

sappi

Inspired by life

Sappi Southern Africa
Sustainability Report 2015



Intentional evolution



About our theme

Our theme reflects Sappi's new strategic direction of transformation through intentional evolution. We will continue to grow Sappi into a profitable and cash-generative diversified woodfibre group – focused on dissolving wood pulp, paper and products in adjacent fields.



Our mission: 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.

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about this report

Scope of this report

This Sustainability Report for Sappi Southern Africa (SSA) is aligned with the Sappi Limited 2015 Annual Integrated Report and group sustainability report (available online at www.sappi.com) and covers the period from the beginning of October 2014 to the end of September 2015. Sappi Limited's compliance with the King III Code on Corporate Governance (King III) is also available online.¹

Reporting framework

We consider material issues to be those that could significantly impact our ability to create stakeholder value. In determining materiality, we consider our external environment, stakeholder concerns and expectations, as well as other risks and opportunities. We also take account of our commitments in terms of our group Sustainability Charter, internal policies and the United Nations Global Compact, to which we have been a signatory since 2008.

Certifications

We use the Forest Stewardship Council® (FSC®)² certification systems, as well as the ISO 9001 and 14001 series of certifications, and OHSAS 18001. For a detailed view of our certifications per operations, please refer to the 'Our certifications' FAQ on www.sappi.com.

⁽¹⁾ Lignotech South Africa, our 50:50 joint venture with Borregaard at Sappi Saiccor Mill, is excluded from this report as we do not manage this operation.

⁽²⁾ All references to the Forest Stewardship Council® (FSC®) in this report are, according to the definition below:
FSC® – in terms of the Forest Stewardship Council® (FSC®) scheme, there are two types of certification. In order for forest land to achieve FSC, its forest management practices must meet the FSC 10 principles based on environmental, social and economic criteria. Roundwood (logs) with FSC-certification: Sappi Southern Africa Forests – FSC C012316 and Sappi Southern Africa Group Scheme – FSC C017054. For manufacturers of forest products, including paper manufacturers like Sappi, Chain-of-Custody (CoC)-certification involves independent verification of the supply chain, which identifies and tracks the timber through all stages of the production process from the tree farm to the end product. Sappi's mills in South Africa are licenced – Ngodwana Mill – FSC C021636, Saiccor Mill – FSC C011012, Stanger Mill – FSC C019831 and Tugela Mill – FSC C012468.



Sappi's 3Ps



Prosperity



People



Planet

Navigation aids



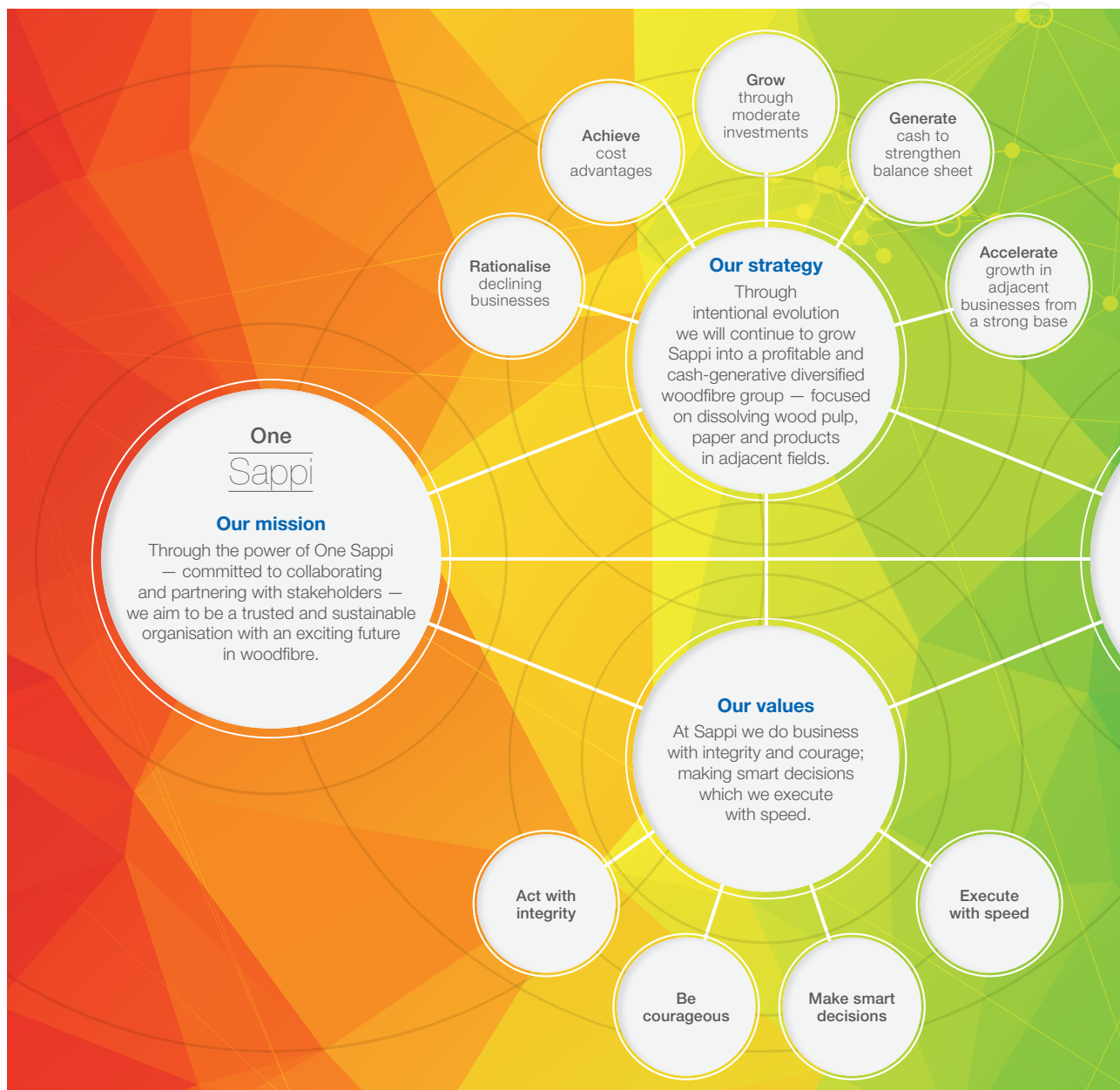
Online information



Further reading

our mission, vision and values

One Sappi — 2020Vision — Intentional evolution



How will you help make Sappi a better and greater company?

S. Binnie

Steve Binnie
Chief Executive Officer



sappi

Inspired by life

our value-add to south africa

“The forestry sector in South Africa is a substantial employer, both in its growing and processing components. In its growing component the forestry sector employs approximately 165,900 workers and provides a livelihood to 652,000 people living in rural areas.”

