuse blow-through steam
- Heat exchanger to use flash steam to heat boiler feed water and incoming water
- Recycling 28% of our effluent from our treatment plant to our inlet to preserve heat

Electrical Energy Conservation

Since 2002, Seaman has made improvements which reduced its electricity use by 3 million kilowatt hours per year. Specific actions include:

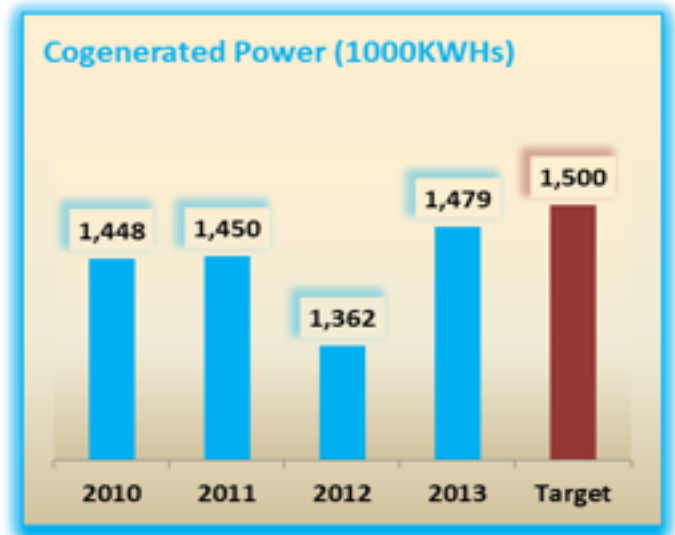
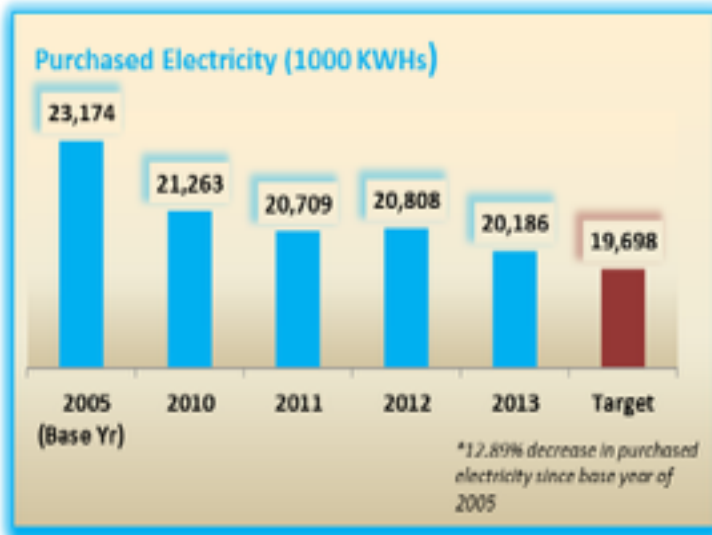
- T8 lighting and motion detectors
- Installation of 57 variable speed drives for energy savings
- Identification and improvement of energy inefficient designs
- Installation of regenerative brakes on winders
- Elimination of Eddy current clutches
- Hot condensate routed through pipes in offices to displace electric heat
- Improved refiner plates

Electrical Cogeneration

In September 2008, Seaman installed a backpressure turbine which will cogenerate approximately 5% of Seaman's electricity requirements, or 1,500,000 Kilowatt hours per year. Process steam is generated at a higher pressure than is required by the mill. The steam spins the backpressure turbine producing electricity (and losing pressure) and the steam is finally discharged for use in the mill to dry paper. This "double use" of the steam is the most efficient use of energy. Seaman

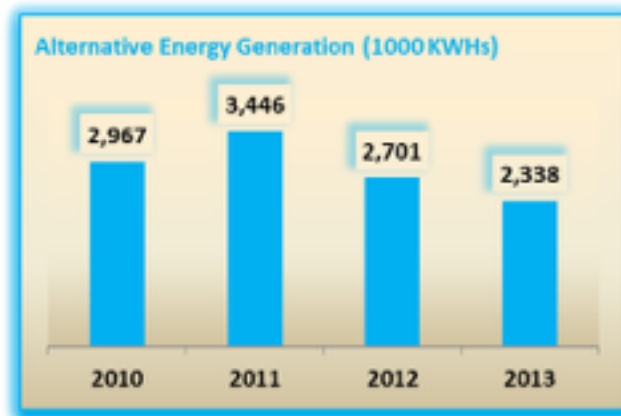
will also be able to sell “Renewable Energy Credits” for the electricity it produces because the wood is renewable and it receives additional credits as a combined heat and power facility.

