

Group Woodfibre Procurement Policy

Sappi exists to build a thriving world by unlocking the power of renewable resources to benefit people, communities and the planet. At the heart of our business is a renewable, recyclable natural resource - wood. We use woodfibre¹ to produce sustainable alternatives to non-renewable products. This includes dissolving and paper pulp, paper, packaging and biomaterial solutions which enhance the lives of consumers and communities around the world. To achieve a balance of environmental, social and economic values, we are committed to sourcing woodfibre for our products from responsibly-managed forests and plantations in a manner that promotes their health and supports community well-being.

Woodfibre sourced for our products originates from forests and plantations where operations:

- Comply with all applicable legal and regulatory obligations in the countries from which it originates;
- Uphold customary, traditional and/or civil rights;
- Uphold health and safety legal requirements;
- Conserve, or avoid management activities that threaten, at-risk high conservation values² and identified ecologically important forest areas³;
- Strictly adhere to forest certification standards regarding the avoidance of forest conversion; *and*
- Avoid commercial use of genetically modified woodfibre (GMOs).

To meet these requirements, we:

- Require suppliers to uphold Sappi's [Code of Ethics](#) and [Supplier Code of Conduct](#).
- Utilise the following third-party forest certification systems: the Forest Stewardship Council™ (FSC™ N003159), the Programme for the Endorsement of Forest Certification (PEFC/01-44-43), the Sustainable Forestry Initiative® (SFI®), and other PEFC-endorsed systems to advance responsible forest management, identify and manage risk, and continuously improve Sappi's operations and those of our suppliers.
- Require suppliers to document and disclose the origin and provide evidence that all woodfibre is sourced from controlled, non-controversial sources in accordance with the FSC Controlled Wood Standard⁴, as well as the PEFC (and SFI in the United States of America) comprehensive risk-based due diligence system(s).
- Implement detailed procedures and systems to trace and document the origin of wood and tree species used in our products.
- Conduct annual supply-chain risk assessments coupled with rigorous supplier qualification processes.
- Implement risk-mitigating activities including supplier audits and surveys.
- Track and report our progress towards meeting our sustainability targets and due diligence commitments.
- Communicate transparently with stakeholders regarding the origin of our woodfibre and our sustainability performance.

...continued overleaf

1. The term woodfibre is used to describe our forest-based raw materials including roundwood, chips, pulp and paper.

2. As defined in FSC Controlled Wood National Risk Assessments, vetted through balanced stakeholder input processes.

3. As defined in the PEFC ST 2002:2020 – Chain of Custody of Forest and Tree Based Products – Requirements.

4. FSC controlled wood mitigates the risk of forest products originating from unacceptable sources ([fsc.org/en/cw](https://www.fsc.org/en/cw)).

Group Woodfibre Procurement Policy continued

Through our commitment to zero deforestation, sustainable forestry and responsible sourcing we actively:

- Conserve soil and water resources.
- Conserve and restore native biodiversity.
- Implement and/or seek to influence land-use decisions and policies to help prevent deforestation, grow and manage healthy forests and promote reforestation or afforestation where appropriate.
- Support and expand the vital role that well-managed, healthy and resilient forests and forest products play in climate change mitigation through carbon sequestration, carbon storage and product substitution.
- Strive to increase our use of certified woodfibre, as specified in our company sustainability targets.
- Promote the increased use of certified woodfibre throughout our supply and value chains.
- Support innovative initiatives for smallholder certification.
- Provide smallholders with market opportunities and forest management assistance.
- Invest in and utilise forestry research to contribute to forest health and resilience and continuously improve forest management and harvesting practices and resource-efficient manufacturing operations.
- Support rural community development by providing safe jobs and direct and indirect economic revenue through shared value initiatives.

Steve Binnie
Chief Executive Officer
Sappi Limited