

## An EMPOWERDEX Forest Sector Code Scorecard Report

### SAPPI LIMITED

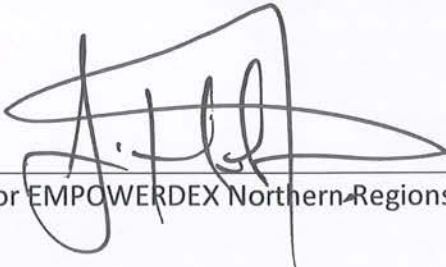
Registration Number: 1936/008963/06

# AA

#### LEVEL THREE CONTRIBUTOR

ELEMENT	EMPOWERDEX SCORE		TARGET SCORE	B-BBEE ANALYSIS	RESULTS
Ownership	A	27.00	25.00	≥ 51% Black Ownership	No
Management & Control	C	7.41	19.00	Black Ownership Percentage	48.13%
Skills Development	C	12.63	20.00	≥ 30% Black Women Ownership	No
Enterprise & Supplier Development	B	36.81	43.00	Black Women Ownership Percentage	21.66%
Socio-Economic development	A	8.00	5.00	Modified Flow-Through Principle Applied	Yes
<b>Overall Score</b>	<b>AA</b>	<b>91.85</b>	<b>112.00</b>	51% Black Owned Designated Group Supplier	No
Empowering Supplier	Yes		VAT Number		4440120816
Recognised Procurement Recognition Level	110.00%		Issue Date		14 December 2018
Discounting Principle Applicable	No		Expiry Date		13 December 2019
Recorded Procurement Recognition Level	110.00%		Re-Issue Date		N/A

This verification report is an independent opinion in terms of the Department of Trade and Industry's Forest Sector Code (gazetted 21 April 2017). The information herein is based on an analysis performed by Empowerdex using the information presented by the management of the measured entity.



For EMPOWERDEX Northern Regions (Pty) Ltd

Date 14/12/2018



## An EMPOWERDEX Generic Scorecard Report

### EXECUTIVE SUMMARY PER ELEMENT:

DETAILED INDICATORS	TARGET LEVEL	TARGET SCORE	VERIFIED LEVEL	VERIFIED SCORE
<b>OWNERSHIP</b>				
Verification Date				3 December 2018
Voting rights of black people:	25.00% + 1 vote	4.00	85.33%	4.00
Voting rights of black women:	10.00%	2.00	32.15%	2.00
Economic interest of black people:	25.00%	4.00	48.13%	4.00
Economic interest of black women:	10.00%	2.00	21.66%	2.00
Economic interest of designated groups:				
Black participants in employee ownership schemes:	7.50%	3.00	8.15%	3.00
Black beneficiaries of broad based ownership schemes:				
Black participants in co-operatives:				
Black new entrant:	2.00%	2.00	7.24%	2.00
Net Value:	25.00%	8.00	48.13%	8.00
<b>Bonus Points:</b> Economic Interest held by communities in areas of operation of the Measured Entity :	2.50%	5.00	0.00%	0.00
<b>Bonus Points:</b> Economic interest held by Black Employees of the Measured Entity:	2.50%	5.00	0.00%	0.00
<b>Bonus Points:</b> Economic Interest in the hands of Black People in excess of 25% target	5.00%	1.00	23.13%	1.00
<b>Bonus Points:</b> Economic Interest in hands of Black women in excess of 10%	5.00%	1.00	11.66%	1.00
<b>TOTAL SCORE: OWNERSHIP</b>	<b>25.00 + 12.00</b>		<b>27.00</b>	
<b>Sub minimum achieved</b>	<b>3.20</b>		<b>YES</b>	
<b>MANAGEMENT AND CONTROL</b>				
Verification Date				3 December 2019
Black representation at board:	50.00%	2.00	36.36%	1.45
Black Female representation at board:	25.00%	1.00	18.18%	0.73
Black representation of the executive directors:	50.00%	2.00	0.00%	0.00
Black female representation of the executive directors:	25.00%	1.00	0.00%	0.00
Black Executive Management:	60.00%	2.00	25.00%	0.83
Black Female Executive Management:	30.00%	1.00	8.33%	0.28
Black Senior Management as % of all Senior Management	60.00%	2.00	12.79%	0.43
Black Female Senior Management as % of all Senior	30.00%	1.00	3.86%	0.13
Black Middle Management as % of all Middle Management	75.00%	2.00	18.71%	0.50
Black Female Middle Management as % of all Middle	38.00%	1.00	5.85%	0.15
Black Junior Management as % of all Junior Management	88.00%	1.00	55.14%	0.63
Black Female Junior Management as % of all Junior	44.00%	1.00	12.93%	0.29
Black Employees with Disabilities as % of all Employees	2.00%	2.00	3.57%	2.00
<b>TOTAL SCORE: MANAGEMENT &amp; CONTROL</b>	<b>19.00</b>		<b>7.41</b>	
<b>SKILLS DEVELOPMENT</b>				
Latest Skills Development Plan submitted to:				FP&M SETA
Skills development review period:				01 OCT 2017 – 30 SEPT 2018
Skills spend on black people as a percentage of leviabale amount:	5.00%	8.00	1.58%	2.54
Skills spend on black disabled staff as a percentage of leviabale amount:	0.30%	4.00	0.03%	0.44
Learnerships and category B,C and D programmes for black employees as a percentage of total employees:	2.50%	4.00	2.30%	3.68
Learnerships and category B,C and D programmes for black unemployed people as a percentage of total employees:	2.50%	4.00	2.30%	3.68

