



Sappi North America

2015 Sustainability Report

Table of Contents

02

Sappi North
America Overview

06

Sustainability
Goals

08

Economic
Responsibility

12

Environmental
Responsibility

16

Social
Responsibility

20

Key Performance
Indicators



Sappi North America

Sappi North America has been publicly reporting progress on sustainability initiatives since 2008 as part of a global sustainability report issued annually by Sappi Limited. This is the fifth consecutive year that each regional division will issue its own sustainability report, with consolidated global sustainability performance included in the annual report to shareholders. Sappi Limited will continue to publish a separate online report in conformance with the Global Reporting Initiative's G4 framework and disclosing compliance with the United Nations Global Compact (UNGC), to which we are a signatory.

Covering FY 2015 (September 29, 2014, to September 27, 2015), this year's report focuses on performance against goals and an update on key performance indicators.

This report includes environmental performance data for Sappi's three US manufacturing operations in Skowhegan, Maine, Westbrook, Maine, and Cloquet, Minnesota. Social responsibility and prosperity metrics are reported for the full region, including our corporate facilities, sales offices, and sheeting facility in Allentown, Pennsylvania.

Copies of reports produced by Sappi Limited can be accessed at www.sappi.com/investors, along with online access to sustainability reports from Sappi's regional divisions in Europe and South Africa.

The rapidly changing world around us is having a widespread impact on just about everything: global economies, industries, markets, consumer trends and our planet's resources. As a company, we are embracing this reality with a focused strategy and some very clear objectives.



Our way of living, and ultimately Sappi's future, is being impacted by a number of megatrends, including shifts in demographics, technology, climate, the drivers of the global economy and the reality of adjusting to a carbon-constrained future. As a company, we understand these changes and are embracing them by adapting our business accordingly. Our ultimate goal, within a changing world, is to maintain our position as a global forest products leader. We will achieve this through the power of One Sappi—committed to collaborating and partnering with stakeholders—always focused on being a trusted and sustainable organization with an exciting future in wood fiber.

The quality of our people—their dedication, resourcefulness and drive—has made it possible to overcome the transformative challenges in our industry. Today, we are in a much stronger position to move ahead, thanks to our optimism and pragmatic approach in running a leaner, more productive and efficient business.

We now have the opportunity to further transform and diversify as a business.

To do this, we have identified numerous exciting prospects for which we are uniquely positioned to take a lead industry role.

As a natural renewable resource company, Sappi is in an excellent position to help drive the renewal of the forestry industry toward a low-carbon future. We will make full use of this opportunity.

Our approach is encapsulated in our 2020Vision. Within the next five years, we want to optimize and maximize the returns from our mature businesses, expand our existing high-growth businesses and enter new businesses in adjacent fields as we unlock and commercialize the potential of plantation and forest-derived bio-products.

The fact that we operate in a carbon-constrained world as a natural renewable resource company has opened up many exciting opportunities to expand and diversify.

Our business is based on wood fiber derived from trees, and it is in these fibers that we have found the key to unlock our sustainable future in a fast-changing world.

Finally, how we reach our strategic goals as a business is as important as reaching those goals. Our new group value statement defines our operating ethos going forward: "At Sappi we do business with integrity and courage, making smart decisions which we execute with speed."

Steve Binnie
Chief Executive Officer,
Sappi Limited

Overview of Sappi North America

Sappi North America is a subsidiary of Sappi Limited, headquartered in Boston, Massachusetts, with over 2,000 employees in the United States and Canada. Our three North American mills have capacity to produce 1.16 million metric tons of paper and 855,000 metric tons of pulp. The success of our four diversified businesses is driven by strong customer relationships, world-class assets and outstanding products and services. Customers rely on Sappi to deliver products and services with consistently high quality and reliability supported by highly technical, operational and market expertise.

Pulp

Sappi North America is an integrated pulp and paper producer with state-of-the-art pulp mills. Sappi North America produces both kraft pulp (Somerset Synergy®) and dissolving wood pulp (Specialised Cellulose) for sale to other manufacturers. With a 2013 conversion of the pulp mill at Cloquet, the mill is capable of producing 330,000 metric tons of dissolving pulp or 455,000 metric tons of kraft pulp.

Release Papers

The company is also the world's leading supplier of release papers for the automotive, fashion and engineered films industries, including the globally recognized Ultracast® brand. Sappi North America's release papers provide the surface aesthetics for synthetic fabrics used in footwear, clothing, upholstery and accessories, as well as the textures for decorative laminates found in kitchens, baths, flooring and other decorative surfaces.

Coated Papers

Our coated papers are specified for printing projects in which top-quality reproduction is essential, including corporate annual reports, fashion magazines, catalogs and fine art books. Sappi offers a broad selection of paper choices—from bright white to neutral shades; a variety of finishes—from gloss to matte; and a range of basis weights in sheet and web. North American brands are: McCoy®, Opus®, Somerset® and Flo®. Our global brands include Magno, HannoArt, Galerie Art and EuroArt Plus sheets, and the Galerie Publishing Papers, which include Galerie Fine, Galerie Silk, Galerie Brite and Galerie Lite web.

Packaging and Speciality Papers

In 2014, Sappi North America established a separate business unit to focus on packaging and technical specialty papers. Building on the strong market performance of our grease-resistant LusterPrint® paper, last year we developed LusterCote®, a coated one-side (C1S) paper designed for labeling and other converting applications. In 2015 we extended the basis weight range for LusterCote® to serve litho markets such as envelope, litho label and point of purchase displays.

Sappi Limited

Sappi Limited is a global company headquartered in Johannesburg, South Africa, with more than 13,000 employees and manufacturing operations in seven countries across three continents, as well as sales offices in 35 countries. Sappi is focused on providing dissolving wood pulp, paper pulp and paper-based solutions to its direct and indirect customer base across more than 100 countries. We produce approximately 5.7 million metric tons per year of paper, 2.4 million metric tons per year of paper pulp and 1.3 million metric tons per year of dissolving wood pulp.

Sappi North America Locations

- **Headquarters**
- **Sites** (3 Mills, 1 Sheeting Facility, 1 Service Center, Westbrook Technology Center)
- **Sales Areas** (17)
- **Regional Distribution Centers** (3)



Corporate Governance

Sustainability is not just a business philosophy at Sappi North America. It permeates our corporate structure with formal responsibilities, defined goals and accountability demanded from each of our four business units and every part of our operations.

Sustainability Steering Committee

Mark Gardner, Chair
President and CEO

Anne Ayer
VP, Fiber Resources and
Corporate Development

Tom Collins
VP and General Manager,
Specialties Business

John Donahue
VP, Central and
Wood Procurement

Deece Hannigan
VP, Coated and Packaging
Business

Mike Haws
VP, Manufacturing

Annette Luchene
VP and CFO

Sarah Manchester
VP, Human Resources and
General Counsel

Jennifer Miller
Chief Business
Sustainability Officer

Sustainability Council

Laura Thompson, Chair
Director, Technical Marketing
and Sustainable Development

Dee Dee Baum
Director, Customer Care

Kevin McCarthy
Senior Manager, Certification

Micki Meggison
Director, Technical Service
and Process Improvement

Chuck Qualey
Senior Engineer

Rob Schilling
Environmental Manager

Dale Wibberly
Human Resources Manager

Letter from Mark Gardner

Each year I look forward to reporting our progress against the five-year goals we set to ensure that Sappi North America continues as a thriving, sustainable, re-investable company. Whether you are an employee, customer, shareholder or a member of one of our mill communities, you should know how we are doing in terms of employee training and safety, key environmental metrics and, of course, financial returns.

We set hard but achievable goals that challenge us as an organization and keep us focused on coming up with projects to improve results and meet or even exceed our goals. These projects can range from waste reduction and energy-efficiency improvement actions at the mills, to new product launches and sales strategies for current revenue growth, to business diversification plans to tap new sources of growth – and, of course, the employee development plans to make it all happen.

That initiative and vision is what sets Sappi North America apart. At Sappi, we listen to our customers and meet their needs by providing them with our high-quality and innovative products. We employ the best talent and provide them with skill-building opportunities. We invest our capital, ensuring our manufacturing processes stay flexible, safe and efficient. We are in control of our destiny because we have an eye to the future and have made a series of decisions to best position the company in the changing landscape.

Safety: Our First Priority

Safety excellence and risk management are an integral part of Sappi's operating ethos. We have continued to make the necessary investments to ensure that our manufacturing processes are safe with risk well managed. We continue to invest heavily in safety education and training, ensuring that all of our employees, salaried or hourly, operating our assets have the necessary know-how and equipment to work safely. Compliance with safety standards is rigorous and consistently applied. Our results reflect that focus: The

Lost Time Injury Frequency Rate (LTIFR) for the year was 0.48, which is a 14 percent improvement versus FY14 and the second best LTIFR year on record. Within the US paper industry, Sappi NA exceeds the benchmark for the top 25 percent performers set with an LTIFR of 0.6. We are proud of this accomplishment and we remain committed to continuous improvement of our safety standards and processes.

Investing in Customer Solutions

Given our strong record of capital investment to keep our machines modern and flexible, as well as our deep commitment to R&D, we are able to bring solutions to the market quickly in all four of our businesses. In our Coated Paper division, recent machine upgrades have provided yield improvements resulting in cost savings for customers using our 7 pt Somerset gloss and satin. We also doubled capacity on our Flo lightweight web products and increased the optics of our Flo and Opus sheet brands. In our new Packaging business, we have introduced LusterCote, a quality C1S label product with excellent printability and performance, complementing our legacy LusterPrint business. We are dedicated to making specialized packaging solutions a larger part of our business and are working on innovative



"We are in control of our destiny because we have an eye to the future and have made a series of decisions to best position the company in the changing landscape."

line extensions for launch in 2016. The Release team has several important product changes for this upcoming fiscal year in both its Classics and Ultracast lines to meet evolving customer needs in the fashion apparel, furnishings and automotive sectors; we expect exciting growth in this business. Finally, our Specialised Cellulose team continues to meet the highest standards for this highly technical pulp feedstock used in textile, pharmaceutical and food industries and is looking for ways to penetrate adjacent markets.

