

Sustainability highlights 2022

Sappi is a leading global provider of everyday materials made from woodfibre-based renewable resources. In Europe, we produce a range of graphic, packaging and speciality papers including flexible packaging, self-adhesive and dye sublimation papers. We work to build a thriving world by acting boldly to support the planet, people and prosperity.

Sappi Europe's 2022 Sustainability Performance

Our Thrive25 strategy is aligned with the United Nation's Sustainable Development Goals (SDGs). We're focused on the seven SDGs where we believe we can make the biggest contribution to a better future for all. Our performance highlights for the financial year include:



For a comprehensive overview of our annual performance, please visit Sappi's 2022 Sustainability Report at www.sappi.com/sustainability-and-impact or scan the QR code.



Self-assessment of 2022 performance

Our vision for a thriving world

“2022 was a remarkable year for Sappi. We made steady progress in advancing our business strategy, including the implementation of three major decarbonisation projects in Europe. It was also a strong year for strengthening our partnerships, including our new membership within the World Business Council for Sustainable Development (WBCSD). I firmly believe that through collaboration we can and will accelerate our contribution to a thriving world.”



Marco Eikelenboom,
CEO of Sappi Europe

EcoVadis awards Sappi Europe a “Platinum” rating

For another consecutive year, Sappi Europe scored “Platinum” in the EcoVadis rating, placing us among the top 1% of pulp and paper companies assessed by the platform in terms of sustainability achievement.

EcoVadis is an online platform that provides a holistic sustainability rating service of companies. The rating covers a broad range of themes including Environment, Labour & Human Rights, Ethics and Sustainable Procurement impacts. The scorecards provide guidance on strengths and improvement areas, which the rated companies may use to focus their sustainability efforts and develop corrective action plans to improve their sustainability performance.

In addition to using EcoVadis to assess ourselves, we also use the platform to support our sustainable procurement objectives. By the end of the business year, we had 200 suppliers disclosing to Sappi on EcoVadis, which is more than double the disclosures we had last year. Furthermore, in Europe over 80% of suppliers by spend have declared compliance with our Supplier Code of Conduct.

These measures help create more transparency across our value chain and support our due diligence obligations.



Science-based targets get global approval

After a tremendous effort from all three regions, Sappi’s near-term, science-based targets were validated by the SBTi. Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. Sappi Limited’s global commitments are:

2030 GHG reduction target:
-41.5%

Sappi Limited commits to reduce scope 1 and scope 2 GHG emissions 41.5% per ton of product by 2030 from a 2019 base year*.

Sappi Limited also commits that 44% of its suppliers by spend will have science-based targets by 2026.

These targets are important for helping to hold us accountable in our decarbonisation transition, and assist our customers on their own decarbonisation journeys. Our emission reduction target is underpinned by detailed regional decarbonisation plans, based on a combination of capital investments in our assets, process efficiency improvements and increased purchases of renewable energy.



*The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Looking down on the freshwater treatment plant of Sappi's Gratkorn Mill in Austria



6 CLEAN WATER AND SANITATION



World Water Week in Stockholm

In 2022, Sappi Europe launched an internal initiative to further articulate our vision, approach and strategy on Water Stewardship

across the region. A taskforce was created, bringing together experts from each mill. Their objective is to build upon current practice to strengthen and broaden our approach and maturity in managing water-related risks and opportunities.

SDG 6 "Clean water & sanitation" cannot be achieved without corporate action, and it was encouraging to

see many private sector representatives gather at World Water Week in Stockholm.

This event's theme was "Seeing the Unseen: The Value of Water" and was built on a **global need to not only see, but to understand, and – more importantly – value water.**

The process of thinking through the ethical dimensions of alternative water policies and practices will favour outcomes that are better for us as people, as well as for the planet. The conference also highlighted the need for integrated and inclusive planning to help find the right mix of solutions, collective learning and transformative pathways. Great learnings could be pulled for Sappi's own Water Stewardship journey.



Creating an inclusive workplace at Sappi Europe

Diversity and Inclusion was made a business imperative for Sappi and we have been evolving in our journey ever since. Throughout 2022, a series of training sessions were provided to our leadership team and staff across the company. These sessions enabled them to identify biased behaviours and created awareness on the importance of having diverse and inclusive teams for the company and for each employee.

A survey was conducted to help us better understand how our staff perceives Sappi's DEI journey. Having identified strengths but also opportunities for improvement, the survey's results enable us to define priorities and take the next steps together.



Transparent and traceable wood sourcing is key to ensuring deforestation-free supply chains

To accentuate Sappi's continuous commitment to zero deforestation and in alignment with the sustainability targets and the UN Sustainable Development Goals, our Woodfibre Procurement Policy was revised and approved by the Sappi Board's Social, Ethics, Transformation and Sustainability (SETS) Committee in 2022.

The policy's main elements are: **core requirements on woodfibre and its origin, stringent requirements on traceability and supply chain integrity**, and further action points to ascertain **deforestation-free supply chain, sustainable forestry and sourcing**.

Every supplier of round wood, chips, and pulp must report the origin of wood, and provide evidence that all is sourced from controlled, non-controversial sources in accordance with the FSC™ Controlled Wood standard as well as PEFC standard's comprehensive due diligence requirements*.