Naledi Pandor, South African Minister of Technology



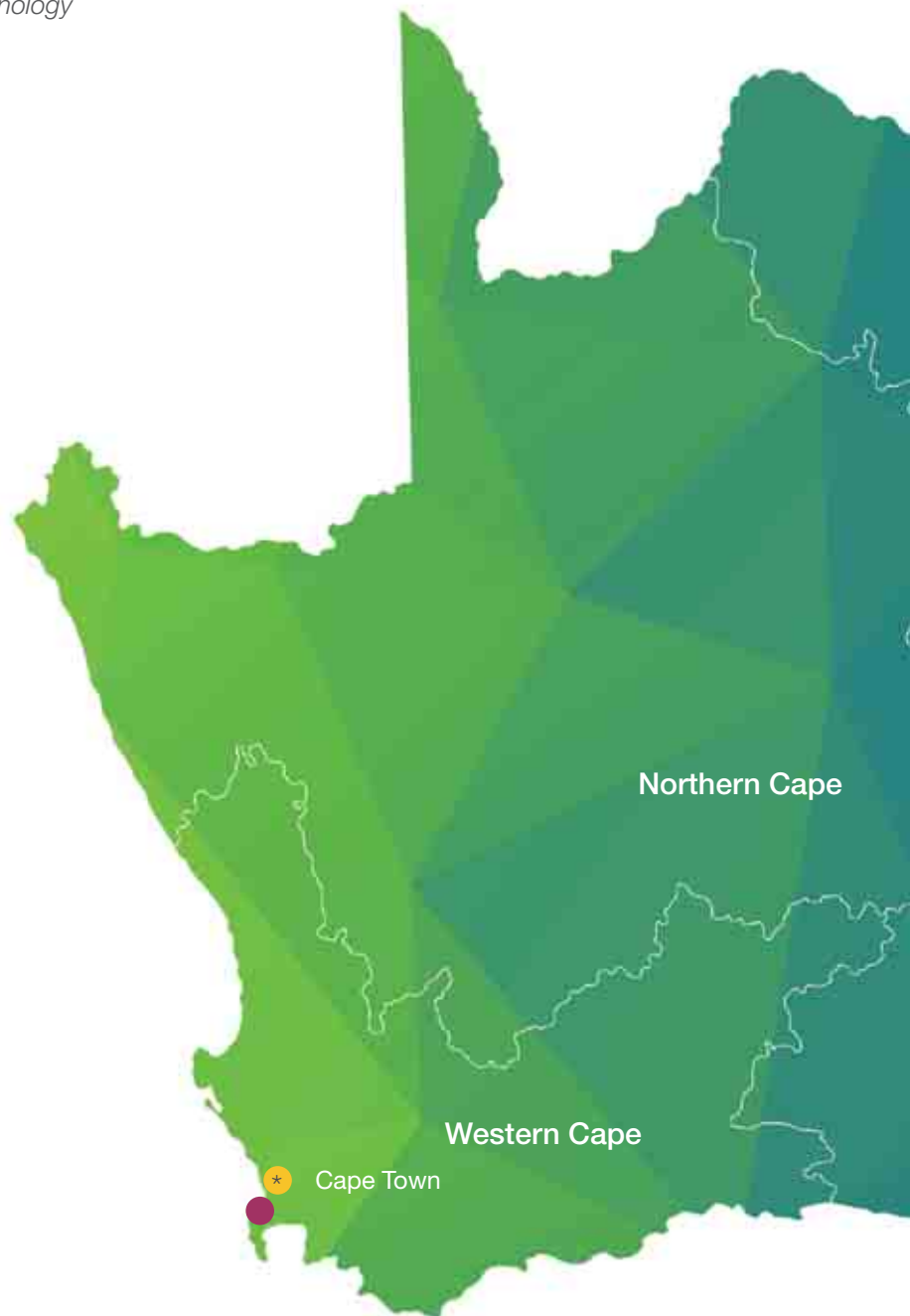
ZAR2.8 billion Gauteng

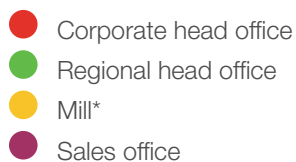
- For maintenance and other services – 4%
- For outbound logistical services – 6%
- For timber and related logistical services – 0%
- For pulp, recycled paper and bagasse – 36%
- For chemicals and additives – 3%
- For utility services – 5%
- For packaging and consumables – 4%
- To employees as salaries, wages and other benefits – 20%
- To lenders of capital as interest – 6%
- To the government as taxation and PAYE – 13%
- Reinvested – 3%



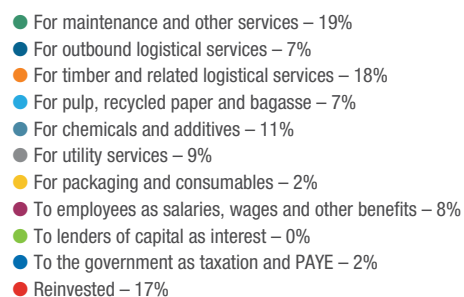
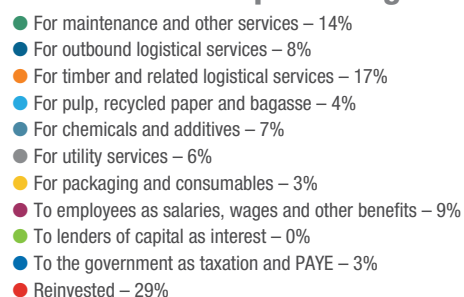
ZAR353 million Western Cape

- For maintenance and other services – 11%
- For outbound logistical services – 5%
- For timber and related logistical services – 0%
- For pulp, recycled paper and bagasse – 31%
- For chemicals and additives – 6%
- For utility services – 17%
- For packaging and consumables – 3%
- To employees as salaries, wages and other benefits – 7%
- To lenders of capital as interest – 0%
- To the government as taxation and PAYE – 4%
- Reinvested – 15%





* Sappi sold the Enstra and Cape Kraft Mills in October and November, respectively.



our sustainable business model

Inputs

Prosperity



Manufactured capital

- 2 paper mills*
- 1 DWP and paper mill
- 1 DWP mill
- 1 sawmill

Intellectual capital

- US\$28 million R&D spend (global)
- Two nanocellulose patents filed in 2015
- Technology Centres Gauteng and KwaZulu-Natal

Financial capital (global)

- Total assets: ZAR21.2 billion
- Net cash: ZAR1 billion
- Ordinary shareholders' interest: ZAR10.8 billion

* The sales of two paper mills will be finalised shortly after year-end.

People



Human capital

- 5,372 employees
- Training and development spend: ZAR48 million
- Average cost per employee: ZAR421,000
- World-class safety system

Social and relationship capital

- Ongoing stakeholder engagement
- CSR spend: ZAR28 million
- Enterprise development interest free loan: ZAR24.6 million

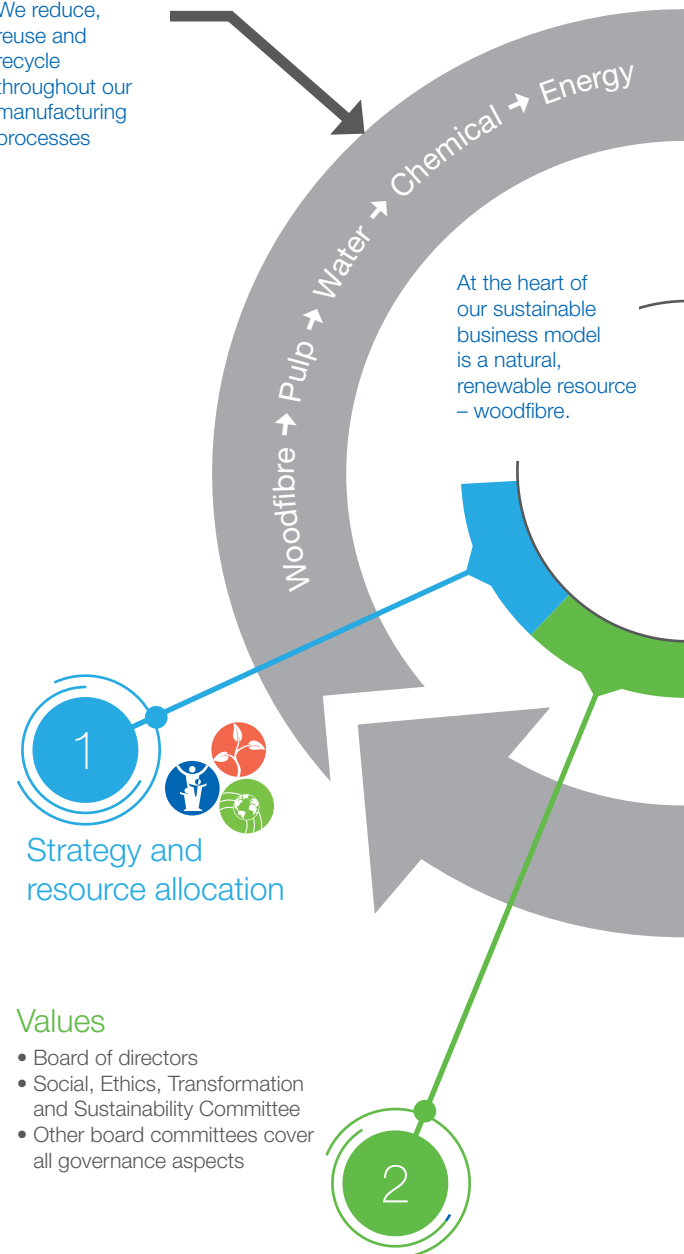
Planet



Natural capital

- 42.8% renewable energy
- 85.7 million m³ water drawn
- 71,000 tons of pulp
- 4.85 million tons of woodfibre
- 71,500 tons bagasse
- 248,000 tons recovered fibre
- 492,000 hectares owned and leased plantations – 100% FSC® certified

We reduce, reuse and recycle throughout our manufacturing processes



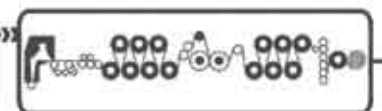
1
Strategy and resource allocation

Values

- Board of directors
- Social, Ethics, Transformation and Sustainability Committee
- Other board committees cover all governance aspects