People: Our Greatest Asset

The engagement of our highly skilled workforce is what makes our business environment special. We're different because our employees are passionate about what they do, and that shows up in how we make, service and sell all of our products. The key to this dynamic is investing in our employees beyond the education and training we provide. We listen to their great ideas for ways to grow and improve this company, we place confidence in their experienced judgment and we give them a chance to take calculated risks and expand their horizons through job progression or the opportunity to take on new projects. And, since we know our employees are our best ambassadors, we encourage volunteering with local and educational organizations to promote goodwill and ensure a steady stream of future world-class talent. This investment of time and resources in our people and the larger community is a full-circle approach to ensure our sustainable future.

A Final Note

I hope you take the time to read this report in depth, as we have streamlined the content this year to make it even more accessible. You will see that in some cases, we are well ahead of aggressive goals, and in some areas, we will need to dig a little deeper and work harder to achieve our five-year vision, and we share those plans with you. The important thing I want to leave you with is the culture of optimism and passion here at Sappi, and the resolve and resiliency we continue to demonstrate as we meet the exciting challenges and demands of our ever-changing markets.

A handwritten signature in blue ink that reads "Mark Gardner". The signature is fluid and cursive, with the first name "Mark" and last name "Gardner" clearly distinguishable.

Mark Gardner
President and CEO,
Sappi North America

Sustainability Goals

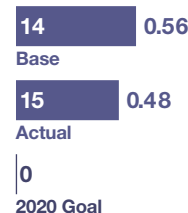
Since 2008, Sappi North America has established regional long-term goals to focus our collective efforts on areas that are critical to our business. Achieving these goals improves our performance and helps assure our success for years to come. In concert with our new global strategy, 2020Vision, we have established several goals that cross all regions. Benchmarking from a 2014 baseline, this year marks our first year of performance against those new global goals. In addition to the global goals, we have also set regional goals for employee training and the reduction of raw material waste. The compilation of each region's contribution to Sappi's global goals is also published in our company's annual report, which can be found online at sappi.com/investors.

People

0
LTIFR

Achieve Zero Workplace Injuries (Global Goal)

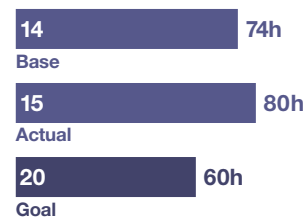
Employee safety is a top priority at Sappi North America and is guided by our Project Zero program, which sets a global goal of zero workplace safety incidents. Lost Time Injury Frequency Rate (LTIFR) is one important measure for tracking work-related incidences resulting in injuries that reduce an employee's physical capabilities. It measures injuries resulting in lost time per one million man-hours worked. In 2014, our new baseline tracking year, the North American region recorded an LTIFR of 0.56, and in 2015 we achieved a 14 percent decrease, reaching an LTIFR of 0.48. We recognize that creating a safe work environment requires constant attention and have built a culture where safety is part of the daily conversation. Safety systems that include ongoing training and communications are ingrained in our work plans and viewed as integral in our efforts to consistently strive for zero workplace injuries. Each year every employee, in every role regularly participates in training sessions designed to raise awareness of safety practices that prevent injury. We are proud of our historic performance and will continue the work to reach zero.



60h

Offer 60 Hours of Training and Education per Employee Annually (NA Regional Goal)

We believe that maintaining a skilled workforce is critical to achieving high performance in our complex manufacturing operations and business management systems. We continue our long-standing commitment to a regional goal for employee training and, after analysis, have set our 2020 target at 60 hours of training and education per employee per year. This is a standing target intended to be met every year and is consistent with best practices for US companies. We will continue to apply a high level of attention to efforts that ensure employees receive training that increases their skills and proficiency for their current position and for future opportunities. As we are facing turnover due to a large number of pending retirements and are hiring new employees at a relatively high rate, delivering ongoing training that effectively grows the skills of our employees is essential.

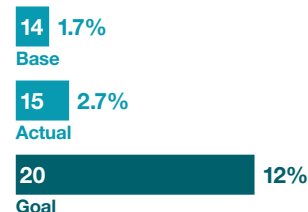


Prosperity

12%
RONOA

Achieve or Exceed 12 Percent Return on Net Operating Assets (Global Goal)

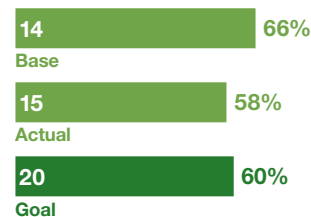
Return on net operating assets (RONOA) is a clear indicator of the financial performance of our operations and the ability to effectively use our asset base to generate profit. Our 2015 performance improved compared to the 2014 baseline despite continued soft market conditions in all Sappi North America core businesses and the challenges that accompany a stronger US dollar. We have built flexibility into our manufacturing systems to provide our operations personnel with more tools to manage the business. Our teams work to achieve increased operational efficiencies while closely managing both fixed and variable costs. In 2015, higher wood costs at the mills were offset by lower pricing for chemicals and energy, as well as the strategic decision to supply the Cloquet paper machines with more own-make kraft pulp. Heading into FY16, with expected improvements in market dynamics coupled with the strategic actions that we are taking to diversify our business, we are well positioned to prosper in the years to come.



60%

Ensure 60 Percent Total Certified Fiber Content (Global Goal)

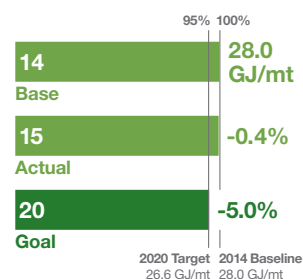
We continue to support and recognize the efforts of multiple, third-party certification programs, including the Forest Stewardship Council® (FSC®), the Sustainable Forestry Initiative® (SFI®) and the Programme for the Endorsement of Forest Certification (PEFC). One hundred percent of our wood fiber is sourced from well-managed forests in accordance with the FSC® controlled wood standard as well as the SFI® certified sourcing standard. Building on the strong legal framework within the US, these standards offer additional assurances that there are no controversial sources in our wood and fiber supply. Our performance against this goal is measured as percentage of certified fiber (from both the pulp we produce and that which we buy) in all our products across all three mills. We have established a goal of 60 percent certified fiber, which has proven sufficient to meet customer demands for certified products. In 2014 we were purchasing the bulk of our kraft fiber for the Cloquet paper mill and achieved 66 percent, our highest level of certified fiber ever. In 2015, as we took advantage of the pulp manufacturing flexibility at our Cloquet, Minnesota mill, we purchased less certified market pulp and produced more of our own pulp. As a result, in 2015 we achieved 58 percent total certified fiber content.



5%

Reduce the Total Amount of Energy Expended in Making Each Ton of Product by Five Percent (Global Goal)

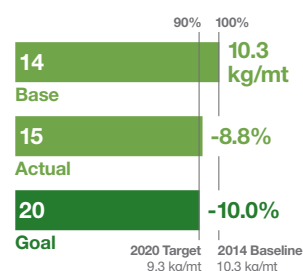
Energy is an ongoing topic of concern globally and is extremely important to Sappi and our stakeholder groups. Energy from fossil fuels is linked to climate change and is a major cost driver in the wood products industry. Therefore, we have established a goal to reduce energy intensity by five percent. We continue to supply over 70 percent of our energy needs with renewable fuels, minimizing our fossil carbon footprint, and generate most of our electricity on-site. We remain committed to increasing our process efficiency and reducing energy consumption. In 2015, our mill personnel implemented reduction projects that were identified during energy use studies conducted in FY14. At the end of this fiscal year, our energy intensity was flat compared to the 2014 baseline. The positive impact of energy reduction efforts at all our mill sites was offset by manufacturing changes primarily driven by external market conditions. Note: In accordance with industry standard methodology for tracking this goal, energy from purchased electricity is calculated in terms of fuel inputs and accounts for efficiency losses incurred in generating and transmitting power.



10%

Reduce Pulp Mill Raw Material Waste by Ten Percent (NA Regional Goal)

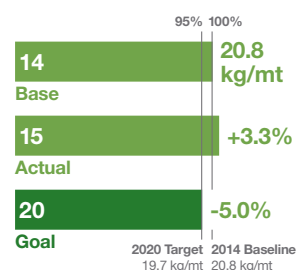
Efficient use of raw materials lowers cost and reduces environmental impacts. We are targeting a 10 percent reduction in raw material waste in our pulp mills. We track losses by measuring the amount of fiber in the pulp mill process drains before these streams enter our on-site treatment plants. We are already seeing significant reductions compared to the 2014 baseline, as a result of improvements made to the bleaching process at our Cloquet mill.



5%

Reduce Paper Mill Raw Material Waste by Five Percent (NA Regional Goal)

Waste minimization is an ongoing, everyday activity in our mills. On the paper mill side, process losses are made up of fiber as well as pigments used as fillers in the base sheet and paper coatings. The FY14 baseline year was our best ever recorded for reduction of material losses in our paper mills. Compared to the new baseline, our 2015 performance was negatively impacted by paper machine curtailment taken in FY15 at both Somerset and Cloquet.



Economic Responsibility

Environmental and social responsibility goals go hand in hand with financial success. Environmental initiatives drive direct savings in energy and materials, employee training increases productivity and customer satisfaction, and strong sustainability positioning results in higher levels of customer loyalty, revenue and profit.

With more efficient operations, we reduce the environmental impacts associated with every unit of production—delivering more value while consuming fewer resources. Solid financial performance attracts reinvestment in our people and in our assets, driving further improvements. Success builds on success, creating a business platform that is viable over the long term.

Diversification of Our Portfolio

Sappi has long operated three business units in North America—coated papers, release papers and pulp. In 2014 we added specialty packaging as a fourth business unit within the region. Combined with recent investments in our other three business units, we have increased the diversity of products we manufacture and are well positioned to retain our competitive advantage and increase profitability despite difficult market conditions. Our future depends on the success of all four business units.