In 2022, the share of certified woodfibre supplied to Sappi's European mills was

87%

Sappi continues to maintain a 100% coverage of third-party certified and annually audited FSC™ and PEFC CoC management systems to meet Sappi's minimum eligibility criteria for any woodfibre entering a Sappi mill. It must verifiably meet the FSC™ Controlled Wood requirements, which prohibit and are designed to avoid: illegally harvested wood, wood harvested in violation of traditional and human rights, wood from forests with threatened high conservation values, wood from forests with genetically modified trees and wood from forests converted to plantations or non-forest uses.

Investing in meaningful change for the flexible packaging market

2022 saw Sappi invest millions of euros in cutting-edge research and development at the company's Alfeld mill in Germany, with brand new, state-of-the-art barrier coating technology primed to produce its first bespoke flexible packaging papers.



Consumers, converters and brand owners are all placing a greater premium than ever on non-fossil-based, recyclable flexible packaging solutions. Today, the Alfeld mill stands ready to produce 300 million square metres of new barrier papers every year. These are papers that will play an important role in allowing brands to switch from plastic-based flexible packaging for food and non-food items – packaging that often comes with complex recyclability issues – to mono-material paper, which delivers renewable, recyclable fibre-based solutions.

"Today, sustainability is key, recyclability is key – and we can deliver that combined with further key functionalities," said Mill Director Thomas Rajcsanyi. "At the same time, we have a strong starting point for further development opportunities as we learn and get more experience. We can develop further innovations in sustainability and barrier or high barrier functionalities in a faster way than ever before. Everything we have is state-of-the-art, and everything we do is done differently."

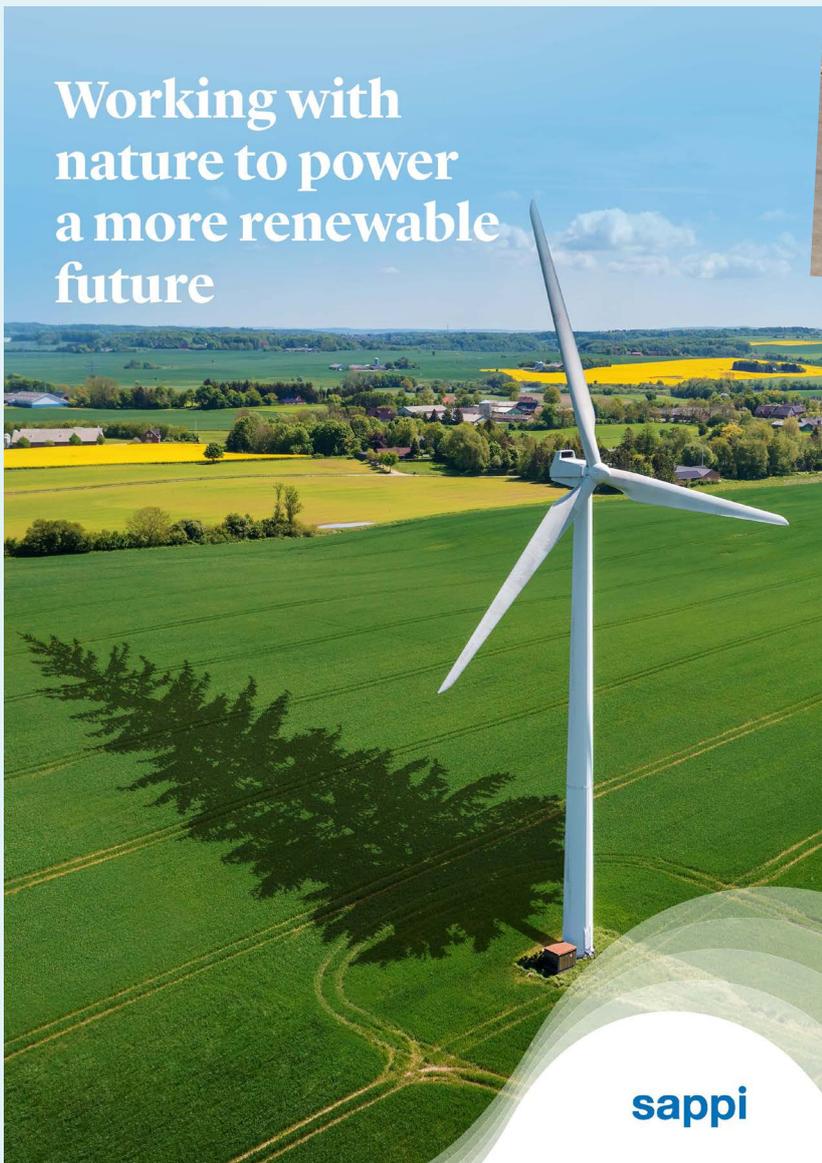
The new technology at Alfeld Mill strengthens Sappi's position as the leading global provider of sustainable paper packaging solutions – and lays down a challenge to the company to go further. It's a challenge the team at Alfeld is hungry to accept. "We won't ease off from here," said Rajcsanyi.



Co-creating for Decarbonisation

The world needs urgent action to limit global warming to 1.5 degrees. We're doing our part at Sappi by harnessing the power of nature's tools - those in and beyond trees - in the journey to decarbonise our global business. In 2022, we launched a campaign to help bring our stakeholders along with us on the journey.

Working with nature to power a more renewable future



The concept of the campaign brings together three essential elements for our transition to a low-carbon future:

- the brilliance of technology
- the power of nature
- the creativity of people

Through these perspectives, we will continue to share more about this complex and exciting path we are on... together!



To discover more about Sappi Europe's decarbonisation journey visit www.sappi.com/decarbonisation or scan the QR code.