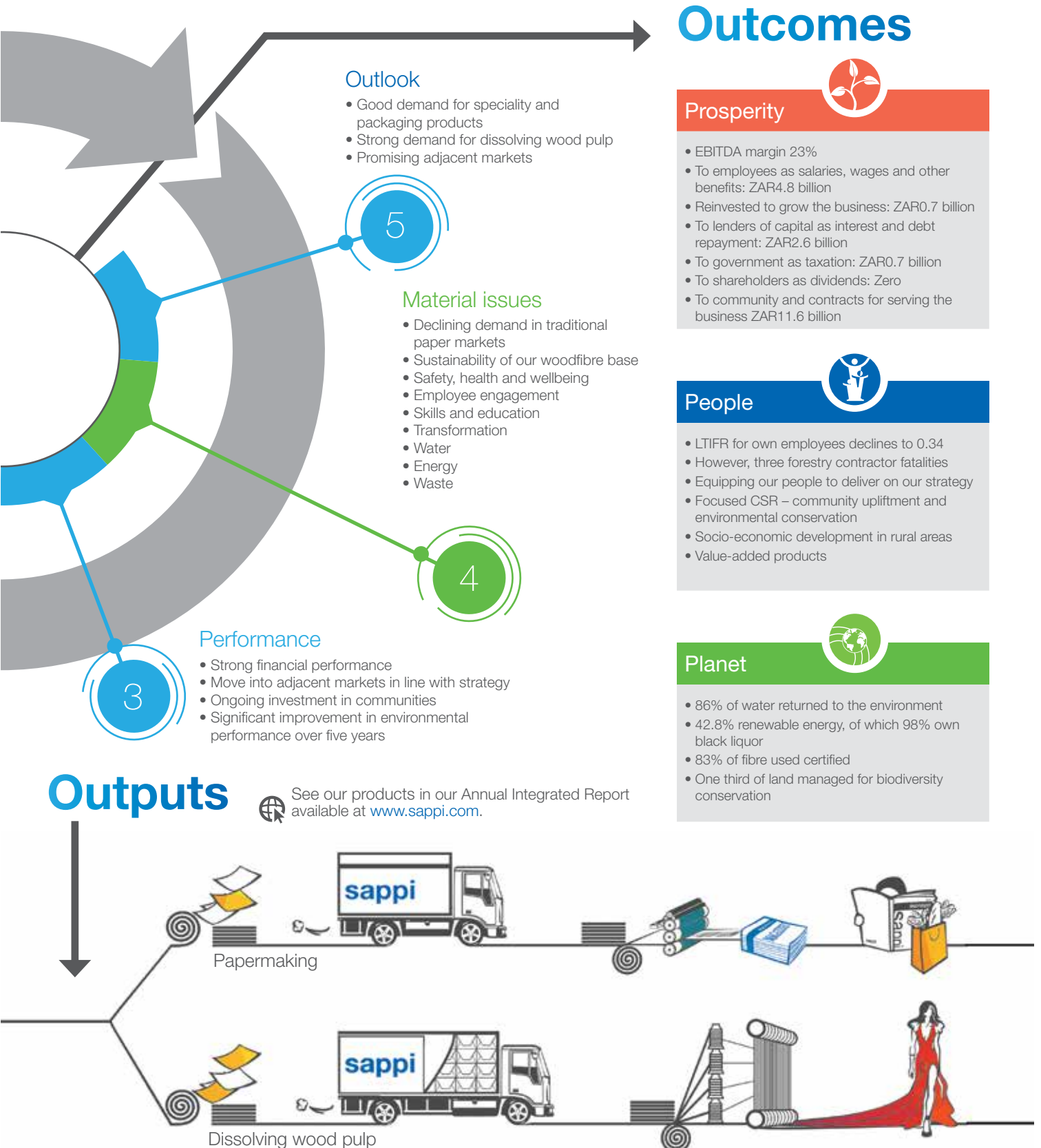
The papermaking and specialised cellulose (dissolving wood pulp) processes



* Further information of Sappi's FSC® certification is available in the Glossary in our Annual Integrated Report available at www.sappi.com.

We have aligned our long-established approach to sustainable development – Prosperity, People and Planet – with the IIRC’s six capitals model.

While all the capitals play a role in our ability to create value, the emphasis and importance of each capital shifts over time. Currently, natural capital, financial capital and intellectual capital are the most important in our drive to position Sappi as a profitable and cash-generative diversified woodfibre group – focused on dissolving wood pulp, paper and products in adjacent fields.



our operations

Sappi Specialised Cellulose

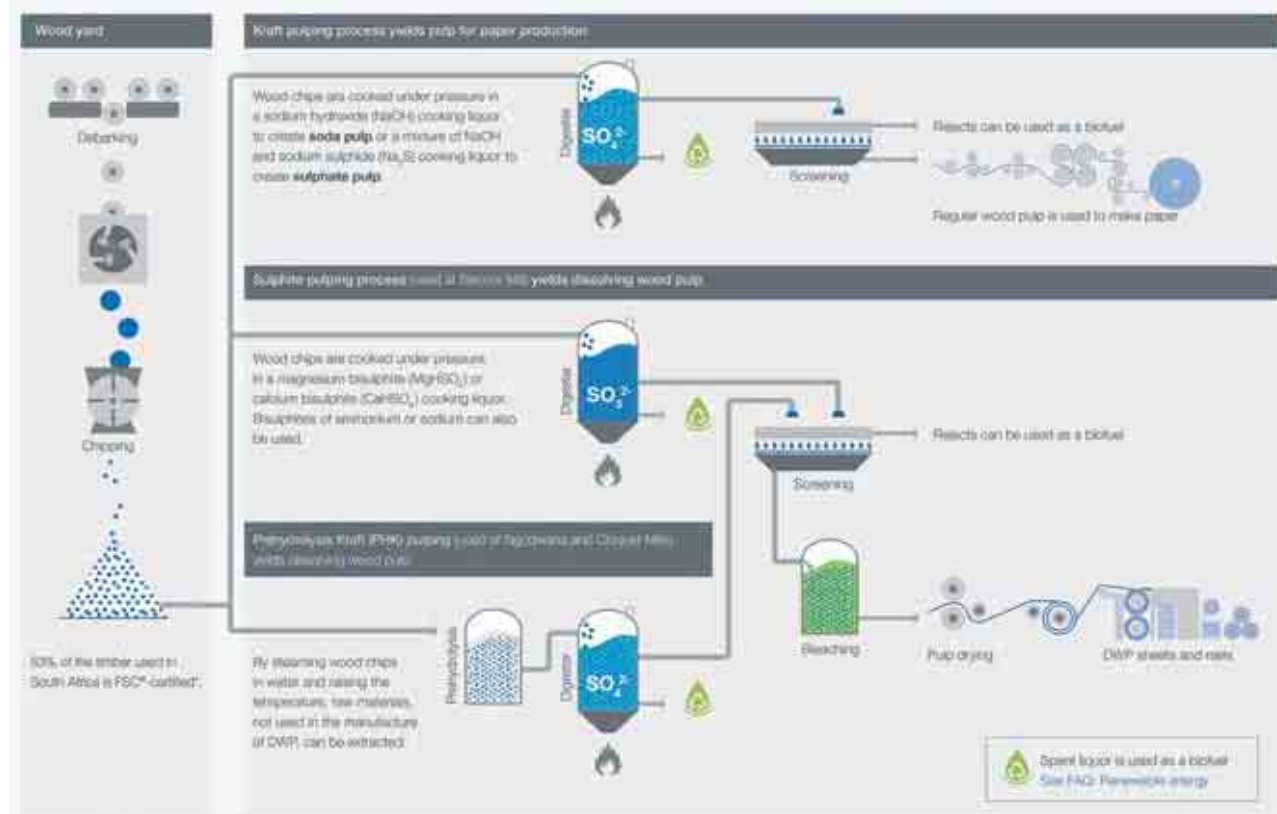


Fashion clothing made from viscose made from DWP.

— • Saiccor and Ngodwana Mills

Dissolving wood pulp (DWP), also known as specialised cellulose

Our pulping processes — extracting value from a renewable resource



Sappi Forests and Sappi ReFibre



A typical Eucalyptus plantation.

— • KwaZulu-Natal and Mpumalanga plantations

Pulpwood
Sawlogs

— • Lomati Sawmill

Structural and industrial timber

— • ReFibre

Recovered fibre

Sappi Paper and Paper Packaging



Kraft Pride and Ultraflute are used in agriculture and industrial packaging.

— • Cape Kraft Mill¹

Containerboard and coated packaging paper from recycled paper

— • Enstra Mill²

Uncoated graphics paper, specialities, office paper, kraft paper and containerboard from recycled paper

— • Ngodwana Mill

Kraft linerboard and newsprint

— • Stanger Mill

Uncoated graphics and office paper and tissue

— • Tugela Mill

Semi-chemical fluting, testliner and lignosulphonates

⁽¹⁾ The sale of Cape Kraft Mill was completed in November 2015.

⁽²⁾ The sale of Enstra Mill was completed in October 2015.

messages from our leadership



Message from the Sappi Southern Africa Chief Executive Officer

Dear stakeholders,

Generating profits and growing our business is pivotal to creating value for all our stakeholders. Over the past few years we have embarked on a number of changes to turn our business around – in particular our paper and paper packaging business.

