

Sappi Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1936/008963/06)  
JSE share code: SAP  
ISIN: ZAE000006284  
("Sappi" or the "Company")

## **Sappi concludes consultation process at Stockstadt Mill and commences consultation process on future of Lanaken Mill**

*The persistent global economic downturn is proving to be much tougher than anticipated, with depressed markets, geopolitical instability and weak economic growth combining to put significant pressure on Sappi, particularly in Europe.*

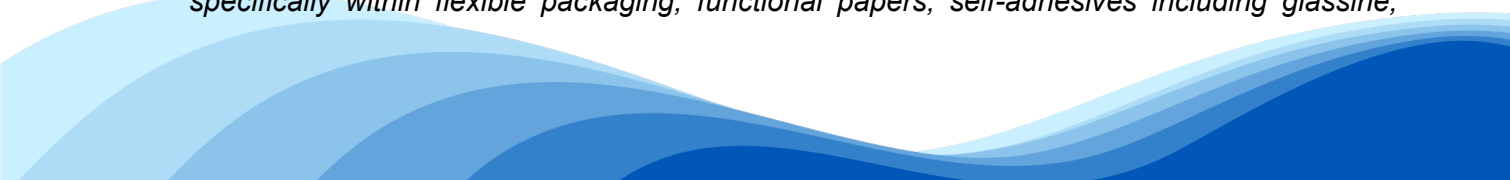
*In response, we announced on the Stock Exchange News Service on 6 July 2023 the start of a consultation process on the possible closure of Stockstadt Mill. We have completed this process and agreed on the social plan for the employees. In addition, an agreement has been signed for the sale of the site. The closure of the site should be completed during the first calendar quarter of 2024. Once all closure elements are taken into account, the impact is expected to be cash neutral.*

*We continue to be faced with significant overcapacity in graphic paper, forcing us to take extended periods of costly commercial downtime. As the recent over-stocking by customers reduces, it has become very clear that demand will not return to previous levels. Combined with input cost pressure, we do not see this situation, caused by factors beyond our control improving in the foreseeable future.*

*We have therefore decided to inform both the Mill Management and the Works Council that we are today starting the consultation process on the potential closure of the Lanaken Mill. In parallel, we are reviewing how best to reduce overall fixed and other overhead costs.*

*For Sappi, our strategic focus includes reducing exposure to the graphic paper segment while expanding our presence in packaging, speciality papers, pulp and biomaterials. Sappi Europe is focused on building a sustainably resilient company. This requires evaluating the future of all facets of the business based on market dynamics and the market segments Sappi believes will be strongest in the future.*

*While continuing to serve the graphic paper market through its competitive assets, the overall priority of the European business will be to grow the packaging and specialities segment, specifically within flexible packaging, functional papers, self-adhesives including glassine,*



*labels, as well as dye-sublimation categories. Restructuring measures result in a better utilisation of Sappi's remaining assets to the benefit of our customers.*

***Sappi Lanaken Mill*** is an integrated pulp and paper mill located in Belgium, currently employing a total 644 workers, with a production capacity of 165,000 tpa of pulp which is used to produce 530,000 tpa of coated woodfree paper mainly sold into the European print market.

***Sappi Stockstadt Mill*** is an integrated pulp and paper mill located in Germany, with a production capacity of 145,000 tpa of pulp (for internal use) and 220,000 tpa of coated and uncoated woodfree paper mainly sold into the European print market.

10 October 2023

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