“Making smart decisions and executing with speed are the most powerful elements of our new values statement. We must continue to make sound business decisions—based on market trends and customer needs—and implement those strategies with excellence to achieve our financial goals. I am confident that Sappi North America holds the key to economic sustainability with the right focus on optimization, diversification and growth.”

Annette Luchene
Vice President and CFO

2020 Vision

This past year, Sappi Limited announced a new strategic vision to reshape our business through further diversification. Our transformation journey is not about radical change. It has been, and continues to be, an intentional evolution of the business—changing to meet market needs and opportunities.

Key elements of our group strategy include:

- Achieving cost advantages
- Growing through moderate investments
- Rationalizing declining businesses
- Generating cash to strengthen the balance sheet
- Accelerating growth in adjacent businesses

By 2020, we aim for the composition of our group EBITDA to be balanced such that 25 percent is derived from packaging and specialties, 25 percent from graphic papers, 40 percent from dissolving wood pulp and 10 percent from new business opportunities such as nanocellulose, biorefinery products and energy.

Through ongoing investments in our people and manufacturing assets, we continue to strengthen our position as leaders in the industry segments we serve.



Perfecting Packaging Performance

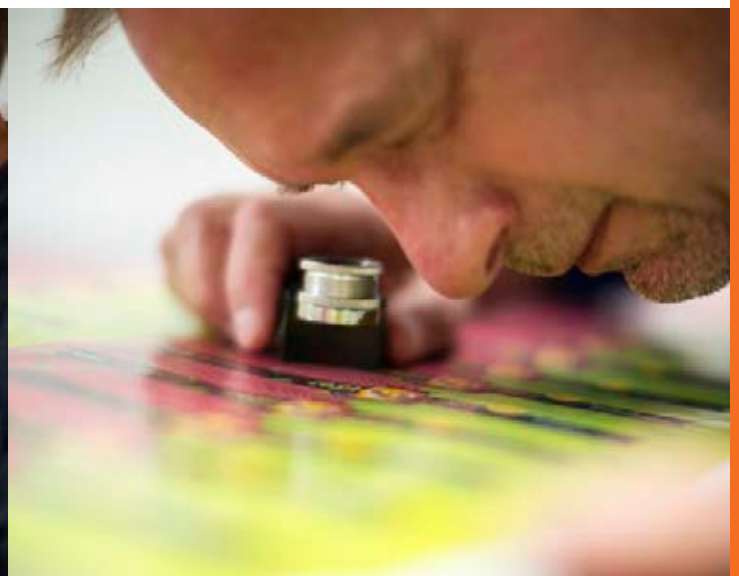
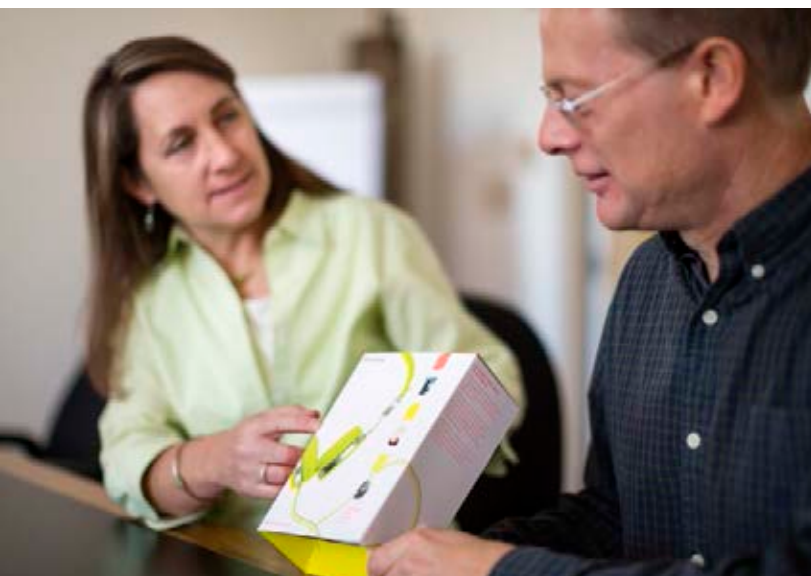
As the paper industry evolves, Sappi continues to search for fresh solutions that position both the company and its customers for future success. It's this drive that inspired Sappi to approach longtime employee David Niles with an idea that would utilize his vast knowledge of paper science engineering to help expand the company's offerings in packaging.

The venture requires Niles and his team to go out into the field and interact closely with customers, testing Sappi's products throughout the entire packaging process to assess performance and recommend changes. "It's been critical to give feedback to the product development team, including research and development, manufacturing and marketing team members, so that everyone understands how the paper is working. For example, we've had to learn about gluing technology and how the backside of a sheet needs to be able to adhere to different

types of containers and handle both hot melt and water-based adhesives—and we've had to do it quickly."

The ability to collaborate with customers and commercial partners has allowed Niles to gather honest, invaluable feedback to inform the design of products for new markets, like the two Sappi has been hard at work developing over the past year: cut and stack labels and litho labels. And it's this enterprising spirit that gets Niles excited to go to work every day.

"Sappi's a big company, but this feels entrepreneurial. It's our future. And to be asked to be a part of it and get to work with this high-energy group of people, it's been invigorating for me—and a lot of fun. Our customers are eager for us to release the new products quickly, but at Sappi we understand that it's about more than getting it done—it's about getting it done right."



Letter from Jennifer Miller

Jennifer Miller was named Chief Business Sustainability Officer for Sappi North America in August 2015. In this new role, she is focused on identifying strategic growth and diversification opportunities for the Company as well as continuing to lead the sustainability strategies for all four of Sappi North America's businesses.

Q: What is your focus in your new role as Chief Business Sustainability Officer?

Our strategic vision, as rolled out to our employees and other constituencies this past summer, is to substantially increase Sappi's global EBITDA by 2020, otherwise known as the "2020Vision." 2020Vision reflects a confident view of our ability to grow, not just by maintaining and improving returns in our core mature markets, like coated paper, but also through top-line growth in our newer businesses, like specialty packaging. Specifically, Sappi aims to increase the EBITDA contributions of specialty packaging and new business to 35 percent of group earnings, up from its current level of less than 20 percent. My new role is to identify opportunities in North America to achieve that goal.

We understand that to be a truly sustainable business, one that is here for the long run, you have to be a growth business, one that is constantly exploring how our expertise, proprietary technology and management strengths can unlock value in new markets. To do this, I will be working closely with Mark Gardner and other leaders in the Company to identify those growth opportunities in both current and adjacent markets for the North American business. I will also continue my leadership role in driving Sappi North America's ongoing sustainability initiatives.

Q: As you think about emerging trends in the sustainability world, what do you see as particularly relevant to Sappi's plans for the future?

There was a lot of reflection across corporate America and the globe after the Volkswagen crisis hit the news this summer. Leaders are asking themselves: Is my company doing enough to protect its economic goodwill, its relationships with customers, its credibility with the government and shareholders through inculcating the right ethical culture, having a strong control environment in place and establishing accountability throughout the organization? At Sappi we pride ourselves on our strong corporate governance, our transparency and our explicit linkage of sustainability and safety goals to business decisions and capital allocation. But we can't stop there. We must continue to take ownership of issues beyond our mill gates, and collaborate with



industry partners to bring about positive innovation and improvement. We must be prepared to take public stances on social and environmental issues that impact our company and our industry. We must also encourage our customers to act responsibly in how they consume and dispose of our products. Recognizing that we are part of the circular economy with influences outside of our organizational boundaries positively affects our returns and growth. Doing so just makes good business sense.

Q: "Circular economy" is creating a buzz in sustainability circles these days. Do you see this as a legitimate business model for Sappi North America to adopt?

We already have. Sappi has never subscribed to a linear "take, make, waste" model of consumption that proponents of a circular economy aim to redress. We are committed to efficient management of material streams and the recycling and re-use of industrial by-products. Our five-year goals on waste reduction and energy efficiency are just two examples of that commitment. We have been successful in minimizing the use of landfills by burning the by-products of our operations in our energy island and by providing other by-products, like fly ash, for beneficial use by local farmers. And, importantly, we are very involved in education and outreach programs that lead to higher recovery of paper and other recyclable materials, keeping them out of landfills to avoid the generation of methane gas.

Q: You have a major role in the paper and packaging industry's check-off campaign. How is that going, and do you think it will play a part in sustaining and increasing demand for those products?

As a member of the Board of Directors of the Paper and Packaging Board and Chair of the Marketing Committee, I was very pleased with the July launch of "How Life Unfolds™," a consumer campaign with TV ads, a print campaign and a robust social media and public relations program. Early indications are very encouraging, with over 876.7 million total impressions, 2.17 million total engagements, and more than 1,600 media stories across a wide range of consumer and trade publications. We will be tracking consumer engagement, awareness and ultimately changes in consumption over the life of the campaign.

What I have found most encouraging about this campaign is what our market research is telling us about our target audience: the 38 million adults aged 18–49 that we call "Expressives." They are educated, achievement-oriented and want to do the right thing. Importantly, these Expressives are very open to using more paper and paper packaging, as they see those products are humanizing influences in an increasingly dehumanized world. They don't want technology to replace genuine relationships. Of course, being socially motivated, they want to learn more about how to recycle, consume wisely without waste and understand the renewability of our products. We will meet these needs for better education on the campaign website. And, of course, most importantly, the consumer campaign will continue to celebrate the unique relevance of these products in their everyday lives. I am very optimistic about the prospects of this campaign translating into sustained and growing demand for paper and paper-based packaging. This is truly an exciting and long-overdue industry collaboration that Sappi is pleased to support.

Jennifer Miller
Chief Business Sustainability Officer



**Sappi Supports the Paper & Packaging –
How Life Unfolds™ Consumer Marketing Campaign**

*We carry it with us every day.
We make memories with it. We package
gifts in it. It holds our coffee.*

And now we are proud to share the warmth and creativity that paper and paper-based packaging offers us all through the Paper & Packaging – How Life Unfolds™ consumer campaign.

