



<p>We recognise credible third-party forest certification systems including the FSC™, PEFC™, SFI® and other PEFC-endorsed systems.</p>	<p>Forest certification provides assurance that our products originate from responsibly managed forests.</p>	<p>100% of Sappi's timber plantations in South Africa are FSC certified.</p>	<p>Knowing the origin of wood is a fundamental prerequisite to ensure responsible woodfibre sourcing.</p>
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“Forests and trees make vital contributions both to people and the planet, bolstering livelihoods, providing clean air and water, conserving biodiversity and responding to climate change.”

FAO. 2018. *The State of the World's Forest 2018 - Forest pathways to sustainable development.* Rome.



What is forest certification?

Forest certification is a well-established tool to ensure that responsible forest management practices are implemented in the forest,¹ and that woodfibre from certified forests can be identified throughout the supply chain. Certification systems establish specific woodfibre sourcing, production and marketing requirements for certified organisations; provide a framework for third-party auditing; and govern the use of promotional and product claims and logos.

How does forest certification work?

Forest certification involves two separate processes:

Forest Management (FM) certification is a process for verifying the compliance of forest management practices with standards and criteria for responsible forest management through independent, third-party assessments.

Chain of Custody (CoC) certification is a mechanism for tracing certified woodfibre from the forest to the final product to provide certainty that the product or product line about which a claim is being made, is linked to a certified forest.

Certification is applicable to woodfibre sourced from forests, as well as manufacturing sites – essentially, to any product originating from forest management activities. Forest certification standards also include requirements aimed at ensuring safe work environments, fair wages/benefits, legal compliance, stakeholder consultation, and the long-term health and well-being of communities within or adjacent to the forest management area, as well as maintaining recreational function and aesthetic values.

¹ Plantations are included in the term ‘forest’ in the context of forest management and sourcing.

What is CoC certification?

CoC certification is a mechanism for tracking certified material from the forest to the final product. CoC certification helps to ensure and demonstrate responsible sourcing; and helps consumers to make responsible purchasing decisions.

CoC claims are only valid if each link in the chain is certified. For a final product to qualify for CoC claims, all entities who take legal ownership of the material/product along the supply chain must be CoC-certified to ensure an unbroken chain from the certified forest to the final certified wood-based products.

Independent third-party accredited certification bodies conduct CoC audits to verify that an entity's wood flow accounting system conforms to applicable forest certification systems' CoC standards.

Why is forest certification important?

Certification is an important tool which enables conscious consumers to choose responsibly sourced wood-based products. It gives consumers the assurance that the woodfibre used to manufacture the products they are buying has been legally harvested in accordance with sound environmental practices, and that social aspects such as indigenous rights have been taken into account.

Moreover, to understand the fundamental importance of global, credible forest certification coupled with rigorous tracing practices, we need to understand the value and state of the world's forests. The sale of illegally or unsustainably harvested timber that contributes to deforestation around the world is a major global issue. Deforestation results in biodiversity loss and increased greenhouse gas emissions, as forests capture heat-trapping carbon dioxide (CO₂), a greenhouse

<p>Our global goal to increase certified fibre supplied to our mills is supported by regional targets.</p>	<p>All our mills are Chain of Custody certified.</p>	<p>100% of our woodfibre is from well-managed forests, at low risk of any controversial source.</p>	<p>We promote the increased use of certified woodfibre throughout our supply and value chains.</p>
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Forest certification

gas, from the air during the process of photosynthesis and store it in their leaves, wood, roots and soils, acting as 'carbon sinks'. After the oceans, forests contain the world's second largest stores of CO₂.

Forest certification and other voluntary codes of conduct are key tools for promoting sustainable consumption and production, and to combat deforestation and illegal logging by providing proof of legality and responsible practices. The total estimated volume of both FSC™- and PEFC™-certified roundwood in 2016 was 689 million cubic metres, which corresponded to 38% of global industrial roundwood production.²

Why is forest certification important to Sappi?

Forest certification provides assurance to our customers that our products originate from responsibly managed forests. It underpins our commitment to continuous improvement, our focus on being an environmentally responsible company operating according to the principles of sustainable forest management and our efforts to provide our customers with products that are responsibly sourced.

Which certification systems does Sappi use and why?

We utilise the following leading global certification standards:

- The Forest Stewardship Council™ (FSC™);
- The Programme for the Endorsement of Forest Certification™ (PEFC™); and
- The Sustainable Forestry Initiative® (SFI®), and other PEFC-endorsed systems.