Decisive action has led to positive results

We have taken bold, decisive action which has included the dissolving wood pulp expansion 'GoCell' project at Ngodwana Mill, transferring the production of office papers from Enstra to Stanger Mill and selling Cape Kraft and Enstra Mills. In 2014, we launched Ultraflute, a lightweight semi-chemical fluting virgin containerboard which continues to enjoy strong support and has now become the benchmark for quality fluting in Africa. Building on this strong foundation, we launched Ultratest in 2015, a kraft topline which can be used in both heavy industrial and light agricultural applications.

All these actions have had a positive impact with Sappi Southern Africa delivering strong results. In line with the Sappi group's 2020Vision, our core business is focused on dissolving wood pulp, virgin packaging, tissue, office paper, newsprint and energy generation along with commercial forestry to secure the fibre we require for this.

Value creation across the 3Ps of Prosperity, People and Planet

There are many examples of how we are creating value for our stakeholders and I want to touch on a few that highlight value creation across the 3Ps.

Our approved energy project at Ngodwana Mill will involve the supply of biomass from local plantations which is then used as boiler fuel to produce steam at the mill. This in turn will generate 25MW of renewable electrical energy which will be sold into the national grid from 2018.

In addition to the generation of renewable energy which improves our carbon footprint and enhances shareholder returns, significant ongoing value is being created due to job creation and monetary spend across the project value chain. This ranges from collecting biomass in the plantations, through plant and equipment contracts, to community impact through community trusts and the concomitant economic development and socio-economic development spend.

To cite another example: Project Buyisa, our ZAR120 million upgrade to Saiccor Mill, which increased energy self-sufficiency by 12%, has had a major impact on performance. Black liquor is recovered after the cooking process and concentrated in an evaporation train before being used as a fuel in the recovery boilers. Because more steam is being generated from the recovery boilers, less steam from coal is required, with a resultant decrease in coal consumption of more than 4,400 tons for FY2015 (this is a 7% reduction per ton of pulp produced).

This has positive impacts in terms of both Planet and Prosperity.

Measurable value

On the People side, 2015 was a record year for Project Grow, our enterprise development initiative. The scheme,

which enhances the security of our woodfibre base, supplied more than 360,000 tons of fibre into our mills, thereby injecting several hundred million Rand into the local economy.

As described on page 36 of this report, in Mpumalanga together with Penreach, the Entabamhlophe Combined School and their school governing body, as well as the Luvuvethu Early Childhood Development Centre, have combined forces to establish the Sappi ECD programme. Since the inception of the programme, 90% of ECD learners in the Entabamhlophe Grade R class have shown improvement in literacy.

Safety: an ongoing priority

Our many achievements were overshadowed by three contractor fatalities in the year under review. Our view is that even one injury is one too many and we are working ever harder to strengthen our safety culture and performance. On behalf of Sappi Southern Africa, I again offer my deepest sympathies to the families of the deceased.

Looking forward

All our people have worked extremely hard to put our strategy into action and I would like to thank them for their ongoing loyalty, commitment and passion. All of this is building a strong foundation from which to achieve our strategy of extracting previously untapped value from woodfibre.

I recognise that it might not always be easy and that it will be challenging. I also know that all our people will rise to the challenge, using our values as their guide, to create a more sustainable Sappi, a Sappi poised to generate value for all stakeholders for many years to come.

Alexander Thiel



Message from the Sappi Limited Chief Executive Officer

Dear stakeholders,

The rapidly changing world around us is having a widespread impact on just about everything: global economies, industries, markets, consumer trends and our planet's resources. As a company, we embraced this reality with a focused strategy and some very clear objectives.

Our way of living, and ultimately Sappi's future, is being impacted by a number of megatrends, including shifts in demographics, technology, climate, the drivers of the global economy, as well as the reality of adjusting to a carbon constrained future. As a company we understand these changes and

are embracing them by adapting our business accordingly. Our ultimate goal, within a changing world, is to maintain our position as a global forest products leader. We will achieve this through the power of One Sappi – committed to collaborating and partnering with stakeholders – focused on being a trusted and sustainable organisation with an exciting future in woodfibre.

The quality of our people, their dedication, resourcefulness and drive has made it possible to overcome the transformative challenges in our industry. Today, we are in a much stronger position to move ahead, thanks to our optimism and pragmatic approach in running a leaner, more productive and efficient business.

We now have the opportunity to further transform and diversify as a business. To do this, we have identified numerous exciting prospects for which we are uniquely positioned to take a lead industry role. As a natural renewable resource company, Sappi is in an excellent position to help drive the renewal of the forestry industry towards a low-carbon future. We will make full use of this opportunity.

Our approach is encapsulated in our 2020Vision. Within the next five years, we aim to maximise the returns from our mature businesses, expand our existing high-growth businesses and enter new businesses in adjacent fields as we unlock and commercialise the potential of plantation forest-derived bioproducts.

The fact that we operate in a carbon-constrained world as a natural renewable resource company has opened up many exciting opportunities to expand and diversify. Our business is based on woodfibre derived from trees – and it is in these fibres that we have found the key to unlock our sustainable future in a fast changing world.

Finally, how we reach our strategic goals as a business is as important as reaching those goals. Our new group value statement defines our operating ethos going forward – 'At Sappi we do business with integrity and courage, making smart decisions which we execute with speed'.

Steve Binnie



Message from the Chairman Social, Ethics, Transformation and Sustainability Committee Non-executive Independent Director Sappi Limited

Entrenching sustainability in its broadest sense (the 3Ps of Prosperity, People and Planet that are essential to business sustainability) into our everyday operations is an ongoing process and not an event. The board

and management continue to focus on all facets of sustainability and we have seen considerable improvements in all our sustainability targets. The board's approved strategy to diversify our business into adjacent opportunities will further enhance our financial sustainability.

Jock McKenzie

review of our 2015 targets and setting of new 2020 targets

Sustainability is foremost on our minds at Sappi as we embark on our revised strategic direction. We continue, as before, to take cognisance of our impact – both positive and negative – as we focus on creating value for our shareholders. In 2010, we set certain targets to be achieved by 2015. In line with our 2020Vision we have set new targets which will guide us through to 2020, all of which are discussed below.

PROSPERITY


Profitability	2015 target	2015 performance	Status
RONA (return on net assets) to be equal to or greater than 15% by 2018 on a five-year rolling basis.	12.3%	13.5%	

Our performance was ahead of target mainly due to our specialised cellulose and paper packaging divisions' performance. The print paper business struggled due to depressed local demand. We continue to focus on improving our margins in the different product ranges and we expect to see an improved performance going forward.


Sustainable growth in fibre	2015 target	2015 performance	Status
Sustainable cut above four million wet white tons per annum.	>4 million	3.9 million	

We did not achieve our target in the current year despite improvements in site species matching and pest control. The main reason is the prolonged drought in northern KwaZulu-Natal and an infestation of the Cossid moth in Mpumalanga.

PEOPLE

Skills development	2015 target	2015 performance	Status
Provide training and development opportunities of an average of 60 hours per employee per annum.	60	121	

Training hours per person were more than double our target. Most of the hours are focused on individual development and improving skills of the employees in their current positions. The hours reflected in individual development reflects the full working hours of our trainees and apprentices. If we exclude our trainees and apprentices we achieved 64.3 hours.

Safety	2015 target	2015 performance	Status
Combined LTIFR (Lost Time Injury Frequency Rate) for own employees and contractors to be better than best ever achieved on a continuous 12-month basis.	<0.27	0.34	





We did not achieve our target of the best-ever year; however, safety remains a key focus for us and we have improved year-on-year. Unfortunately we had three fatal accidents and three amputations during the year, which counters all the good that has been achieved to date. We will be introducing measurements going forward to give a more balanced view on injuries incurred by employees as well as incentivising them to follow a safety-first approach. Our commitment remains that all employees and contractors that come to work should return home each day uninjured.

Transformation	2015 target	2015 performance	Status
Achieve Level 3 compliance in Broad-based Black Economic Empowerment (BBBEE).	Level 3 contributor	Level 3 contributor	

We achieved the target of a Level 3 BBBEE contributor this year based on the old Forestry BBBEE code. We await the publishing of the new codes in January 2016, which will be applied to us in November 2016. Our target will be to achieve a Level 4 contributor status using the new codes.