In 2013, 58% of our purchased electricity came from sources that did not emit greenhouse gases.



Electrical Alternative Energy

In 2010, Seaman started up a landfill gas project, called Seaman Energy, where methane from a local landfill is used to power reciprocating engines to produce 300-500KW of electricity. Seaman Energy has produced 11.4 million kilowatt hours of electricity since its start up through 12/31/13 from gas that would have been flared to the atmosphere.



FIBER INITIATIVES

- Seaman uses over 50% pre-consumer recycled fiber and also introduces post-consumer fiber into its Satin Wrap retail packaging line and selected resale tissue accounts.
- In 2008, Seaman became certified for Chain of Custody under the Sustainable Forestry Initiative Program (SFI) and the Programme for the Endorsement of Forest Certification schemes (PEFC). In 2009, Seaman became certified for Chain of Custody under the Forest Stewardship Council (FSC) Program. These programs provide independent third

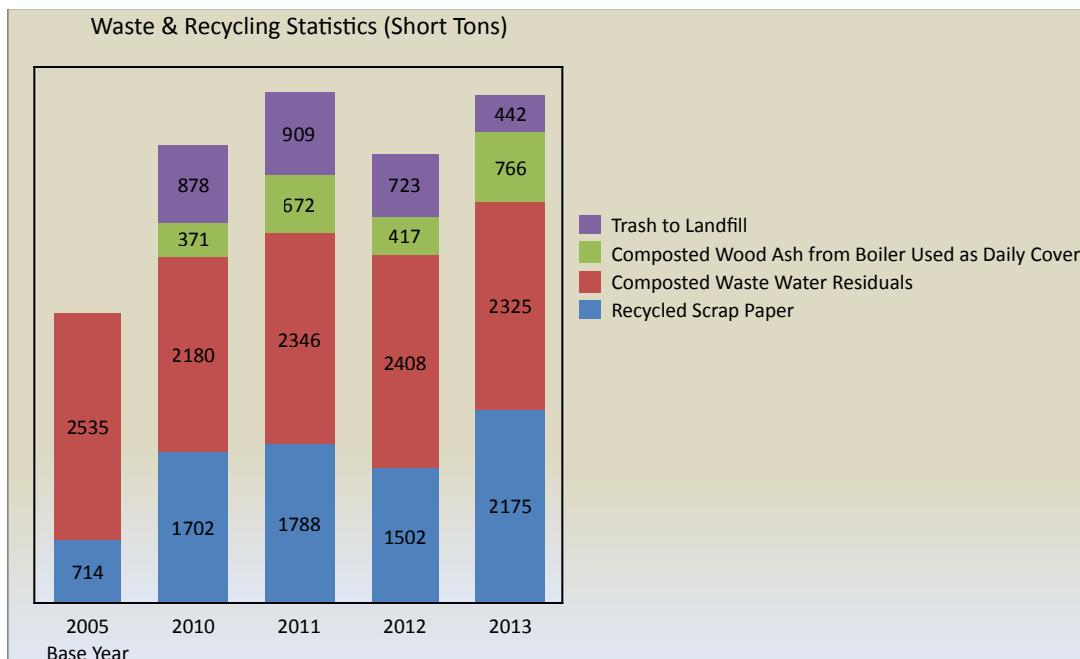
party verification that fiber used in operations comes from sources that promote sustainability and minimize environmental impact.

- Companies with publicly available Sustainability Plans provided 64% of Seaman Paper’s fiber supply in 2013.
- Over 96% of the fiber used at the mill can be traced to sources with forestry certification. The remaining 4% consists of recycled fiber that could not be traced to an exact source.

RECYCLING INITIATIVES

Waste products generated at the plant are diverted to beneficial uses in ways such as:

- Seaman collects waste paper and cores that it cannot recycle back into its products and sells the paper back for recycling by other mills. Seaman also collects its office waste for recycling. In 2013, Seaman recycled 2,175 tons of paper which would have consumed 174,000 cubic feet of landfill space.
- Reusable wrapping materials such as cores, plugs and headers are collected at the Seaman converting plants and returned to the mill for reuse.
- Bottom ash from the boiler is used for beneficial purpose as a cover material.
- Residuals from Seaman’s treatment plant and flyash from the boiler are composted at Seaman’s 300 acre composting site in Westminster, Massachusetts. In 2013, 2,375 tons of waste water residuals, (i.e. fiber, clay and biofloc), were composted into topsoil.
- Through these recycling initiatives, Seaman was able to divert 92% of its wastes from going to the landfill in 2013.