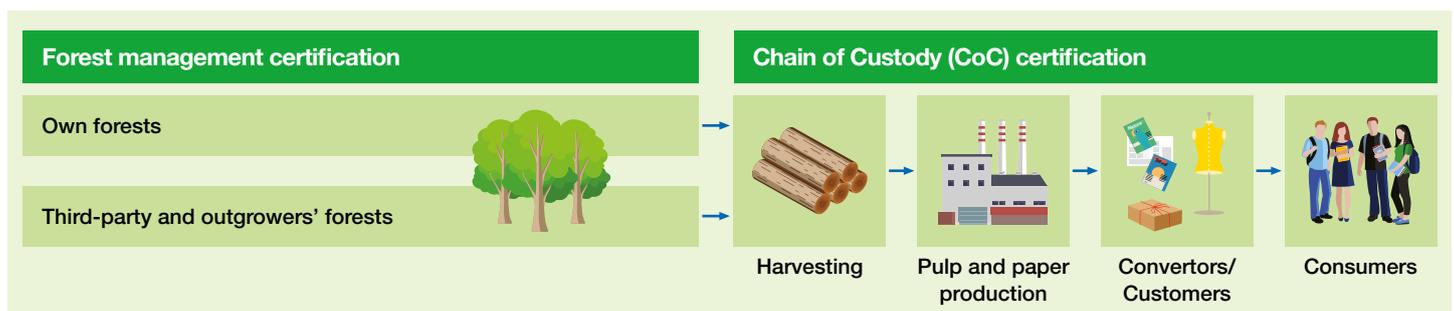
We promote the increased use of certified woodfibre throughout our supply and value chains, and work with credible, internationally recognised, robust systems described above, which give equal assurance of the origin of woodfibre and responsible forest management practices. Our goal is to offer our customers a wide basket of products that are certified by at least one independent third-party credible system.

Why isn't all the woodfibre supplied to Sappi's mills certified?

Only about 11% of the world's forests are certified, which means the amount of certified woodfibre is limited. In addition, certification is expensive and at times not financially viable for the small farmers and community growers we support.

Given the limited availability of certified woodfibre, nearly all supply chains use a blend of certified and uncertified fibre. The high level of private ownership and the number of smallholders in the supply chain make it challenging to achieve 100% certified fibre.

How forest certification works



Globally, all wood and pulp sourced for Sappi meet the requirements of the FSC Controlled Wood standard at a minimum. There are five categories of unacceptable woodfibre that cannot be mixed with our materials:

- Illegally harvested wood;
- Wood harvested in violation of traditional and human rights;
- Wood harvested in forests in which high conservation values (HCVs) are threatened by management activities;
- Wood harvested in forests being converted to plantations or non-forest use; and
- Wood from forests in which genetically modified trees are planted.

The SFI also has a separate Fibre Sourcing Standard. In Sappi North America's U.S.-based paper and packaging mills, all wood and pulp purchases must also meet this standard which has additional requirements beyond avoiding controversial sources. These requirements include landowner outreach; use of qualified resource and qualified logging professionals; investment in forest research; as well as adherence to best management practices.

In South Africa, Sappi has worked hard to expand forest certification and has helped to introduce PEFC into the country, based on the need for additional certification on customers' requests for PEFC labelled products. PEFC endorses national certification schemes, which meant South Africa had to develop a new certification scheme including a forest management standard. This is now known as the South African Forest Assurance Scheme (SAFAS) which has been assessed and endorsed by the PEFC.

How does Sappi trace the origin of woodfibre?

We have rigorous tracing practices in place regarding the documentation of the origin of woodfibre. In addition, suppliers have to provide evidence that all woodfibre is sourced from controlled, non-controversial sources in accordance with the FSC Controlled Wood Standard, as well as PEFC (and SFI in the United States) risk-based due diligence system(s). We do not use woodfibre from endangered tropical forests.

For further information about our stringent woodfibre sourcing requirements, please refer to our Group Woodfibre Procurement Policy, available at www.sappi.com/groupwoodfibreprocurementpolicy

All our third-party issued certificates can be viewed and downloaded on our website at www.sappi.com/certifications-for-sappi-group

² FAO. 2018. *The State of the World's Forest 2018 - Forest pathways to sustainable development*. Rome. This calculation takes into account that a certain percentage of the world's forests is double certified. This calculation refers to certified input to the supply chain, and not to the volume of certified/labelled end products entering the market after processing.