

Group Climate Change 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.*

By treading more lightly on the *Planet* through cleaner, more efficient manufacturing and waste beneficiation processes, we can produce more with less—an approach which has obvious economic benefits.

This approach is based on continuous improvement and includes reducing the energy intensity of our business and reducing the associated greenhouse gas emissions across the full supply chain.

As reducing deforestation of the world's endangered and tropical forests can help to reduce global warming, we commit to:

- Utilising woodfibre from 100% sustainably managed forests and plantations in accordance with our Group Wood Procurement Policy—healthy productive forests absorb carbon dioxide, thereby helping to mitigate global warming
- Collaborating in research and development programmes to address the challenges of climate change
- Improving our forestry operations through tree breeding that allows for greater yields per hectare, reduces the risks from pests and diseases, and improves drought tolerance, and
- Promoting the recycling of paper and paper packaging products.

As a responsible manufacturer, we balance our needs with our impact on the earth, reducing our carbon footprint by:

- Improving energy use efficiency
- Decreasing our reliance on fossil fuels and hence, our fossil fuel emissions
- Increasing our use of renewable fuels by optimising the use of black liquor, forest waste and other plant biogenic sludges
- Expanding our already significant use of combined heat and power
- Streamlining our use of transport
- Taking energy efficiency and renewable energy into account when planning new capital investments, and
- Setting targets in each region regarding energy efficiency and/or the reduction of greenhouse gas emissions from fossil fuels.

In the interests of transparency, we commit to:

- Establishing the life-cycle carbon footprint emissions of our mills and products by using standardised, clear and credible carbon footprint frameworks
- Developing products that help our customers reduce the carbon footprint of their processes

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- Measuring each mill's energy use and associated CO₂ emissions on a quarterly basis and monitoring this performance through quarterly performance reports which are communicated to the executive management team, and
- Publicly reporting on performance against targets.

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