The Paper and Packaging Board (P+PB) unites nearly 60 companies, including Sappi North America, in the paper and packaging industry to elevate the use and choice of paper and paper-based packaging. P+PB launched the Paper & Packaging – How Life Unfolds™ consumer campaign in July of 2015 to highlight the value of paper and paper-based packaging through emotionally rich stories that celebrate achievement. Campaign media is planned to reach a target audience 38 million strong, communicating how paper and packaging help us reach our goals and connect in thoughtful and meaningful ways.

P+PB is authorized through 2021 and collects around \$25 million annually from manufacturers and importers from four industry sectors, including printing and writing, kraft packaging paper, containerboard and paperboard. A combination of public relations, social media and paid media, including TV, print, digital and outdoor advertising, comprise the Paper & Packaging – How Life Unfolds™ consumer campaign. Learn more at www.howlifeunfolds.com.

Environmental Responsibility

As a manufacturer, we must operate our facilities in accordance with state and federal regulations that protect air, water and soil quality. In practice, our sustainability efforts extend well beyond compliance with environmental regulations. At Sappi, we approach environmental impact from a holistic perspective grounded in life cycle thinking—from responsible procurement of raw materials through manufacturing, distribution and use—ultimately with consideration for the end of life of our products. We work collaboratively along the supply chain and seek out solutions across industries to adopt best practices and drive meaningful change.

Sustainable Forestry

Responsible manufacturing begins with responsible procurement. For the wood products industry, it is paramount that our natural resources are used sustainably. Wood supplies the bulk of renewable energy that drives our mills, and cellulose fibers comprise the primary ingredient in our paper and pulp products, making healthy and abundant forests critical to the long-term viability of each of our core businesses.

In the US, a strong legal framework has shaped and upheld responsible forestry practices for generations. Federal and state governments have a multitude of laws in place that not only cover rightful ownership, but also work to protect threatened and endangered species, regulate chemical use and provide for safe harvesting and fair labor practices.

Sappi North America is committed to sourcing 100 percent of our wood and market kraft pulp from well-managed forests. We are members of the Forest Stewardship Council® (FSC®) as well as the Sustainable Forestry Initiative® (SFI®)—two of the world's leading independent non-profit organizations that are responsible for developing sustainable forestry certification programs. With less than 10 percent of the world's forests certified to a credible standard, we support inclusive policy positions based on multiple standards. Furthermore, we strive to expand certification across the supply chain with an emphasis on growing certified land in the regions that provide fiber to our mills.



Traceability

Supply chain traceability is a critical element of risk management. At Sappi we record the town and state or province of origin of each load of wood received at our mills. Representative samples of the deliveries to our mills are subsequently traced backward to confirm the accuracy of the information provided. Through a separate effort, the State of Maine requires that all timber harvests must be registered with the Maine Forest Service, which periodically inspects the operation for environmental compliance. The State of Maine also requires the use of a “trip ticket” to accompany any wood transported to market. The trip ticket identifies the owner, the place of origin and the destination of the wood. A trip ticket system is also utilized in Minnesota, supported by a random sampling process which is incorporated into our certified sourcing procedures.

Letter from Laura Thompson

Sappi's new global mission statement highlights the fact that our success depends on collaboration and partnerships with stakeholders. In my role as Director of Sustainability, I have the pleasure of representing Sappi in numerous sustainability initiatives. This past year I began working on two new collaborative efforts focused on recycling and the best use of recycled fiber.



In 2015 Sappi became a supporter, with publishers, catalogers and other paper companies, of Recycling Works in Publishing (RWIP). RWIP is a member of The Recycling Partnership, whose goal is to increase curbside recycling in 200 communities throughout the US in the next 10 years.

The Recycling Partnership has a proven track record that utilizes public-private partnerships to improve recycling at the local level by providing grants, technical support and educational programming to make recycling programs more accessible and more efficient (reducing contamination). In 2015 alone, the partnership worked directly with 69 communities, placed over 115,000 recycling carts (replacing bins), and is currently working to reach over 1 million households. For more information, see www.recyclingpartnership.org.

At Sappi, we have long promoted a concept that we refer to as the "best use" of recycled fiber. Because recovered fiber can be used in so many paper-based products, it is unrealistic to think changes in how recovered fiber is used will occur in isolation. Increasing recycled content in one

grade will affect the system-wide fiber availability for other grades, so it is increasingly important to understand the consequences of those changes. In fact, through our own carbon footprint analysis, we have shown that adding 10 percent recycled fiber to products made at our Somerset Mill actually increases the carbon footprint by 16 percent. And we know that recycled fiber can be put to better use in other products where it can be used more cost effectively with less environmental impact.

Our trade association, American Forest and Paper Association (AF&PA), is collaborating with the Massachusetts Institute of Technology (MIT) to develop a new approach for a more comprehensive understanding of the tradeoffs of changes in recovered fiber utilization. The MIT methodology applies a "systems dynamics" approach to consequential life cycle assessment for US paper production to model the system-wide effects. The project will deliver a comprehensive model to better educate policy makers and customers to make informed decisions about shifts in recovery rate and recycled content.

In addition to these projects, I also serve on the TwoSides Sustainability Committee, the Executive Committee of the Sustainable Packaging Coalition, as a member of the GreenBlue Board of Directors and on the advisory board for the University of New Hampshire's Environmental Science department.

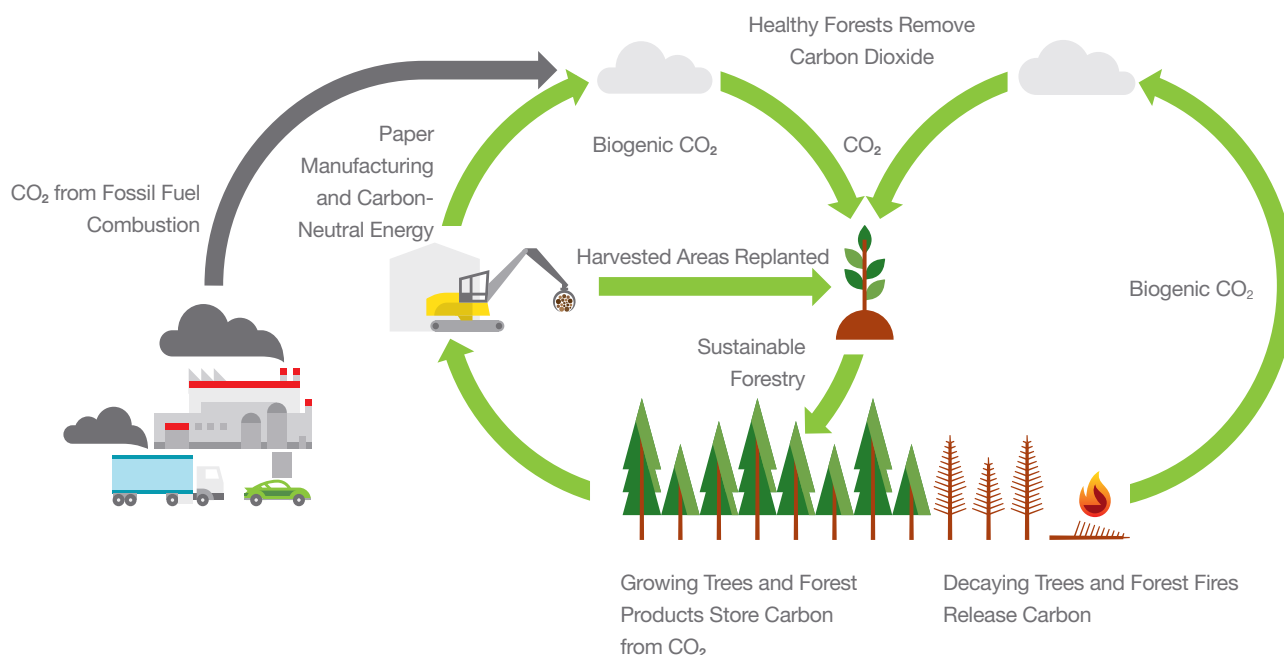
These efforts ultimately aim to drive changes that help sustain our industry. Sappi's support demonstrates an ongoing commitment to work with others to tackle large, complex issues. On a more personal level, my participation has introduced me to a strong network of experts in various fields. It is inspiring and gratifying to work among peers with a shared passion to make a difference.

Laura M. Thompson, PhD
Director, Technical Marketing
& Sustainable Development

Laura.Thompson@sappi.com
207.210.8317
Website: www.sappi.com/eQ
Twitter: @eQLauraThompson

Carbon Neutrality

Climate change is attributed to deforestation and emissions from the combustion of fossil fuels, among other causes. Biomass is considered carbon neutral when the growth rate of forests is greater than or equal to harvest levels, as is the case in North America. The carbon neutrality of biogenic fuels has been recognized by an abundance of studies and institutions, including the Intergovernmental Panel on Climate Change (IPCC).



Energy & Emissions

Ongoing public concerns about climate change, energy security and economic conditions keep energy use and greenhouse gas emissions top of mind for our key stakeholders. Energy is the third largest draw on our operating costs behind wood fiber and chemicals. As such, we hold a long-standing commitment to control energy usage. Environmental impact is affected not only by the amount of energy, but also by the type of energy consumed. We have made significant effort to reduce our reliance on fossil fuels to reduce greenhouse gas emissions and to separate our operations from the volatility of energy prices.

The forest products industry is the largest producer of bioenergy of any industrial sector. In North America, over 70 percent of the total energy consumed by our mills is derived from renewable sources, resulting in the lowest average carbon footprint of domestic freesheet suppliers.

In reporting greenhouse gas emissions, we do not include carbon dioxide emissions derived from biogenic sources

(e.g., woody biomass, black liquor). Recognition of the carbon neutrality of biogenic fuels is the basis for various pieces of legislation around the world. Governments continue to implement incentives and mandates to increase the use of renewable fuels.

