

Group Supplier Code of Conduct

Through the power of One Sappi—committed to collaborating and partnering with stakeholders—we aim to be a trusted and sustainable organisation with an exciting future in woodfibre. We view our suppliers as key business partners who play an important role in helping us realise this vision.

Accordingly, we expect them to join our commitment to economic, social and environmental responsibility and to create an environment that replicates our focus on doing business with integrity and courage; making smart decisions which we execute with speed.

Scope of application

This Supplier Code of Conduct (Code) has been developed to ensure that Sappi's values and ethical standards are clearly understood and supported by all our suppliers, their first-tier suppliers and other stakeholders. We expect our suppliers to act in accordance with our values and standards and to operate in full compliance with the applicable laws, rules, and regulations of their respective countries at all times.

Requirements

Business ethics

Maintaining a sound ethical culture forms the foundation of Sappi's long-term sustainability as well as the creation of value for our stakeholders.

Suppliers are expected to:

- Familiarise themselves with Sappi's Code of Ethics, available on www.sappi.com and comply with the values, principles and policies in our Code of Ethics, particularly those related to conflicts of interest, protection of whistle-blowers, fraud, corruption and competition law, thereby helping us to live up to our values.
- Report unethical conduct or illegal behaviour by anyone associated with Sappi, by calling the relevant Sappi Hotline number or by forwarding their concerns to Ethics@sappi.com. Further information on the Sappi Hotline numbers in the countries where we operate is contained in the Sappi Code of Ethics brochure.

Human rights

Human rights are rights inherent to all human beings, regardless of race, gender, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, as well as the right to work and education. All people all over the world are entitled to these rights, without discrimination.

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Accordingly, suppliers are expected to:

- Respect human rights and uphold the principles set out in the United Nations Universal Declaration on Human Rights.
- Treat all their employees with respect; maintain adequate procedures and policies for preventing any form of harassment and abuse; and provide access to grievance procedures to report violations in this regard.

Child labour and young workers

- Refrain from using child labour by not employing persons younger than 15 years (except as provided for by ILO Convention No 138 on Minimum Age), unless local legislation stipulates a higher age limit.
- Protect workers under the age of 18 from any type of employment or work which by its nature or circumstances in which it is carried out is likely to harm their physical, mental or emotional development.

Freely chosen employment

- Prevent the use of forced, slave, bonded, indentured or involuntary prison labour.

Working hours

- Set working hours and annual leave in compliance with national legislation or an applicable collective agreement.

Compensation

- Pay employees, at the very least, wages and overtime pay that meet the legal or industry minimum.

Freedom of association and collective bargaining

- Recognise and respect the right of employees to freedom of association and collective bargaining in compliance with the procedures prescribed by the applicable legislation.

Discrimination

- Respect diversity, promote equal opportunity and ensure a non-discriminatory working environment.

Health and safety

People have the right to live and work in safety, to be assured that production processes will not harm their health or safety in any way and to buy products that do not compromise health or safety.

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Against this background, suppliers are expected to:

- Prioritise and maintain a safe and healthy working environment for all employees by assessing health and safety risks; providing appropriate health and safety training and implementing emergency plans and response procedures. These include emergency reporting, worker notification, evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.
- Deliver products and services that, at the very least, meet the quality, health and safety standards required by applicable law.
- Implement a safety, health, environment and quality (SHEQ) management system.

Chemicals

- Establish routines for purchasing, transporting, storing, handling and using chemicals in a way that safeguards the environment and the health and safety of employees at all times.
- Compile, maintain and continuously update a list of all the chemicals used in the production, operations or services and keep records of the corresponding valid material safety data sheets of the chemicals concerned.

Environment

Producing more with less and consuming more wisely is key to establishing resilient markets that stay within our Planet's safe operating space, safeguard our natural wealth and contribute to overall economic and social wellbeing. Sappi aims to tread more lightly on the Planet by carefully managing and mitigating the environmental, climate and biodiversity impacts of our operations.

With this mind, suppliers are expected to:

- Comply as a minimum with local environmental legislation and standards applicable to their operations.
- Ensure that they obtain, keep current, and follow the reporting guidelines of all the required environmental permits and registrations in order to be legally compliant at any time.
- Monitor impact on the environment with particular emphasis on biodiversity and pollution and take actions for improvement.
- Provide environmental training specific to environmental risks identified through a risk assessment process and/or in accordance with an environmental management plan.
- Work with Sappi to continuously improve environmental performance by:
 - Reducing greenhouse gas emissions and energy consumption through improved efficiency
 - Improving water quality and reducing waste, and
 - Finding alternatives to harmful chemicals and materials.
- Establish routines for purchasing, transporting, storing and handling waste in a way that safeguards the environment and the health and safety of all employees at all times.
- Maintain a register of the different types of waste which draws a distinction between hazardous and non-hazardous waste.
- Upon request, provide information on the country of origin for raw materials in order for Sappi to conduct a risk assessment of the raw materials' source and chain of custody.

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Diversity and equal opportunity

We believe diversity paves the way for innovative thinking and helps to bring about new ideas. That's why we place value on human differences and celebrate the role they play in our business' ability to be competitive, forward thinking and adaptive. We strive to create an environment where every employee is treated with respect regardless of age, race, religion, disability, sexual orientation, or any other social factor. With this in mind, suppliers are expected to promote diversity and equal opportunity in their organisations.

Broad-based black economic empowerment (BBBEE)

We recognise that transformation in South Africa is not just a moral imperative, but a pragmatic growth strategy that aims to realise the country's full economic potential while helping to bring the black majority into the economic mainstream. Our focus, in terms of BBBEE, is to make a meaningful difference.

We expect our suppliers be part of this focus and to:

- Commit, if a South African supplier, to the principles of BBBEE as set out in the Department of Trade and Industries' Codes of Good Practice on Black Economic Empowerment. Non-exempt suppliers will be required to provide Sappi with a scorecard, in accordance with the Codes of Good Practice on Black Economic Empowerment published in the Government Gazette on 09 February 2007 and the Amended Forest Sector Code published on 21 April 2017 on an annual basis (as amended from time to time).

Conformance

When engaging with suppliers, we will take into consideration the size and maturity of suppliers. To demonstrate compliance with this Code, suppliers might be required to provide documentation or to allow Sappi and/or any of its representatives to perform an audit at their facilities.

We reserve the right to disengage from suppliers whose actions conflict with the requirements set out in this Sappi Limited Supplier Code of Conduct.

Serious breaches could lead to the immediate suspension of commercial relations with the supplier concerned.

Steve Binnie
Chief Executive Officer
Sappi Limited