 – achieved,  – exceeded,  – not achieved



PLANET			
Energy	2015 target	2015 performance	Status
Achieve 15% reduction in specific purchased fossil energy with 2000 as a base year.	27%	31.9%	
We achieved the target for the current year, doubling the reduction target set in 2010. We introduce numerous energy efficiency projects into our mills such as burning biomass in coal boilers and increased black liquor steam generation, with some achieving significant savings. We will continue to look for opportunities going forward.			
Water	2015 target	2015 performance	Status
Reduce total specific fresh water usage by 10% with 2007 as a base year.	7.0%	12.9%	
We achieved our target in the current year which could be attributed to stable production at some of our mills; however, a significant part of this has been due to curbing production as a result of the drought and low river flow in KwaZulu-Natal province.			
Recovered fibre	2015 target	2015 performance	Status
Recover 28% of fibre put into the market.	31.3%	31.3%	
Our aim is to reduce, reuse and recycle, and we achieved our target in the current year. However, we have a renewable fibre source which forms the basis of our products and through the growing of our fibre we create a carbon neutral position even on our virgin production. We will continue to improve our carbon and environmental footprint.			
Waste	2015 target	2015 performance	Status
Reduce total specific solid waste landfilled with 2009 as a base year.	37.0%	25.1%	
We did not achieve this ambitious target as certain waste beneficiation projects have been placed on hold. We hope to resume these in the short to medium term.			

 – achieved,  – exceeded,  – not achieved

new 2020 targets for south africa

In line with our evolutionary strategy and 2020Vision, we have introduced new measurements and targets to be implemented from 2016 through to 2020, using 2014 as a base:

Target	Rationale
 Prosperity EBITDA margin greater than 20%. Sustainable cut above four million wet white tons per annum.	Drives our overall growth. Profitability is the foundation of our capacity to generate value for all stakeholders. 'Sustainable cut' indicates the quantity of wood which grows in one year on land we own or lease. It equates to the quantity of wood which is available to harvest each year without reducing the overall quantity of wood standing on the land. This allows us to determine the mean annual increment of our woodfibre base and the overall sustainability of this base.
 People Combined Lost Time Injury Frequency Rate (LTIFR) for own employees and contractors to be better than best-ever achieved on a continuous 12-month basis and Lost Time Injury Severity Rate to be below 25. Achieve Level 4 compliance in BBBEE (in respect of the new forestry codes). Engaged employees in terms of participation, commitment and issues closed out.	People underpin our business success. Safety is a moral and a business issue which impacts on the quality of life of our employees and contractors, on productivity, costs and reputation. Everyone returning home safely, every day, is key to our success. Transformation is a pragmatic growth strategy that aims to realise the country's full economic potential. Our success as a business depends on a committed and engaged workforce which takes ownership of our vision, mission and strategy.
 Planet Achieve 10% reduction in specific purchased fossil energy with 2014 as the base year. Achieve a 10% reduction in total specific fresh water usage with 2014 as a base year. Achieve a 10% reduction in specific solid waste landfilled, using 2014 as a base year. 100% certification of own timber. 70% certification of purchased timber and pulp.	Natural resources are the foundation of our business. Reducing purchased fossil energy usage has a positive impact on greenhouse gas emissions. In addition, because purchased energy is one of our highest input costs, it makes sense to aggressively manage its usage. Water is critical for our processes. However, South Africa is a water-stressed country and we have a responsibility to manage and minimise our use of water. In our strategic focus on adjacent markets, waste streams offer revenue opportunities. In addition, by reducing the amount of waste sent to landfill, we are helping to mitigate global warming as landfills generate methane, a greenhouse gas with 25 times the global warming potential of carbon dioxide. Forest certification provides our customers with the assurance that the trees used in our pulp- and papermaking processes originate from plantations that are managed according to the standards and requirements of sustainable forest management.



our approach to sustainability

Our approach to sustainability is based on a holistic view of Prosperity, People and Planet (the 3Ps). Being a sustainable organisation means that we balance and integrate the 3Ps into our business decisions, strategies and processes to help us create value for all our stakeholders.

At the heart of our business is a renewable, recyclable natural resource – woodfibre. We use this to create pulp, paper and dissolving wood pulp solutions which enhance the lives of consumers around the world. Our sustainability governance structure is underpinned by a number of globally and locally applicable policies which guide our performance in terms of the 3Ps. These policies, together with the structure, are set out at the back of this report.



Sappi Limited is a constituent of:

- The FTSE/JSE Responsible Investment Index
- The FTSE/JSE Responsible Investment Top 30 Index

Accolades in 2015

- Finalist in the Sunday Times Green Award
- Top ten 2015 Massmart Supplier Environmental Awards¹
- International Association of Business Communicators (IABC) Gold Quill for the research component of the Abashintshi project (discussed on page 17 of this report)
- Recognised as a Best Practice Workplace Provider in the Apprenticeship Category by the Fibre Processing and Manufacturing Sector Education and Training Authority (FP & M Seta)²
- Lomati Sawmill was awarded the Kruger Lowveld Chamber of Business and Tourism (LCBT) Large Business Enterprise Award
- Sappi Forests and Ngodwana received PMR Africa Diamond Arrow Awards and Sappi Southern Africa also received a Diamond Arrow Award for companies/institutions doing the most to protect the environment

⁽¹⁾ Shortly after year-end.

⁽²⁾ As above.

our operating environment – global goals

About the Millennium Development Goals and Sustainable Development Goals

The eight Millennium Development Goals (MDGs) were established following the Millennium Summit of the United Nations (UN) in 2000. All UN member states at the time committed to help achieve the MDGs by the end of 2015. In 2016, we will report on the contribution we

made towards achieving these goals in South Africa.

In September 2015, the MDGs were formally replaced by the General Assembly of the United Nations with the Sustainable Development Goals (SDGs).

The SDGs (also called the Global Goals), are an inter-governmentally agreed set of targets relating to international development. As a developing country,

the SDGs are of particular relevance to South Africa and to Sappi, given that we are headquartered in South Africa and that we have been a signatory to the United Nations Global Compact (UNGC) since 2008. The UNGC made considerable input into the SDGs.

Against this backdrop, we are looking into the SDGs and will be commenting on them in future reports.

our engagement with our stakeholders

→ Employees

Stakeholder group and management approach

Our focus is on building a skilled, engaged workforce in which diversity is encouraged and valued, and people are provided with ongoing development opportunities so that they can develop to their full potential. In so doing, we enhance productivity and our ability to service global markets.

Our ongoing engagement avenues

- Global Employee Engagement Survey (most recent survey completed in 2015)
- Global, regional and local newsletters
- Global Intranet
- Letters, roadshows and presentations by the global and regional CEOs
- Wellbeing committees at business units
- Health and Safety Committees at mills
- Various forums:
 - SA Transformation Steering Committee
 - National Employment Equity and Learning Forum
 - a formalised structure consisting of trade unions, management representatives and other employees elected to represent the interest of employees from different occupational categories and levels, and
 - Business Unit Employment Equity and Learning Forum.

Key stakeholder issues

- Understanding of, and alignment with, Sappi's strategy and values
- Alignment with the Sappi brand
- Understanding of the manner in which sustainability is incorporated into Sappi's everyday business activities
- Effective consultation on conducting of Employment Equity and Skills Development Plans

Engagement in 2015

We conducted:

- A global roll-out of our group mission, strategy and 2020Vision, as well as a new set of core values
- A Global Employee Engagement Survey.

19 brand ambassadors were formally trained in the Mpumalanga region to represent Sappi at various events such as exhibitions (see text box on page 22).



Over 800 employees played the Earth Kind Agent eLearning game which exposes players to Sappi's sustainability information in a new and innovative platform.

We communicated on an ongoing basis with our employees regarding the sales of Cape Kraft and Enstra Mills.

In 2015, we accelerated our transformation strategy and developed an internal learning and development strategy. The National Employment Equity and Learning Forum monitored compliance with the Workplace Skills Plan as well as the Annual Training Plan.

→ Unions

Stakeholder group and management approach

We aim to develop a constructive relationship with trade unions by maintaining direct, open lines of communications, informing and consulting the representatives of recognised trade unions about important business developments.

Our ongoing engagement avenues

- Shop Steward Forum
- Partnership Forum

Key stakeholder issues

- Sale of Enstra and Cape Kraft Mills
- Safety
- Remuneration

Engagement in 2015

We formally consulted with all recognised trade unions regarding the sale of Cape Kraft and Enstra Mills. These consultations were in accordance with sections 189 and 197 of the Labour Relations Act 66 of 1995, as amended respectively. Consulting parties reached consensus to use the combination of voluntary severance packages and redeployment to other Sappi Southern Africa business units, as mitigating factors to avoid or minimise forced retrenchments. The consultation process concluded shortly after year-end.

Concluded a new relationship/recognition agreement with the majority union, the Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (CEPPWAWU), which sets out the criteria for the nomination or election of shop stewards at each business unit.

The Lost Time Injury Frequency Rate continued to decline year-on-year, despite three tragic contractor fatalities which we deeply regret.

Wage negotiations were successfully concluded (with a 7.5% increase on the basic wage).