Sappi fully supports the AF&PA recommendation to treat forest-derived biomass as carbon neutral where the growth rate of forests is greater than or equal to harvest levels. Accounting frameworks should be regional and consistent with the US Forest Service's robust Forest Inventory and Analysis program. Furthermore, policies should not construct artificial mandates or incentives, which disrupt the nation's existing efficient and balanced forest biomass markets.

Circular by Nature

There is a growing recognition among businesses and consumers that we must move away from a linear “take, make, waste” model of consumption where we extract materials, produce things and discard products to landfills. We are now embracing circular economy models, which by design are restorative and regenerative. Done properly, the final result is a system in which material streams are efficiently managed and recycled. The benefits of this holistic approach are clear, resulting in less waste, lower costs and reduced environmental impact.

The pulp and paper industry is circular by nature, producing recyclable products made from renewable resources that are produced using renewable energy.

Recycling is a key aspect of the circular economy — treating all materials, including by-products, as valuable resources rather than wastes. It is especially important to recover paper and other organic materials to avoid the generation of methane emissions in landfills. All of our graphics and packaging papers are recyclable, and we are strong

proponents of educational outreach and programs that lead to the higher recovery of paper and other recyclable materials.

We do not believe that the use of recovered fiber is a one-size-fits-all solution and we promote a practice of “best use” for recycled fiber in paper products. Ultimately, the use of recycled fiber should be based on an evaluation of both economic and environmental consequences. Prescriptive policies or guidelines that require maximizing recycled fiber content or that control the flow of fiber markets without taking all factors into consideration should be avoided.

We have also engaged in a concerted effort to use alternative fuels. Taking waste products from other industries and converting these wastes to energy helps reduce solid waste to landfills and provides cost-effective energy sources for our mills. Examples of our use of alternative fuels include construction and demolition wood and discarded tires that are processed into fuel chips.

The Circular Economy

The pulp and paper industry is circular by nature. For example, a magazine can be shared with a friend, then recycled and converted to a cereal box, recycled again to make tissue and ultimately end up as compost.



Social Responsibility

Our social responsibility initiatives are centered on three primary stakeholder groups: employees, local communities and customers. Our strategy for engagement continues to evolve, and we have made great progress by building on the strength of our Sustainability Ambassador program, a branch of our sustainability governance dedicated to employee and community engagement. We strive to integrate activities with our overall business objectives and find synergies that link our efforts to create a competitive advantage for Sappi. From creating a stronger social license to operate to establishing customer loyalty and attracting talent, we know that these efforts pay off in the long run for our company.

Employees

A high-performance work environment relies on healthy, committed, well-trained employees. Greater job satisfaction results in lower turnover and helps create a corporate culture that attracts top talent to the company. An active, engaged workforce is more productive and capable of realizing its fullest potential at work and at home. Sappi understands that by creating a dynamic and encouraging environment, we are not only supporting our employees' health and well-being, but also building a better future as a company.

Safety is our number-one priority for our employees. We have established a global goal of zero workplace incidents consistent with our primary safety communications initiative, Project Zero. In 2014, the North American region had an Lost Time Incident Frequency Rate (LTIFR) of 0.56, and in 2015 the LTIFR was 0.48, a decrease of 14 percent year over year. The benchmark for the top 25 percent performance in the US paper industry is an LTIFR of 0.6. The Technology Center, Boston office, South Portland office and Allentown facility all had zero LTIFR.

Local Communities

We take great pride in the local footprint we have created in the communities in which we operate. Sappi's history within North America dates back to the 1850s, and it's no surprise our civic involvement has also been active from the very beginning. Strong collaboration between Sappi and local institutions, organizations and partners reflects Sappi's commitment to support the community. In turn, the community is able to fulfill more needs in areas such as research and education, creating a positive cycle of mutual benefits.

Our Sustainability Ambassadors continue to build relationships between Sappi and our local communities. In many cases, we have established our presence and positive impact through recurring community events such as the River Quest program supported by our Cloquet employees. Through River Quest, each year over 1,200 sixth-grade students and teachers have a hands-on learning experience using the St. Louis River ecosystem as a core to the curriculum. Similarly our southern Maine ambassadors have organized a major Sappi presence at the Portland area "Green Community" day, including papermaking demonstrations and insights to best management practices in forestry.

Aligned with the company's spirit of conservation, the Sappi Coated Sales group volunteered with Chad Pregracke and his team from Living Lands & Waters to clean up Penn's Landing in Philadelphia, which sits on the Delaware River. The group spent half a day picking up various trash and debris—enough trash to fill up an entire barge. While the work was challenging, the employees appreciated the opportunity to contribute to the local community.



Feeding Hungry Families at Christmas

Over \$15,000—that’s how much employees at Sappi’s Somerset Mill are expected to raise this holiday season to feed undernourished families in neighboring communities. The Christmas Dinner Harvest food drive first began back in 2008, when a longtime employee heard on the radio that the holiday season presents the biggest struggle for pantries trying to feed hungry families. He proposed an idea for a food drive at the mill, and it sparked immediate interest.

What started as a small collection of non-perishable items has since transformed into a much larger initiative made possible through the collaborative efforts of the local unions and salaried employees. Thirteen volunteers lead the program, holding raffles and collecting monetary donations from the mill’s employees before coordinating with grocery owner David Welch, from The Village Market in Fairfield and the Associated Grocers of New England. Each grocer donates \$1,000 worth of their own groceries for the community packages.

The volunteers then load up trucks and deliver supplies directly to families and pantries.

“Every year, our volunteers return with stories,” said a committee member. “One place where we brought a dinner, the family still had a dirt floor, and this was in 2013. The young boy saw we’d brought a box of cereal and gallon of milk and eagerly asked his mother if he could have a bowl of Cheerios. Even pantry volunteers get excited—to have to tell a family that there’s nothing for them has to be one of the toughest things to do, so they’re often as grateful as those receiving the food.”

All volunteers recognize that it takes a dedicated team to make a difference of this scale. “The folks on this committee are incredible human beings who go out of their way to help folks in need,” said one volunteer.

“They come back each year with so much compassion, excited and ready to do it again!”





Customers

Sharing our sustainability performance with our customers is an integral element of our brand promise. Buyers want to know that they are working with reputable suppliers, eliminating risk from their supply chain. In addition to quality products and services, we are delivering peace of mind to pulp and paper buyers.

The Sustainability Customer Council has been a long-standing branch of our sustainability governance. We have relied on the candid feedback of our Council to help us develop our goals, identify emerging issues and shape our communication platform. Since inception, the group has been composed of members from our various Coated Business customer segments, including merchants, printers, publishers, brand owners and graphic designers. In 2014 we added representation from our release paper business and in 2016 we intend to add representation from packaging as well as our pulp business.

Sustainability Customer Council Members

Kathy Fernstrom, Key Accounts Manager, Publishing Sales Group and Customer Council Chair

Hugh Allspaugh, Associate Partner, Marketing Strategy Discipline Lead, VSA Partners

Craig DeRusha, Vice President, Magazine and Book Paper, Hearst Enterprises

Keith Dunlap, Marketing & Environmental—Paper Services & CoC Central Office Manager, Quad/Graphics

William Gates, Sustainable Supply Chain Executive, Macy's

Mandy Hulke, Regulatory Supervisor, 3M Commercial Solutions

Charles David Mathieu-Poulin, Corporate Environmental Coordinator, TC Transcontinental

Vicki Trieglaff, Director, Client Service and Production, Corporate Reports Inc.

Larry Westlake, Executive Vice President, Sandy Alexander

Let's change lives.

sappi | ideas
that
matter

Sappi Ideas that Matter 2015 Call for Entries

Sappi's Ideas that Matter Competition

More than a decade ago, Sappi established the Ideas that Matter grant program to recognize and support designers who use their skills and expertise to solve communications problems for a wide range of charitable activities. Since 1999, Sappi has funded over 500 nonprofit projects, contributing over US\$12million worldwide to causes that enhance our lives and our planet. Targeted primarily at the design community, the program is open to individual designers, design firms, agencies, in-house corporate design departments, instructors, individual students and student groups. Through this program we routinely see the power of good print design supporting good causes. Working together with our customers, we aim to make a difference.



Sappi Helps Notre Dame Use Design to Make a Difference

Four years ago, Sappi's Ideas that Matter program—which awards grants to those who use design as a driving force to make a difference—helped a group of professors and students at the University of Notre Dame transform their idea for a storybook that educates South African children into a reality.

In 2011, the Kgosi Neighborhood Foundation, which aims to empower children and parents in South Africa through education and job creation, approached Notre Dame's Robert Sedlack and alumna Andréa Pellegrino, now of Pellegrino Collaborative. The communities the foundation serves were experiencing xenophobic unrest, so Paul Horn, Kgosi's director and a dual graduate of Notre Dame, turned to the university as a natural partner to help combat the problem at its most basic level using design. Sedlack and Pellegrino welcomed the challenge and immediately involved students in the university's Design for Social Change course to help deliver a solution.

The result of their efforts was a children's book titled *Blooming Together*. It tells the story of four distinct flower seeds that all end up in the same garden, and as the flowers begin to bloom, they realize that it's their differences that make the garden more beautiful. The story was there, but to make the intended impact, the books would need to be produced—and that's where Sappi came in. Notre Dame applied for 2012's Ideas that Matter grant and walked away with a win. "*Blooming Together* and its accompanying educational materials would never have been published without outside funding," said Pellegrino.

"Receiving that initial \$50,000 was the catalyst for the publication and distribution."

But Sappi's relationship with Notre Dame didn't end with the 2012 win. The success of the first children's book prompted the creation of a second, this one tackling another of South Africa's hard-hitting issues: HIV. "This story is about a little caterpillar named Khulani who has HIV," said Brandon Keelean, Notre Dame alumnus and co-author of the second book, *Growing Together*. "He starts at a new school and the other students have misconceptions about what the disease is. In South Africa, oftentimes the stigma brings awful distress, so we wanted to provide an entrance point to talk about the disease and potentially reduce the stigma." Keelean, Sedlack and others at the university submitted the concept for the Ideas that Matter program in 2013 hoping for a second win, and they were rewarded with a grant to help get their design off the ground.

