



Preventing deforestation is integral to our licence to operate.

1.6 billion people worldwide rely on forests for their livelihoods.

The forestry industry in South Africa has helped to prevent deforestation.

“Forests have already removed nearly one third of human-produced carbon dioxide emissions from the atmosphere. Through sustainable forest management, they could remove much more.”

Liu Zhenmin, Under-Secretary-General, United Nations Department of Economics and Social Affairs, May 2019.

Reforestation

What does reforestation mean?

Reforestation is the natural or intentional restocking of existing forests and woodlands that have been depleted, usually through deforestation.

Why is reforestation important?

Forests are central in developing global solutions to mitigate and adapt to climate change. Trees use water and sunlight to convert carbon dioxide (CO₂) into carbohydrates through the process of photosynthesis to provide energy and the building blocks for growth. Carbon removed from the atmosphere is effectively stored in plant material and wood, i.e. trees act as carbon sinks.

Reforestation is also important for a number of other reasons including the fact that 1.6 billion people worldwide rely on forests for their livelihoods. Additionally, forests have been shown to have benefits related to anti-erosion, flood control, water security, soil protection/production and the maintenance of biodiversity.

What does forest regeneration mean?

Forest regeneration is the process by which new tree seedlings become established after forest trees have been harvested or have died from fire, insects or disease. Regeneration is key to sustainable forestry and can be accomplished through two basic approaches: natural regeneration, which occurs when new seedlings or sprouts are produced by trees left on or near the site, or artificial regeneration, more commonly known as tree planting.

How does Sappi ensure forest regeneration in each region?

Forest regeneration is one of the principles of sustainable forest management as defined by the internationally recognised forest certification systems we use.

Europe and North America

Our suppliers harvest managed semi-natural forests in a sustainable

manner, in accordance with internationally recognised forest certification systems. As with our timber plantations in South Africa and in the managed semi-natural forests from which we source woodfibre, the cycle of regeneration, growing, thinning and harvesting is actively managed to enhance biodiversity and maintain ecological condition.

Approximately 87% of forests in the European Economic Area (EEA) countries are classified as semi-natural.¹ Practices to promote biodiversity and regeneration in these forests include:

- Thinning which selects the weaker trees, leaving the stronger to strengthen the wood stand, offering continuity of habitat for species and making the stand fitter to withstand sickness and calamities. Thinning also protects and creates habitats for species dependent upon older large diameter trees and deadwood, e.g. slowly colonising lichens, fungi, wood-boring insects and hole-nesting birds.
- Avoiding soil compaction which protects the habitat of soil-inhabiting bacteria, insects, worms, fungi and animals. This also ensures that the growth and penetration of the roots of remaining trees and plants is unrestricted while minimising the risk of run-off and erosion; and
- Logging site planning which identifies the key elements for biodiversity that must be considered during harvesting operations.

In North America, our suppliers do not harvest rare and slow-growing species. Instead, they harvest abundant species. By focusing on thinning the population of pioneer species like aspen and birch, which grow rapidly but don't live long, other species are given a chance to take root, thereby promoting biodiversity and regeneration.

South Africa

Harvesting does not cause any loss in tree cover as our plantations are replanted after harvesting and the carbon sequestration cycle begins all over again.

Our annual planting requirements are met by our commercial nurseries in KwaZulu-Natal and Mpumalanga provinces. Together, these nurseries supply over 60 million seedlings to our own plantations and third parties.

¹ Source: Confederation of European Paper Industries.

Forest certification was introduced globally in the early 1990s to address deforestation.

Sappi requires rigorous tracing practices and documentation of the origin of all woodfibre.

Forests are linked to almost all the United Nations Sustainable Development Goals.

Between 2010 and 2018, Sappi Europe (SEU) participated in a tree-planting initiative in the Forêt de Soignes whereby employees from SEU's headquarters in Brussels planted over 17,000 trees in the forest. The initiative was conducted in association with Agentschap voor Natuur en Bos (ANB), the equivalent of the Department of Forestry in South Africa. This organisation is responsible for the planting of approximately 30,000 trees in the Forêt de Soignes every year as part of the National Forest Management Plan (Belgium). Located in the south-eastern part of Brussels, the Forêt de Soignes covers an area of over 4,400 hectares.

Deforestation

What does deforestation mean?