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<b>Bonus Points:</b> Number of black people absorbed by entity or industry at the end of the learnership:	100.00%	5.00	45.93%	2.30
<b>TOTAL SCORE: SKILLS DEVELOPMENT</b>	<b>20.00+5.00</b>		<b>13.10</b>	
<b>Sub minimum achieved</b>	<b>8.00</b>			
<b>ENTERPRISE AND SUPPLIER DEVELOPMENT</b>				
<b>Preferential Procurement</b>				
Financial period verified:	01 October 2017 to 30 September 2018			
Total BEE procurement with Empowering Suppliers as a percentage of total measured procurement spend:	80.00%	5.00	65.00%	4.06
Total BEE procurement from QSE's as a percentage of total measured procurement spend:	15.00%	2.00	9.22%	1.23
Total BEE procurement from EME's as a percentage of total measured procurement spend:	15.00%	3.00	10.53%	2.11
Total BEE procurement from 51% black owned suppliers as a percentage of total measured procurement spend:	40.00%	9.00	23.46%	5.28
Total BEE procurement from 30% black women owned suppliers as a percentage of total measured procurement spend:	10.00%	2.00	6.89%	1.38
Procurement spend with designated groups whom are at least 51% Black Owned	2.00%	2.00	0.00%	0.00
<b>Bonus Points:</b> Compliance with Industry Codes of Contracting:	2.00		YES	2.00
<b>TOTAL SCORE: Preferential Procurement</b>	<b>23.00+2.00</b>		<b>16.05</b>	
<b>Sub minimum achieved</b>	<b>9.20</b>		<b>YES</b>	
<b>Supplier Development:</b>				
Financial period verified:	01 October 2017 to 30 September 2018			
Supplier development contributions as a percentage of NPAT:	2.00%	10.00	1.95%	9.76
<b>TOTAL SCORE: Supplier Development</b>	<b>10.00</b>		<b>9.76</b>	
<b>Sub minimum achieved</b>	<b>4.00</b>		<b>YES</b>	
<b>Enterprise Development:</b>				
Financial period verified:	01 October 2017 to 30 September 2018			
Enterprise development contributions as a percentage of NPAT:	1.00%	10.00	1.40%	10.00
<b>Bonus Points :</b> Graduation of one or more Enterprise Development beneficiaries to Supplier Development status:	Yes	1.00	NO	0.00
<b>Bonus Points:</b> For one or more jobs created as a direct result of Enterprise or Supplier Development:	Yes	1.00	YES	1.00
<b>Bonus Points:</b> Annual value of Supplier and/ or Enterprise Development sector approved contributions in partnership with Government:	1.00%	0.50	0.00%	0.00
<b>Bonus Points:</b> Annual Value of Supplier and / or Enterprise Development Contributions to 30% Black Women Owned QSE's and EME's:	1.00%	0.50	0.00%	0.00
<b>TOTAL SCORE: Enterprise Development</b>	<b>10.00</b>		<b>11.00</b>	
<b>Sub minimum achieved</b>	<b>4.00</b>		<b>YES</b>	
<b>TOTAL SCORE: ENTERPRISE &amp; SUPPLIER DEVELOPMENT</b>	<b>43.00 + 6.00</b>		<b>36.81</b>	
<b>SOCIO-ECONOMIC DEVELOPMENT</b>				
Financial period verified:	01 October 2017 to 30 September 2018			
Socio-economic development contributions as a percentage of NPAT:	1.00%	5.00	2.51%	5.00
<b>Bonus Points:</b> Contributions or Qualifying Socio-Economic Contributions in excess of 1% Target	0.75%	3.00	1.51%	3.00
<b>TOTAL SCORE: SOCIO ECONOMIC DEVELOPMENT</b>	<b>5.00+3.00</b>		<b>8.00</b>	
<b>TOTAL SCORE:</b>	<b>112.00+23.00</b>		<b>91.85</b>	