In 2015, another group at Notre Dame—led once again by Sedlack—applied for the grant, this time with a fresh focus: help mothers in South Africa provide for their families. The initiative, titled ENZA, aims to lift women out of poverty by equipping them with instructional booklets and kits that will enhance job opportunities through the development of marketable skills such as sewing and ceramics. Sadly, Sedlack passed away from ALS before Sappi had the pleasure of announcing his third win in four years, but the grant is now helping to ensure that his vision for the project comes to fruition.



Key Performance Indicators

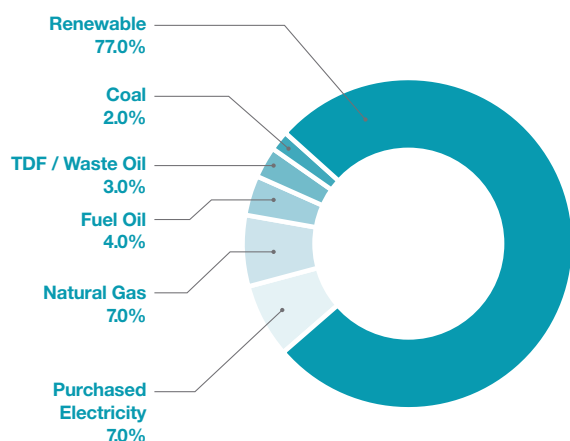
Our pulp and paper products are derived from renewable resources, made with high levels of renewable energy, and are designed to be re-used or recycled. While it is difficult to imagine a more sustainable industry than forest products, not all paper companies perform equally when it comes to operating safely and sustainably. We track our progress annually, and in the following pages provide readers an updated view of our performance in important areas of environmental and social responsibility. We track key metrics for fiber, emissions, energy usage and the impact of our operations on air, water and solid waste. We use this data when setting improvement goals related either to our operations or our interactions with our key stakeholder groups—employees, customers and our local communities. We remain committed to uphold the principles of the Universal Declaration of Human Rights.

Energy

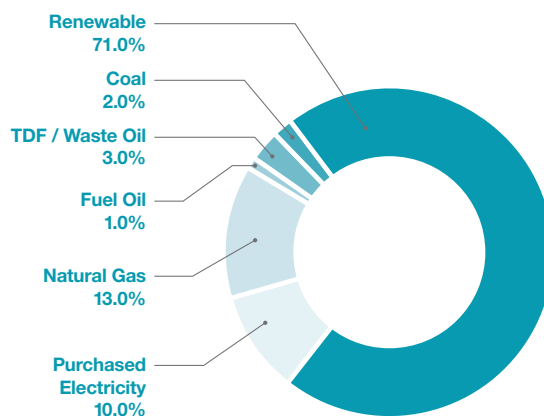
After achieving significant reductions in greenhouse gas emissions by 2013, we shifted the focus of our improvement work to energy intensity, or the total energy consumed to create a set unit of product. Analysis of our energy use employs a calculation method also used by the Department of Energy and the AF&PA. In this method, energy consumption from purchased electricity is calculated in terms of fuel inputs to account for different fuel efficiencies during power generation and efficiency losses in power transmission. The equivalent energy value is represented in terms of sources as per power supplier provided data. The energy profiles of our Westbrook and Somerset mills reflect sales of Renewable Energy Credits (RECs), and the reduction in renewable energy consumption is a reflection of increased REC sales. Fuel switching driven

by cost management resulted in increased use of purchased power and natural gas at Somerset, causing an associated reduction in total energy generated using renewable fuels during 2015. Tight supply markets resulted in a drop in the use of biomass at the Westbrook Mill. Overall, energy intensity remained flat compared to 2015. Our production engineers use monitoring and analysis to identify opportunities for reducing our energy intensity, either through efficiency improvements or capital investment. They are using information gathered during detailed energy consumption studies this year to develop plans that will position us to reach our goal of a five percent improvement by 2020.

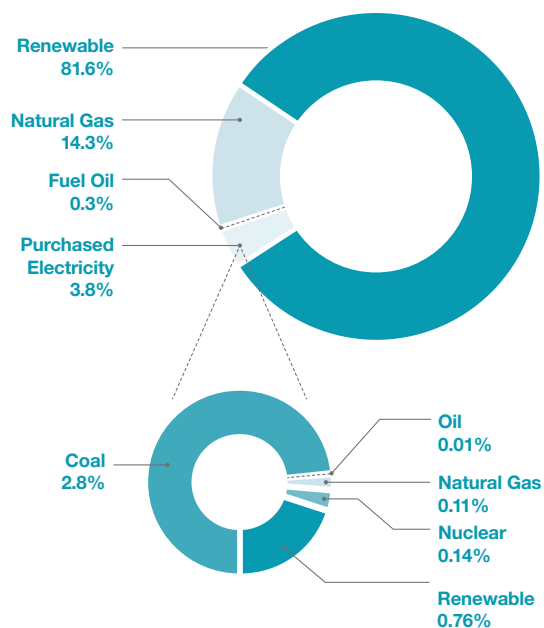
Sappi NA Total Energy 2014



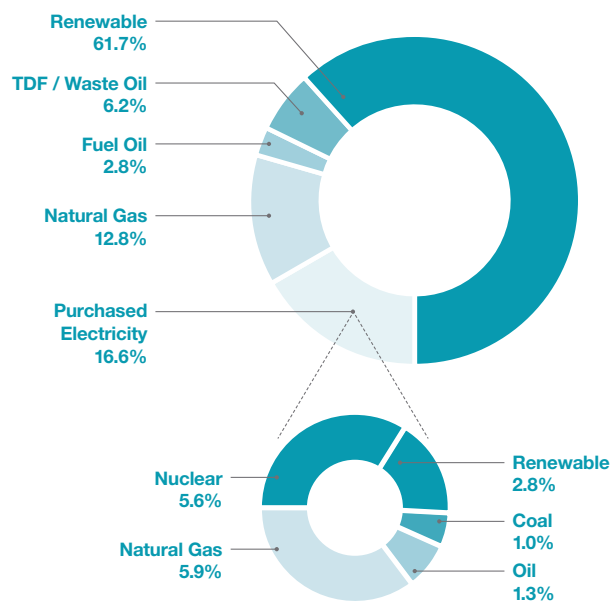
Sappi NA Total Energy 2015



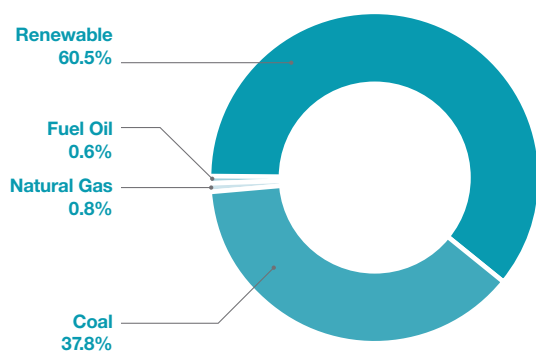
2015 Total Energy/Cloquet Mill



2015 Total Energy/Somerset Mill

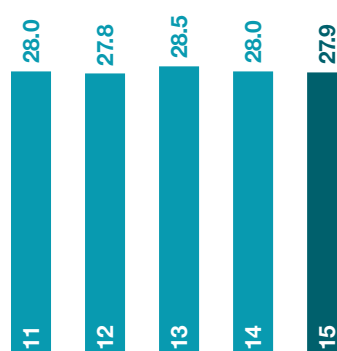


2015 Total Energy/Westbrook Mill



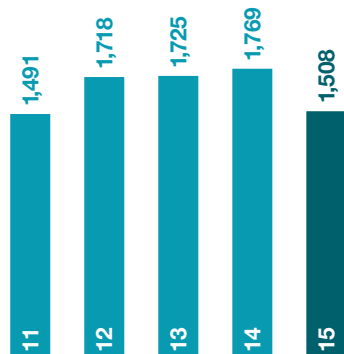
Energy Intensity

(GJ/admt^a)

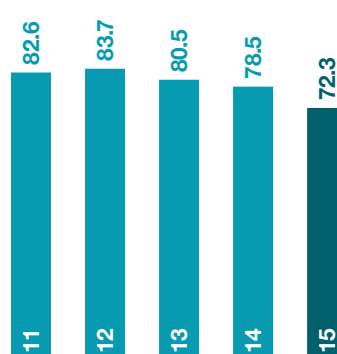


Consumption of Alternate Fuels

(TJ/yr)



% of Renewable Energy



^a Intensity metrics reflect the impact per air-dried metric ton of saleable product (including market pulp).

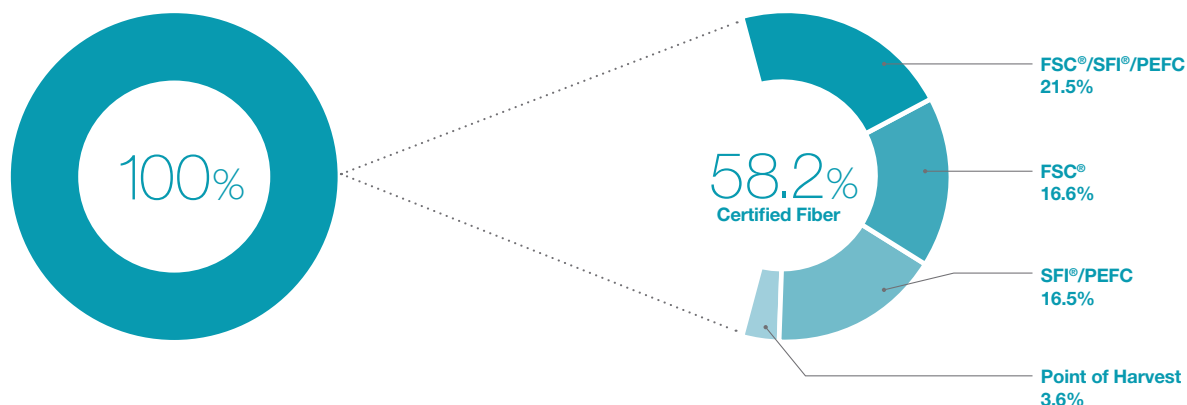
Fiber

One hundred percent of our fiber is procured in accordance with the SFI® Fiber Sourcing standard as well as the FSC® Controlled Wood standard. These third-party certification programs provide assurance that wood-based products have been procured from well-managed forests and are legally harvested. While Sappi does not own any forestland in North America, we do provide active forest management services for landowners within our mills' procurement zones. We continue to support and recognize the efforts of multiple third-party certification programs, including the Forest Stewardship Council®, the Sustainable Forestry Initiative® (SFI®), the Programme for the Endorsement of

Forest Certification (PEFC) and the American Tree Farm System, a PEFC-endorsed certification program. The Point of Harvest certified fiber refers to wood fiber harvested from lands not otherwise certified by one of the forest management standards but is harvested by logging professionals who are trained and certified in practices designed to conserve forestland. Our recycled fiber is derived from post-consumer sources and is also FSC® certified. All recycled fiber (RF) is purchased from producers within North America and is processed chlorine free (PCF). All kraft pulp is elemental chlorine free (ECF).