% of waste diverted from the landfill

83%

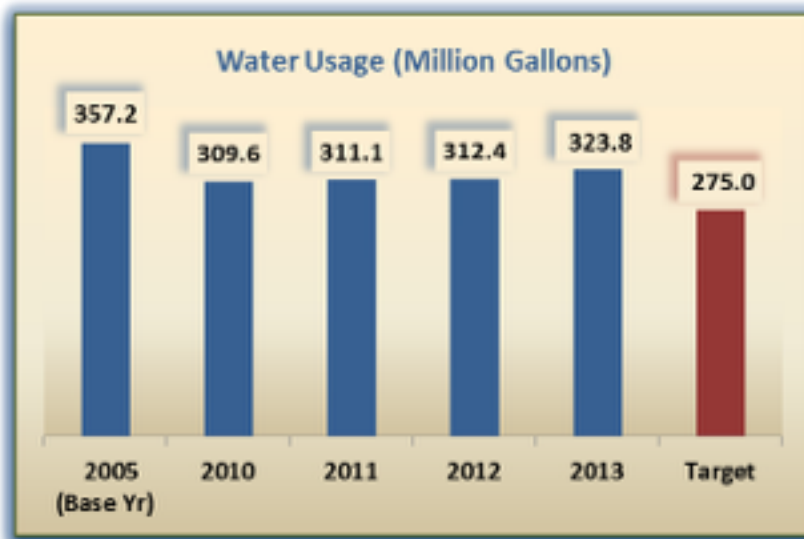
84%

86%

92%

WATER AND ENVIRONMENTAL INITIATIVES

- Approximately 200 gallons per minute of primary clarifier effluent is cleaned and used as vacuum pump seal water.
- Approximately 28% of our mill effluent is purified in sand filters and reused in the process.



- Seaman uses approximately 900,000 gallons of water per day from the adjacent Otter River. After use in the papermaking operation, this water receives primary and secondary treatment in Seaman’s private waste water treatment plant. The plant is able to remove over 99% of the solids and biochemical-oxygen demand in the wastewater.
- Seaman Paper has ordered equipment that will be installed in 2014, which should reduce water use by 100,000 gallons per day.

SAFETY INITIATIVES

Seaman has instituted a rigorous safety program, which has changed the safety culture at the mill. The OSHA Dart rate (number of accidents resulting in lost time or modified duty per 200,000 hours worked), has dropped by over 56% since 2005. In 2012, the mill achieved a record 718 consecutive days without a lost time accident. In 2013 we experienced 3 lost time accidents resulting in a total of 89 days away from work. Seaman has investigated the root causes and has made improvements for actual accidents and “near misses”.



SOFT STEPS FORWARD PROGRESS SUMMARY

	2005 (Base Year)	2010	2011	2012	2013	Change From Base Year		
Energy:								
Purchased Electricity (1000 KWHs)	23,174	21,263	20,709	20,808	20,186	-12.89%		
Fuel- #6 Oil (gallons)	1,716,461	78,750	68,379	42,860	24,764	-98.56%		
Fuel- Wood (short Tons)	0	24,069	27,353	24,870	28,287	NA		
Greenhouse Gas								
Fossil Fuel (tons of CO2e)	19,625	1,741	1853	1,493	1,492	-92.40%		
Water (million gallons)	357.2	309.6	311.1	312.4	323.8	-9.35%		
Safety (OSHA DART Rate)	5.17	1.49	0	0.76	2.28	-55.90%		
Fiber Source								
Virgin Pulp		43%	53%	45%	47%			
Pre-consumer Recycled		55%	46%	53%	52%			
Post-consumer Recycled		2%	1%	2%	2%			
total		100%	100%	100%	100%			
Production of Paper by Seaman (short tons)	23,261	23,145	22,302	22,986	22,888	-1.60%		
							Seaman Paper AF&PA	
Per Ton of Paper Produced By Seaman							Goal	Goal
Purchased Electricity (KWH/ton)	996	919	929	905	882	-11.45%	-14%	-10%
Water (1000 gallons/ton)	15.3	13.4	13.9	13.6	14.1	-7.84%	-21%	-12%
Fossil Fuel GHG	0.84	0.08	0.08	0.06	0.07	-92.27%	-92.22	-15%
Safety Incident Rate	11.8	4.45	2.44	3.03	3.80	-67.80%	2	2