

## Group Woodfibre Procurement Policy

This policy supports Sappi's Group Sustainability Charter and our approach to sustainable development.

Our approach to sustainability is based on a holistic view of *Prosperity, People and Planet* (3Ps).

Being a sustainable organisation means that we balance and integrate the 3Ps into our business decisions, strategies and processes to help us add more value for all our stakeholders. Our strong sustainability governance structure is underpinned by our commitment to living our value statement: *At Sappi we do business with Integrity and Courage; making Smart decisions which we execute with Speed. Our values are underpinned by an unrelenting focus on and commitment to safety.*

At the heart of our business is a renewable, recyclable natural resource—wood. We use this to create dissolving wood and paper pulp, paper, packaging and biorefinery solutions which enhance the lives of consumers around the world. Ensuring fibre supply from responsibly managed sources underpins our commitment to treading more lightly on the *Planet*.

Accordingly, we:

- Promote biodiversity
- Conserve soil and water resources
- Influence wise land-use decisions
- Acknowledge the vital role that well-managed forests play in carbon sequestration in both preventing and mitigating climate change
- Support rural community development
- Provide smallholders with market opportunities and management assistance
- Invest in and utilise forestry research, and
- Communicate transparently with our stake-holders.

To achieve a balance of environmental, social and economic values, we are committed to sourcing woodfibre from forests and timber plantations in a manner that promotes their health and supports community wellbeing.

Specifically,

### **We will only source woodfibre that:**

- Complies with all applicable legal and regulatory obligations in the countries from which it originates.
- Comes from forests where the customary, traditional or civil rights of people are upheld.
- Is procured from forestry and manufacturing operations where health and safety legal requirements are upheld.
- Where applicable, maintains critical, unique attributes within officially designated high conservation value areas.
- Avoids areas knowingly converted from forests to non-forest uses.
- Does not come from commercial timber plantations which have been converted from natural forests post 1994.
- Is not genetically modified.

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## Group Woodfibre Procurement Policy continued

### To achieve these objectives, we:

- Require rigorous tracing practices and documentation of the origin of the wood.
- Recognise the following credible third-party forest certification systems: the **Forest Stewardship Council™ (FSC™-C015022)**, the **Programme for the Endorsement of Forest Certification™ (PEFC™)**, the **Sustainable Forestry Initiative® (SFI®)**, and other PEFC-endorsed systems.
- Require suppliers 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 of America) risk-based due diligence system(s) (DDS).
- Strive to increase our use of certified woodfibre, as specified in our global target.
- Promote the increased use of certified woodfibre throughout our supply and value chains.
- Support innovative initiatives for smallholder certification.
- Implement risk-mitigating activities including supplier audits and surveys.
- Track and report our progress towards these actions.

Going forward, we will continue to develop our manufacturing, human, social and natural resources in a way that ensures our sustainability approach enhances our long-term viability and overall *Prosperity*.

Steve Binnie  
Chief Executive Officer  
Sappi Limited