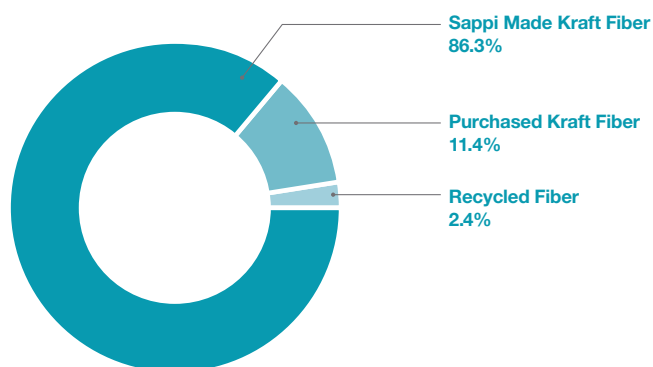
2015 Total Fiber Sourcing

One hundred percent of our fiber is procured in accordance with the SFI® Fiber Sourcing standard as well as the FSC® Controlled Wood standard.



2015 Total Fiber Certification

2015 Fiber Types

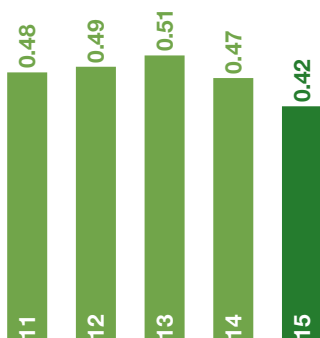


Emissions

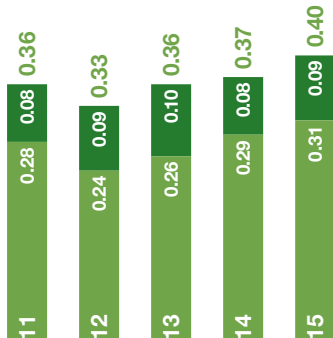
Sappi North America operates well below permitted emissions levels associated with on-site energy production in our combined heat and power plants. Overall, our performance in 2015 against these key emissions metrics was in line with 2014. Improvements at our Westbrook and Somerset mills resulted in lower particulate emissions. The natural gas capital project at our Somerset Mill provides us with more manufacturing flexibility. Balancing fuel mix in 2015 to optimize production costs resulted in lower

NO_x and higher greenhouse gas emissions as compared to 2014. We remain the manufacturer with the lowest carbon footprint of US domestic producers of coated freesheet papers. Sappi's boilers currently meet most limits specified under the Industrial Boiler MACT rules due to past capital investments and optimization of fuel mix and combustion conditions. Equipment needed for further emissions control at each of our three mills is included in our capital plans as part of our annual maintenance spending.

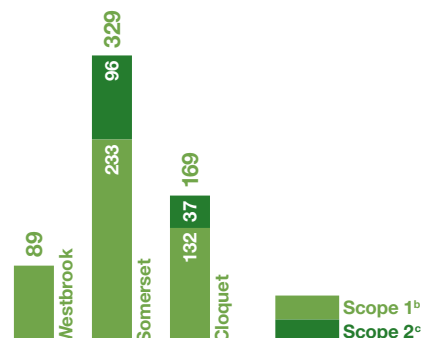
Particulate Emissions (kg/admt^a)



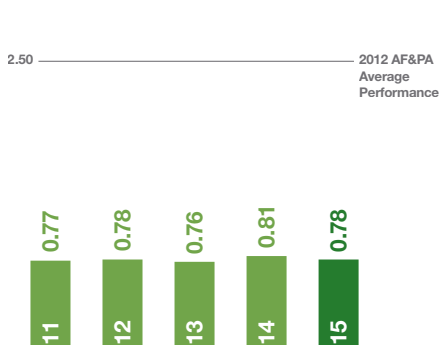
GHG Emissions (tonne CO₂/admt^a)



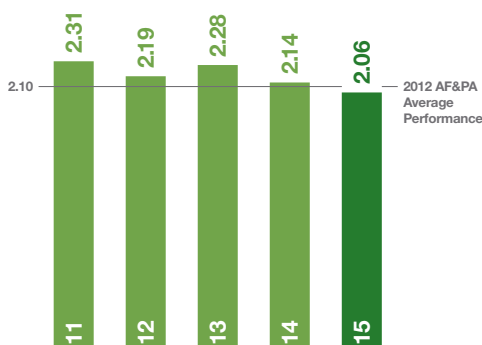
2015 GHG Emissions by Mill (1K tonne CO₂)



SO₂ Emissions (kg/admt^a)



NO_x Emissions (kg/admt^a)



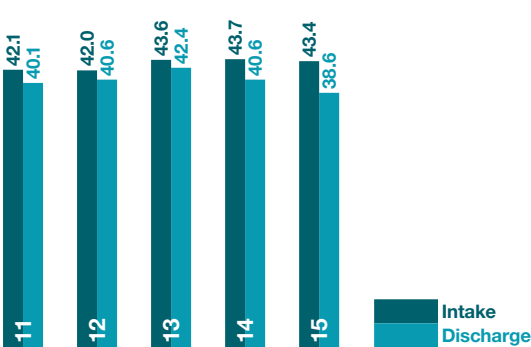
- a Intensity metrics reflect the impact per air-dried metric ton of saleable product (including market pulp).
- b Direct GHG emissions—emissions from sources that the company owns or controls.
- c Indirect GHG emissions from purchased electricity, steam or heat—emissions associated with the generation of electricity, steam or heat.

Water

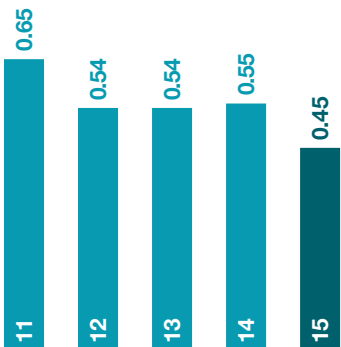
All pulp and paper mills in North America use and treat water in accordance with comprehensive environmental permits. Our North American mills use only surface water sources (rivers and lakes) and return treated water to the same primary source. (At Cloquet, we return the water to a publicly owned treatment facility, which then returns to Lake Superior.) We return a high percentage of the water we use, resulting in a minimal water footprint. Water that is

“consumed” in our operations is primarily made up of water lost to the environment due to evaporation during the paper drying process and a small amount of moisture contained in our finished products. A Lean Six Sigma project at our Somerset Mill that focused on improved brownstock washing contributed to a significant reduction in Total Suspended Solids (TSS).

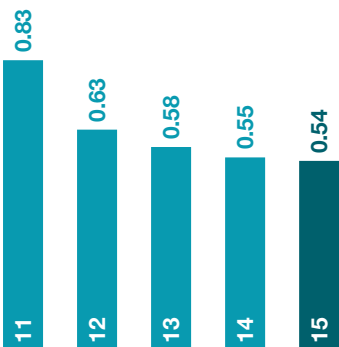
Water Intake / Water Discharge
(m³/admt^a)



Total Suspended Solids (TSS)
(kg/admt^a)



Biological Oxygen Demand
(kg/admt^a)



a Intensity metrics reflect the impact per air-dried metric ton of saleable product (including market pulp).

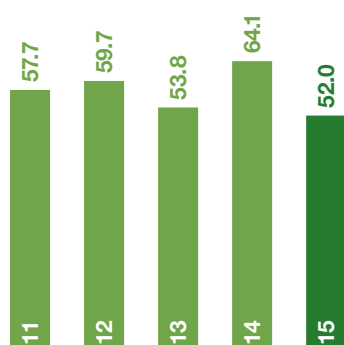
Solid Waste

Managing our solid waste and finding ways to minimize it remains a focus at all Sappi's North American mills. Increased lime kiln capacity at the Cloquet Mill increased internal recycling of lime mud and decreased overall chemical consumption and waste to landfill. Higher use of natural gas at the Somerset Mill drove lower waste to landfill from

ash generated during the combustion of biomass. At the same time, we continue to increase our beneficial use of solid waste program, which aids farmers by providing excess lime mud and boiler ash, amendments used to manage soil pH, improving growing conditions for certain crops.

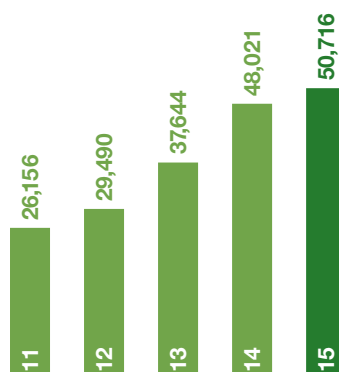
Total Solid Waste to Landfill

(kg/admt^a)



Beneficial Use of Solid Waste

(tonne/yr)



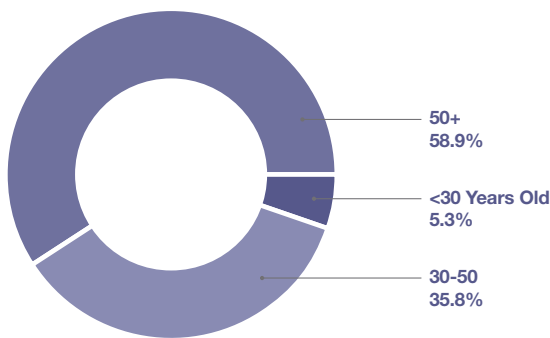
a Intensity metrics reflect the impact per air-dried metric ton of saleable product (including market pulp).