→ Communities

Stakeholder group and management approach


Having a mutually respectful relationship with the communities in which we operate is critical to our success. We also try to motivate and encourage communities situated close to our operations to share our commitment of treading more lightly on the planet.

In terms of social projects, we engage with communities on a case-by-case basis and encourage projects which facilitate partnerships and collaboration between communities, government and the private sector.


Our ongoing engagement avenues

Social issues: Engagement takes place on a regular basis with the communities close to our operations, in respect of their needs and concerns.

Environmental issues: We have environmental liaison committees at most of the mills and forestry operations.

 These committees include members from various regulatory authorities, residents' associations, conservancies, municipal representatives and NGOs. (See the table on page 21 for further details). Members of the public and other parties participate in the environmental impact assessments (EIAs) conducted before the start of any major project.

Key stakeholder issues

 • Understanding of social challenges and help in overcoming these (see pages 35 – 36).

Engagement in 2015

Following a series of fires on our plantations, in 2014 we launched the Abashintshi (the 'changers' in isiZulu) training programme in KwaZulu-Natal. The aim of the programme is twofold: to reduce fires and to uplift communities. This involved training two young people from each of the nine communities selected in our pilot programme (18 in total). These community-change agents received one week of skills training and development each month, with a view to sharing the training with their peers.

Key to the programme is the engagement with youth, as we had previously engaged primarily with traditional leaders and councillors.

The Abashintshi were charged with implementing four key projects during 2015:

- Implement a youth life skills project (various modules dealing with decision-making and choices, amongst others). The programme reached 1,800 youth across the nine communities.
- Work with each community in terms of the asset-based community development (ABCD) concept. ABCD focuses on appreciating and mobilising individual and community

talents, skills and assets (rather than focusing on problems and needs) and most importantly – it is a community-driven process rather than a programme driven by external parties or agencies. The aim is to get each community to identify their own assets and to mobilise internally. A pilot ABCD project in 2014 proved to be extremely successful. During 2015 the programme made over 900 contacts and a further 60 projects have been activated.

- Launch Ifa Lethu – a legacy project, whereby the elderly in the community will document their heritage and the lessons learned will be transferred to the youth in the life skills project. Over 880 people participated so far.
- Establish school holiday programmes. The first was held in July 2015 attended by 1,500 children.

The Abashintshi have exceeded all expectations across all communities in terms of community contact and engagement, shift in perceptions and reduction in the number of fires.

In 2015, we established the post of Stakeholder Relations Manager for Sappi Forests KwaZulu-Natal (KZN). The Stakeholder Relations Manager, will engage with forestry management, Project Grow and with community, government and other stakeholders in order to facilitate community development and conflict resolution within key communities in KZN and the Eastern Cape.

Employee Wellbeing Committees (EWB) at each Sappi operation supported local community projects based on requests and identified needs.

Project support was provided to Sappi forestry community schools based on requests and needs-analyses. Projects include fresh water, ablution facilities, fencing, buildings and structures and vegetable gardens. Hospices are supported in each community.

Building on our 2014 launch of the early childhood development (ECD) project in KwaZulu-Natal, in 2015 together with Penreach, the Entabamhlophe Combined School and their school governing body, and the Luvolwethu ECD Centre, we launched an ECD project in the Sappi Elandshoek community to co-ordinate ECD training in the region.

We continued to support five PROTEC branches in Sappi communities (maths and science classes for over 1,000 students in grades 10, 11 and 12) as well as the KwaDukuza and Umjindi Resource Centres.

 Details of the community initiatives described above are provided on pages 35 – 36 of this report.

Support for other public events (such as festivals and mountain biking (MTB) provides direct benefit to local communities through increased tourism and visitors. MTB promotes access to our plantations and enables us to communicate positive messaging related to our forestry operations to an influential group of stakeholders.

The annual impact of the Sappi Karkloof MTB festival in terms of its effect on the local (KZN Midlands) economy has been assessed at between ZAR8 million and ZAR12 million.

our engagement with our stakeholders

continued

→ Suppliers and contractors

Stakeholder group and management approach

We aim to build long-term value partnerships.

Through contractor and supplier development programmes, we contribute to their growth and sustainability.

Our ongoing engagement avenues

Our foresters work extensively with contractors and timber supply communities.

Launched in 1983, Project Grow, a tree-farming scheme that gives subsistence farmers the opportunity to participate in the forestry industry, creating sustainable livelihoods in rural areas, fostering economic growth and entrepreneurship. These growers range from small individual growers to larger community projects.

We have expanded Project Grow beyond the borders of KwaZulu-Natal province to the Eastern Cape. In addition, we are working with communities in the Eastern Cape to help them obtain water-use licences for the establishment of new plantations.

We are active in the land reform area and are assisting several land reform beneficiaries (communities) with the management of their plantations, and have signed supply agreements with 34 land reform/restitution projects.

Key stakeholder issues

- Enterprise and supplier development.

Engagement in 2015



Progressing with a contractor training programme (see page 29 for further details).

We are aligned with the National Code of Good Practice on preferential procurement and aim to achieve a Preferential Procurement score of 40 by the end of 2020.

To achieve this, we are:

- Working with our suppliers to improve new BBBEE compliance
- Committing controllable procurement spend to qualifying black-owned enterprises
- Focusing on creating and assisting black entrepreneurs, and
- Incorporating black enterprises that we have developed into our supply chain.

→ Customers

Stakeholder group and management approach

Promote an understanding of how our products can help them in their own sustainability journey, and provide them with the information regarding the sustainability benefits of products made from woodfibre which is natural and renewable.

Our ongoing engagement avenues

Paper Profiles and information sheets give details regarding the composition of our papers, as well as key environmental parameters relating to our pulp and paper production processes and information on environmental management systems and woodfibre sourcing policies.

We also respond to ad hoc requests from customers to meet their specific needs.

Participation in various industry forums and bodies such as the CRI, Printing SA, Two Sides SA, Paper Manufacturers' Association of South Africa (PAMSA), Energy Intensive Users' Group, Packaging SA (PACSA).

Key stakeholder issues

- Consumers and retailers are increasingly looking for more natural and renewable options, which plays to the strengths of Sappi's products
- Customers require lighter packaging to reduce transport cost without sacrificing other properties.

Engagement in 2015

A tablet version (iPad and Android) of the Earth Kind sustainability game was launched in April 2015 giving access to our suppliers, customers and other stakeholders. The game for laptops and the links to the apps can be found at www.sappi.com/earthkindagent.



In October 2014, we were a primary sponsor of the graphic design category in the Student Gold Pack Awards held under the auspices of the Institute of Packaging SA and we also exhibited at Propak Africa, a prestigious packaging exhibition in Cape Town. In September, we presented a paper on artificial and intelligent packaging and exhibited at the Packaging and Labelling Expo in Johannesburg.



→ Civil society, government, industry and regulatory bodies

Stakeholder group and management approach

We engage with government, civil society, our communities, industry and regulatory bodies to: provide input into issues and regulations that affect the industry and society; improve understanding of our operations and our contractors' operations. We work to realise the goals of the National Development Plan, particularly regarding the regeneration of the rural economy and the reduction of CO₂ emissions by 34% by 2020 and 42% by 2025.

Our ongoing engagement avenues

Membership of various industry organisations such as BUSA, BACSA, CDE, FMF, PAMSA, PRASA and FSA through which Sappi protects and promotes its and industry's interests and contributes as a responsible corporate citizen.

Membership of the Manufacturing Circle and our support for their Buy Back South Africa campaign.

Membership of the NBI to promote sustainable choices and actions amongst businesses.

Participate in regular structured forums of dialogue between provincial governments and the private sector.

Ongoing interaction with the SA Department of Rural Development and Land Reform over land claims.

Key stakeholder issues

The World Forestry Congress (WFC) held in September 2015 in Durban: The theme of XIV WFC was 'Forests and People: Investing in a Sustainable Future' and aimed to show that investing in forestry results in investment in people, and consequently investing in sustainable development.

The South African Standards Development Group (SDG) is completing the first draft of the new version 5 FSC® standard, planned to be published for comment by end of November. A second draft will then be developed, field tested, following which further drafts will be developed for assessment in 2016.

A parallel process of developing a South African certification standard, to be endorsed by PEFC™ is currently in progress. We are monitoring developments.

Note: Investors are an important stakeholder group for Sappi, but as a global company, our approach is global, rather than regional. Details of our engagement with investors can be found in our Annual Integrated Report, available at www.sappi.com.



We expect carbon tax legislation to be introduced in 2016 with the implementation date currently stated as January 2017.

Engagement in 2015

A number of Sappi representatives attended the congress and used the opportunity to engage at a high level and to showcase Sappi's technical expertise by sharing their expertise and best practice with peers at an international level.