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## An EMPOWERDEX Generic Scorecard Report

**ANALYST:****Sugnet Bailey**

EMPOWERDEX	CONTRIBUTION LEVEL	QUALIFICATION	PROCUREMENT RECOGNITION LEVEL
AAA+	Level One Contributor	≥ 100 points on the Scorecard	135.00%
AAA	Level Two Contributor	≥ 95 But < 100 points on the Scorecard	125.00%
AA	Level Three Contributor	≥ 90 But < 95 points on the Scorecard	110.00%
A	Level Four Contributor	≥ 80 But < 90 points on the Scorecard	100.00%
BBB	Level Five Contributor	≥ 75 But < 80 points on the Scorecard	80.00%
BB	Level Six Contributor	≥ 70 But < 75 points on the Scorecard	60.00%
B	Level Seven Contributor	≥ 55 But < 70 points on the Scorecard	50.00%
C	Level Eight Contributor	≥ 40 But < 55 points on the Scorecard	10.00%
D	Non-Compliant Contributor	< 40 points on the Scorecard	0.00%

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### Final Letter to Client

Dear Valued Client

Thank you for having engaged Empowerdex to conduct your Broad-Based Black Economic Empowerment verification. We are pleased to present your final verification documents.

Included in this package are the following:

- An official authorised Empowerdex verification certificate (Size: A4, Description: Orange, Blue and Black)
- An Empowerdex rating (Size: A3, Description: Blue and Black)
- A final verification report containing a detailed BBBEE scorecard

Guidelines as to the correct usage of the above noted documents:

- The A4 certificate is designed for tendering purposes & communicating your BBBEE status.
- The A3 rating is designed for display purposes only and cannot be utilised for the above purposes. Clients who do not achieve a minimum status of a Level Eight Contributor to B-BBEE will not receive an A3 certificate.
- The verification report is designed for internal management purposes only, and is intended to assist management to maintain and improve the company's BBBEE score.

Your certificate expires on 13 December 2019.

Regarding the use of the Empowerdex logo, please note the following terms & conditions:

*"The Verified Entity agrees that it does not possess the right to use Empowerdex's trademark & logo, including without limitation, use of same in any reference, proposal, project, document, study, compilation, article, publication, communication, assignment or otherwise, without Empowerdex's written consent."*

*"Any reference to Empowerdex's name in relation to the rating status of the Verified Entity shall be accompanied by the final rating score received, not in isolation. This is meant to avoid ambiguity regarding the rating status of the Verified Entity Use of Logo"*

We welcome your feedback on the process, and should you require any assistance during the year, please do not hesitate to contact us. We would also suggest that you make contact with us at least two months before the expiry of your rating, so that we can begin the process. We would not want you to be without a valid verification certificate at any point.

Kind Regards

A handwritten signature in black ink, appearing to be 'J. H. L.', written over the text 'Kind Regards'.