Social Indicators

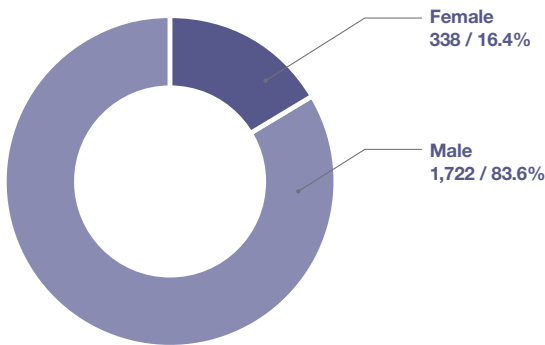
Sappi takes a very active approach to social responsibility, driving key initiatives in support of our three key stakeholder groups: employees, customers and the local communities in which we operate. In addition to providing skilled jobs and continued job training, we improve the lives of people by promoting freedom of association, nondiscrimination and the abolition of forced and child labor. We also uphold the principles of the Universal Declaration of Human Rights.

Sappi Limited has been a signatory of the United Nations Global Compact (UNGC) since 2008. We submit an annual communication on progress that describes our company’s ongoing efforts to support the social and environmental principles of the UNGC. This report can be found at sappi.com under the “Group Sustainability” section. Set forth below are key social performance indicators relative to the North American region in FY15.

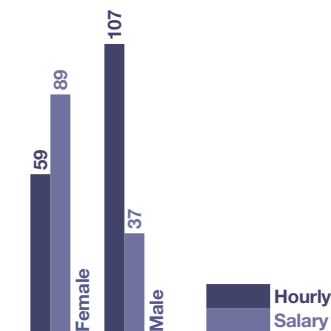
Age Demographic



Workforce by Gender



Average Hours of Training per Year per Employee by Employee Category



Total Number and Rate of Employee Turnover



The Ten Principles of The United Nations Global Compact:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
 Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 Principle 4: the elimination of all forms of forced and compulsory labour;
 Principle 5: the effective abolition of child labour; and
 Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

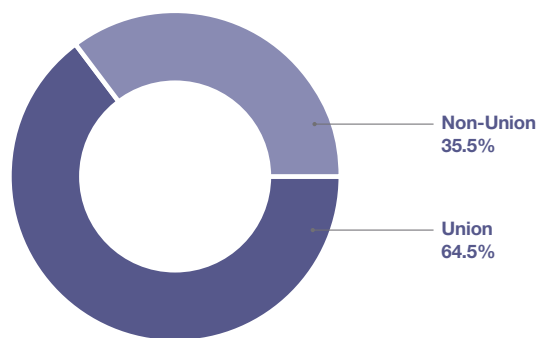
Principle 7: Businesses should support a precautionary approach to environmental challenges;
 Principle 8: undertake initiatives to promote greater environmental responsibility; and
 Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

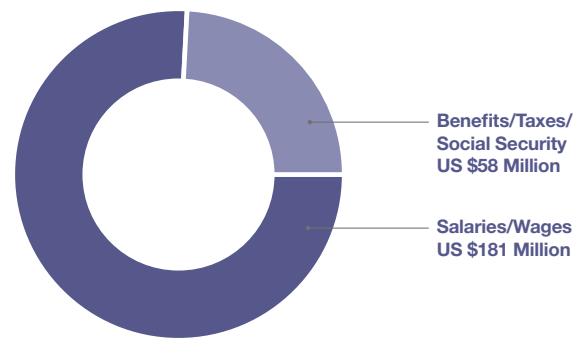
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For more information, visit unglobalcompact.org.

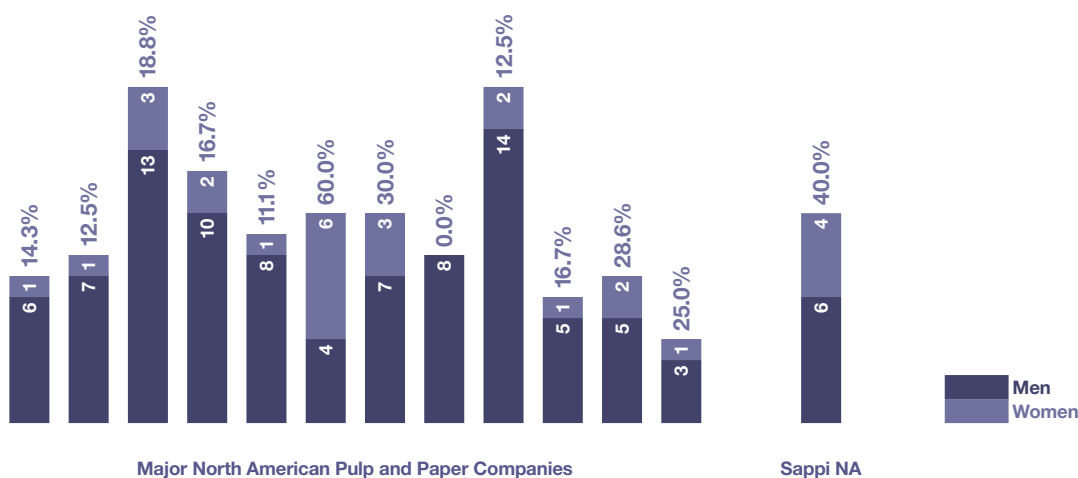
Percentage of Employees Covered by Collective Bargaining Agreements



Sappi Contributions



Percentage of Women in Leadership of Leading North American Pulp and Paper Companies





"The engagement of our highly skilled workforce is what makes Sappi's business environment special. We're different because our employees are passionate about what they do and that shows up in how we make, service and sell all of our products."

Mark Gardner,
President and CEO



Sappi North America 2015 Sustainability Report

The names, symbols, logos and all other intellectual property of the companies, brands and people appearing herein are the exclusive property of their respective owners and should not be interpreted as an endorsement of or by Sappi; any legal and equitable rights in their intellectual property are exclusively reserved to those owners.

The data, specifications and/or certifications provided herein are current as of the date of printing and may change without notice in Sappi's discretion.

SAPPI is a trademark of Sappi Limited. MCCOY, OPUS, SOMERSET, FLO, the eQ logo, OFF REGISTER, SAPPI ETC., ULTRACAST, ULTRACAST STRATUM, WARREN, ADVA, VERSAKOTE, LUSTERPRINT and the SAPPI ETC. logo are registered trademarks and LUSTERCOTE is a trademark of Sappi North America.

© 2015 Sappi North America. All Rights Reserved.

Production Notes

Cover

Opus Dull Cover 100lb/270gsm, 4-color process, match gray plus overall satin aqueous

Interior

Opus Dull Text 100lb/148gsm, 4-color process, match gray plus overall satin aqueous



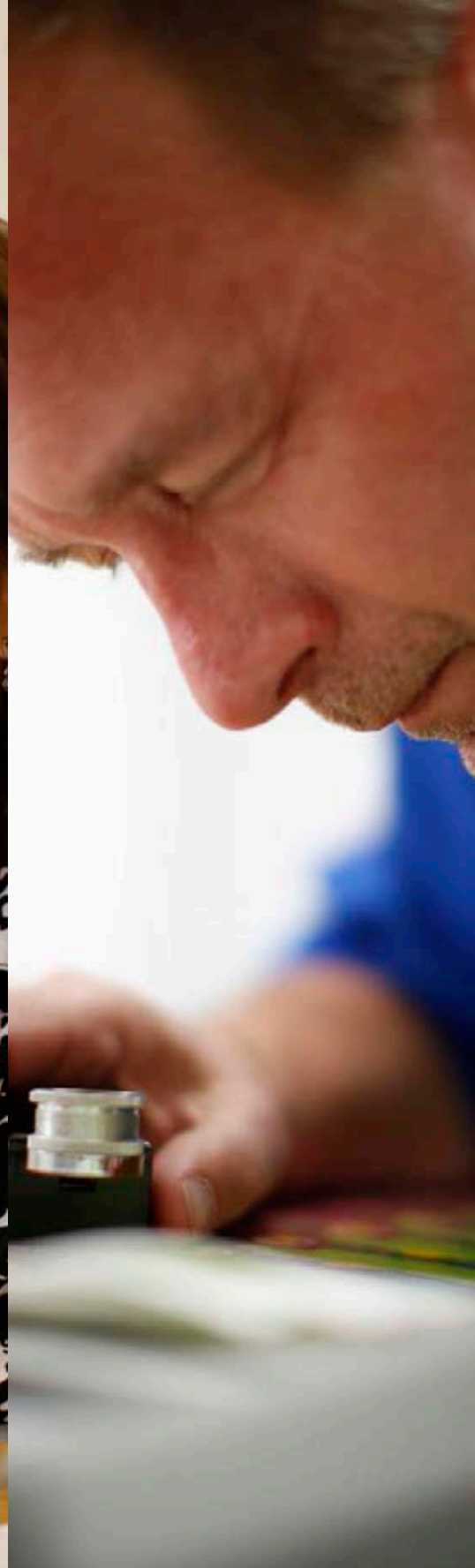
Front Cover Employees

Left: Laura Thompson, Boston, MA
Center: Donald Bois, Westbrook Mill
Right: Sherwood Swain, Somerset Mill

Back Cover Employees

Left: Dale Leroux, Westbrook Mill
Center: Debbie Tozier, Somerset Mill
Right: David Niles, Westbrook Mill





255 State Street
Boston, MA 02109

www.sappi.com/na
800.882.4332

sappi
Inspired by life