Deforestation is the clearing of virgin forests, or intentional destruction or removal of trees and other vegetation for agricultural, commercial, housing or firewood use without replanting and without allowing time for the forest to regenerate itself.

What is Sappi's view on deforestation?

Thriving forests and landscapes are key to meeting the global drive for sustainability and forests are linked to almost all the United Nations Sustainable Development Goals. Recognising that healthy ecosystems are vital to our survival, wellbeing and prosperity, conducting our business in an environmentally sustainable manner by promoting regeneration in the forests and plantations from which we source woodfibre and preventing deforestation is integral to our licence to operate. It also makes sound business sense, given that we depend on woodfibre for our ongoing viability as a business.

What is Sappi doing about deforestation?

In line with our efforts to prevent deforestation we require all woodfibre suppliers to disclose country of origin and species and we strive to maintain a high level of forest certification. The latter was introduced globally in the early 1990s to address concerns of deforestation and forest degradation, and to promote the maintenance of biological diversity. 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®), as well as other PEFC-endorsed systems.

In 2019, 75% (SEU 77%, Sappi North America 53%, Sappi Southern Africa 81%) of the woodfibre supplied to Sappi's mills originated in FSC- or PEFC- (including SFI-) certified forests, with the rest procured from known and controlled sources. Sappi strives to increase the use of certified woodfibre and to enhance forest certification in general. Our goal is to offer our customers a wide basket of products that are certified by at least one credible, independent, third-party system.

We require rigorous tracing practices and documentation of the origin of all woodfibre, and all suppliers of wood logs, chips and pulp must 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 North America) risk-based Due Diligence System(s) (DDS). We collect data annually on the origin of woodfibre and other information regarding suppliers' environmental performance through supplier surveys and declarations.

Afforestation

What does afforestation mean?

Afforestation is the establishment of a forest or stand of trees in an area where there was no previous tree cover.

What is the difference between afforestation and reforestation?

Although both are driving towards a similar, if not the same goal, afforestation is not the same as reforestation. Afforestation is the planting or adding of trees in an area where there was never a forest or plantation. This is a method to create a new forest. Reforestation is the replanting of trees in an area where there was once a forest which was destroyed or damaged. This is a method to bring back or improve forest that was previously there.

In South Africa, we are involved in afforestation, rather than reforestation. However, there is no doubt that the forestry industry in the country has helped to prevent deforestation. Natural forest has been successfully protected since the early 1900s so there has been no forest conversion in South Africa. The vast majority of the plantations were planted into grassland landscapes and so have increased tree cover in the country. In fact, if there was no plantation supply of wood in South Africa, tree cover would almost certainly have been depleted many years ago.

We do not use indigenous trees and do not source from indigenous forests in South Africa, but rather from plantations and external suppliers. We have access to 529,000 hectares (ha) of plantations (255,000 ha owned or leased; 139,000 ha contracted supply; 135,000 ha set aside for biodiversity conservation). All our owned and leased plantations are FSC-certified.

We participate in the national stewardship programme through which we have six declared nature reserves covering an area of 6,486 ha on our land, many of which contain indigenous forests. In addition, there are approximately 166 Important Conservation Areas (ICAs) on our land which receive special management according to specially developed management plans. The sites, which include important grassland, wetland, forest and woodland habitats, are managed with the aim of enhancing their specific values. All sites are in good condition and make a valuable contribution to habitat and species conservation.

Details of Sappi's involvement in afforestation in South Africa?

Plantation forestry is essentially a form of agriculture where the crop is timber or fibre-producing trees. In addition to our own afforested lands, in South Africa, in line with the Government's focus on uplifting rural areas by promoting forestry, Sappi was one of the pioneers of forestry outgrower/afforestation programmes through Sappi Khulisa (initially known as Project Grow). Before afforestation can take place, a site selection check is conducted to ensure that plantings do not take place in environmentally sensitive areas and that planted areas are economically sustainable.

For further information:

<https://cdn-s3.sappi.com/s3fs-public/Sappi-Group-Supplier-Code-of-Conduct.pdf>

<https://cdn-s3.sappi.com/s3fs-public/Sappi-Group-Woodfibre-Procurement-Policy-5.2.pdf>

<https://cdn-s3.sappi.com/s3fs-public/Sappi-FAQs-Forest-certification-9.pdf>