In addition:

- We showcased Project Grow, our enterprise development initiative, and sponsored the attendance of a number of Project Grow beneficiaries
- Sappi representatives presented various papers, including a paper on certification at the Institute for Commercial Forestry Research (ICFR) research. We also participated in panel discussions, and
- We participated in the Forest Dialogue workshop where discussions were around the scoping of a dialogue on intensively managed planted forests and in a special stakeholder meeting with the FSC where we discussed the implementation of the FSC's new strategy.
- Invited by the provincial government of Mpumalanga to engage with them on the establishment of a MoU to guide cooperation and joint projects.
- Participated as a member of the KwaZulu-Natal (KZN) Growth Coalition in various engagements with the KZN premier and cabinet.

Carbon tax poses a potential risk going forward for Sappi Southern Africa. We have engaged the Department of National Treasury via our industry representative, the Paper Manufacturers Association of South Africa (PAMSA), to motivate taking into account carbon sequestration by companies that own their own forests. Sappi's process starts with the planting of trees and our total supply chain is carbon positive. In addition PAMSA is actively participating in the development of a local factor to input into the carbon accounting methodology that applies to the unique circumstances of plantation forestry in South Africa.

our engagement with our stakeholders

continued

“Forests cover one-third of Earth’s land surface and their conservation and sustainable management are essential for the achievement of the SDGs. They can provide a wide range of products and services that contribute to social and economic development while enhancing the environment. Forests are particularly important for the hundreds of millions of people in rural areas, including many of the world’s poorest people, who depend on them for food, wood energy, shelter, fibre and livelihoods. They also help mitigate climate change, protect soils and water and harbour more than 75% of the world’s biodiversity.”

Message from XIV World Forestry Congress to the United Nations General Assembly Summit for the adoption of the 2030 Agenda for Sustainable Development.



The Sappi exhibition stands at the World Forestry Congress.





Our engagement with our stakeholders

Community engagement forums

Operation	Key issues
Cape Kraft Mill*	Local: engagement with local authorities and local communities – in particular in Milnerton
Enstra Mill*	Blesbokspruit Forum – Local: Open-ended Stakeholder Forum, not Sappi specific; required due to RAMSAR status of the Blesbokspruit
Lomati Sawmill	Local: engagement with local authorities and local communities – in particular those living next to Lomati Sawmill
Ngodwana Mill	Ngodwana Environmental Liaison Committee – Local: Open-ended Stakeholder Forum which also monitors compliance with the mill's integrated water use licence (WUL) and various waste management licences (WMLs)
Saiccor Mill	<ul style="list-style-type: none"> • Licence Advisory Forum – Local: Open-ended Stakeholder Forum – legal requirement for pipeline licence • Community Awareness Emergency Response Forum – Local: Open-ended Stakeholder Forum – legal requirement of atmospheric emissions licence which is being rolled into the Thinasonke Forum • Thinasonke Forum – Local: Open-ended Stakeholder Forum, established in 2015, not Saiccor Mill specific – incorporates whole community
Stanger Mill	The KwaDukuza Environmental Working Group (EWG) emerged from the original Sappi Stanger Environmental Liaison Forum (SSELC). The EWG is an Open-ended Stakeholder Forum ensuring that issues are dealt with in a holistic manner
Tugela Mill	Simunye Forum, an Open-ended Stakeholder Forum ensuring that issues are dealt with in a holistic manner
All Sappi Forests areas of operation/communities	<ul style="list-style-type: none"> • Local Community Forums: focused on local stakeholders • Project Grow Forums in areas of operation – KZN and the Eastern Cape • Sappi Forests Abashintshi project: piloted in nine priority KZN South Sappi Forests communities. (For further details of this programme please refer to page 17 of this report.)

External complaints per quarter per mill	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15
Cape Kraft Mill*	0	1	0	0
Enstra Mill*	1	0	0	1
Ngodwana Mill	2	1	1	3
Saiccor Mill	25	26	9	12
Stanger Mill	4	1	0	4
Tugela Mill	0	0	2	0
Total for region	32	29	12	20

Complaints were related mainly to dust, noise and odour. As examples: odour-related complaints at Ngodwana Mill were partially traced to the outage of the lime kiln, but resulted in non-mill related investigations in Nelspruit. Stakeholders were kept proactively informed through social media channels and local newspapers. Following complaints about noise levels at Saiccor Mill, we responded by placing a noise meter at the Drift Air Monitoring Station. Data from the meter is sent to the mill on an ongoing basis.

* Enstra and Cape Kraft Mills were sold in October and November 2015, respectively.

our engagement with our stakeholders

continued



Brand Ambassadors: Making a difference

Innibos is a popular annual arts festival held annually in Mpumalanga. At the 2015 Innibos festival, we built an indigenous grassland exhibition to explain Sappi's grassland management programme. This was attended by more than 10,000 visitors who were given the opportunity to participate in an Earth Kind competition which required them to engage with the interpretation signage placed throughout the exhibition. Visitors were shown around by our brand ambassadors. Training on environmental issues and participation in the Earth Kind agent game, gave our ambassadors the understanding to engage confidently with the public.



Responding to stakeholder concerns: Block makers using ash from Saiccor Mill

For many years ash, a by-product of the coal Saiccor Mill uses to fire its furnaces, was delivered free to 40 block yards, contributing to the employment of approximately 375 people.

In September 2014, Sappi discontinued the supply after environmentalists raised concerns about the toxicity of the ash. Subsequent investigations by independent third parties found that these allegations were unfounded and that the ash is not toxic. The Department of Environmental Affairs subsequently granted a temporary authorisation for the supply of ash.

This is a good example of the conflicting, difficult choices we regularly face in South Africa where environment concerns seemingly sometimes clash with the fundamental imperative of creating or sustaining employment levels in a country like ours.



Working with stakeholders to resolve the issue of damage-causing animals on our plantations

One of the risks to our plantations is damage from animals. While this damage has generally required minimal management intervention, over time there has been a significant increase in the severity and damage caused by baboons. This damage occurs when troops of baboons strip the bark off trees resulting in wood deterioration, tree deformity and even death. In recent years, several thousand hectares of plantations, particularly in the Mpumalanga province, have been affected by baboon damage resulting in large economic losses to the timber industry.

Research is being conducted under the auspices of the industry association, Forestry South Africa (FSA) Damage-causing Animals Working Group.

Focus areas include examining why baboons are successful at adapting to living in human-modified environments; the consequences of spatial overlap to both humans and baboons; types of conflict and conflict mitigation measures for baboons across a diversity of landscapes; and the legal, welfare and conservation status of baboons in South Africa.



Responding to stakeholder concerns: Centre for Environmental Rights

The Centre for Environmental Rights (CER) accused 20 companies, of which Sappi was one, of non-compliance with environmental legislation based on their review of information contained in the National Environmental Compliance and Enforcement Reports (NECER) of the Environmental Management Inspectorate (EMI) of the Department of Environment Affairs (DEA). Sappi's response to the findings of the CER can be found at (<http://cer.org.za/full-disclosure/company/sappi?correspondence>). Sappi has taken note of the comments of the CER and for increased transparency we will align our reporting to any mentions in the NECER. We continue to engage with authorities regarding all issues of environmental compliance.



Responding to stakeholder concerns: The Green Scorpions

In the recently published 2014/15 NECER (National Environmental Compliance and Enforcement Report) of the Environmental Management Inspectorate (EMI) of the Department of Environment Affairs (DEA), an entry is included which makes reference to an EMI inspection which took place at Sappi Saiccor Mill during September 2014. The entry goes on to state that several non-compliances were identified and an inspection report detailing the findings of the inspection had been finalised. We have not yet received any official report resulting from the initial inspection done in 2014 from the EMI or the DEA. The NECER entry on Saiccor Mill furthermore states that an enforcement strategy has been drafted and a criminal investigation has been initiated.

To date, we have received no formal correspondence from the EMI or DEA on this matter, so we cannot confirm to which of these alleged transgressions such a criminal or administrative investigation may pertain. Since our first engagement with the EMI in 2008, we have cooperated fully with any EMI inspection. We take our environmental responsibility very seriously and managing our footprint is an important priority for us. We continue to work to ensure that we meet our legal obligations as well as our commitments to our neighbouring communities.



Feedback from future leaders

As part of their coursework, 330 electrical engineering students at the School of Electrical and Electronic Engineering at the University of KwaZulu-Natal were asked to provide written responses on their views about Sappi's sustainability reports. A selection of answers is set out below. In response to some of the issues raised, we have included more schematics in this report and expanded on our stakeholder engagement section.

"I would like to see a more detailed schematic of their processes in these reports."

"Those who are given bursaries, are they given work opportunities when they complete their qualifications?"

"I have a better understanding of Sappi's business/industry and the contribution Sappi makes."

"Perhaps discussion of a glimpse into their future and their alternatives to fossil fuels and the impending water crisis."

"I could not find any pages with direct statements from the community about the impact Sappi has on their daily lives, this would add depth to the report."

"Recycling is a good habit Sappi has."

profitability and innovation

prosperity

By generating Prosperity, we can continue to attract investors, leverage growth opportunities and can invest more in our processes, our people and the communities in which we operate.

Background

The digital age has impacted on paper usage and our traditional markets which is why we are intentionally evolving and reshaping our strategy to generate the profits on which the viability of our business depends.

Our approach

Our 2020Vision envisages that we will continue to grow Sappi into a profitable and cash-generative diversified woodfibre group. At a group level the product segments we have targeted are: graphic paper, packaging and specialities, dissolving wood pulp, and opportunities in adjacent fields.

Our historic market segments have included coated and uncoated paper,

and specialities, tissue, containerboard, newsprint, dissolving wood pulp (DWP), pulp sales and sawmilling as well as plantation forestry. We conducted a critical review of each of these markets, with two main criteria:

- Is the market profitable and growing?
- Can we win in it?

The challenge was to convert our business to meet the exacting demands of these markets, reduce costs, improve efficiencies and streamline our product offering. Accordingly, we:

- Rationalised the paper and containerboard portfolios and exited non-profitable grades
- Merged the kraft and fine paper business to reduce management staff and administration costs
- Restructured support services (HR, Procurement, Finance, IT), to reduce duplication, increase efficiencies and reduce costs to the business
- Searched for new products for a sustainable future and launched Ultraflute, a lightweight semi-chemical fluting virgin containerboard in 2014 which has become the benchmark for quality fluting in Africa
- In 2015, we launched Ultratest, a kraft topline which is made from predominantly recycled fibre, in a two-ply format giving the appearance of kraft linerboard and is superior in strength relative to pure recycled grades due to its virgin fibre content. The grade replaces two existing grades namely Tugela Testliner and Tugela Liner and simplifies



We continue to invest in research and development.

our portfolio, resulting in improved manufacturing efficiency. It can be used in both heavy industrial and light agricultural applications

- Consolidated our position with our key DWP customers so that the capacities of both Saiccor and Ngodwana Mills are fully sold
- Invested to increase our capacity of lignosulphonate from Tugela Mill (see page 27 of this report)
- Continued to invest in cogeneration and self-sufficiency energy projects, and
- Continued to invest in our forestry asset.



In line with the Sappi group's 2020Vision, in South Africa we are now focusing on our core business being DWP, virgin packaging, paper, tissue, office paper, newsprint and energy generation.

Lightweight, strong, versatile.

The new Ultraflute for agricultural and industrial applications.

Ultraflute
by sappi



Ultraflute has the following benefits:

- **Strength:** Competes with leading fluting grades in the global market
- **Lightweighting:** Allows customers to lightweight materials providing yield benefits and reduced carbon footprint
- **High humidity performance:** Excellent cold-chain performance, and
- **Convertibility:** Reduced propensity for cracking and excellent profiles has seen corrugators increase line speeds by up to 20%

profitability and innovation continued

Aligning with our strategy

Rationalise declining businesses



In 2015, we announced the sales of Enstra and Cape Kraft Mills, which were finalised in October and November 2015, respectively. Given our strategy, these assets were deemed to be non-core to our business. While the mills were not in a state of decline, the sales of these businesses were aimed at unlocking value from non-core assets and freeing up resources for further investment in dissolving wood pulp, virgin containerboard and other new business opportunities.

Growth through moderate investment



In 2014, we transferred the production of office papers from Enstra Mill in Gauteng to Stanger Mill in KwaZulu-Natal and have invested ZAR30 million in upgrading the paper machine at the latter mill. In FY2016, we will be investing a further ZAR70 million in our sheeting and finishing operations, with a focus on speed, increasing the throughput of our A4 finished products and enhancing the packaging quality of our products.

Our investment in expanding our DWP capacity at Ngodwana Mill means that we now export a million tons from South Africa, mainly into the East. Textiles are the primary market for our DWP which is sold globally for use in viscose staple fibre (rayon) and solvent spun fibres (lyocell) although that we continue to supply smaller quantities into the other DWP market segments. We anticipate that the underlying demand trends are still improving. This will always be determined by the relative inter-fibre pricing dynamics but cellulosic-based fabrics do have the advantage that they breathe and are comfortable to wear and when combined in fabric blends with the wash and wear characteristics of petroleum-based fibres, produce clothing with excellent overall properties. Based on global GDP, population growth expectations and increasing affluence, particularly in Asia, we remain confident in this market segment and its continued growth.

Achieve cost advantages



Sappi Southern Africa has been successful in an ongoing drive to lower costs, increase cost efficiencies, and invest for cost advantages throughout the business. As part of this drive we have improved procurement methods, found alternative lower-cost fuels and raw materials, minimised waste, improved manufacturing and logistics efficiencies and implemented energy reduction initiatives. However, to meet the challenges we face in a volatile environment with increasing input costs and pricing pressures, we have to maximise our global procurement synergies. Accordingly, together with a management consulting group, in the year ahead Sappi SA is participating in a group project whereby we will identify further opportunities for cost savings. This will involve assessing Sappi's operations to identify changes that can be made to current tools and practices to improve overall effectiveness.

Generate cash to strengthen our balance sheet



Strengthening our balance sheet by reducing our debt is one of our top priorities. The proceeds from the sales of the Cape Kraft and Enstra Mills will be used to reduce debt and make further investments in our core businesses in order to increase capacity and grow our revenue line.

2015 was a very strong year for Sappi Southern Africa. Our strong order book and the weaker Rand helped to improve margins.

Accelerate growth in adjacent businesses from a strong base



Energy Biomass Project Ngodwana Mill

In line with our strategic focus to derive value from energy opportunities and in the light of increasing energy prices, we have focused more intensively on energy generation.

The South African government's Renewable Energy Independent Power Producer Programme (REIPPP) is the result of the government's need to increase energy capacity and reduce carbon emission. Sappi submitted the Energy Biomass Project Ngodwana Mill (Ngodwana Energy) to REIPPP and was selected as preferred bidder. The project involves the supply of biomass from local plantations to Ngodwana Mill which is then used as boiler fuel to produce steam which in turn will generate 25MW of electrical energy which will be fed into the national grid. The energy generated will be sold into the national grid from 2018.

The project partners are Sappi Southern Africa, KC Africa and Fusion Energy. Broad-based participation is through the Ngodwana Energy Employees Trust and the Ngodwana Energy Community Trust which will each hold a 5% stake in the project.

Significant ongoing value is being created due to the nature of biomass projects and the monetary and job creation spend across the project value chain; from collecting biomass in the plantations, through plant and equipment contracts, to community

impact through community trusts and the economic development and socio-economic development spend as well as shareholder returns.

Treating Saiccor Mill's waste condensate

In many of our European mills, we generate renewable energy in the form of biogas. We are now looking at expanding our use of anaerobic digestion technology to South Africa.

Accordingly, we are examining the use of anaerobic digestion as one of the technologies to treat Saiccor Mill's waste condensate. Rich in organic matter, the condensate could be treated via a process which uses organic acids to produce biogas in the form of methane. This in turn could be used to produce energy, either for internal use or external sales to the national grid. This has significant implications for the mill's energy costs, as evaluations show that the condensate has the potential to generate enough energy to replace 30 tons of coal per day. We are also evaluating the extraction of chemicals from the condensate stream.

Following bench-scale test work, we have assessed three potential technology suppliers and will be establishing a pilot scale plant early in 2016.

Revenue generation through alternative products

A key focus going forward is lignin – the wood glue which binds the cellulose fibres in trees. In 2015, we announced an investment of US\$8.5 million to

increase lignosulphonate production capacity to 20,000 tons per annum at LignoTech South Africa, our joint venture with Borregaard. The products from LignoTech South Africa are used in a wide range of applications including industrial dust control, concrete admixtures, feed and agrochemicals. The added volume will be marketed to the joint venture company's existing applications and geographical markets. The project is expected to be completed in 2017.

Tugela Mill produces sodium lignosulphonate from the hardwood pulping process, also referred to as Neutral Sulphite Semi-Chemical (NSSC) black liquor. Previously, this black liquor was burned in Copeland fluidised bed reactors. The closure of the continuous kraft digester pulp circuit in FY2012, presented an opportunity to add value to the lignosulphonate streams which are now sold in both liquid and solid form.

After some process modifications, the mill developed saleable products that are currently finding application in the dust suppression, concrete additive, ceramic and brick-making markets. We are now looking into products suitable for bio-bitumen, adhesives and sealant applications.

In the last three years, the mill has sold 145,000 liquid tons of lignosulphonate to customers around the world and has recently installed drying equipment to reduce transport costs to customers.

The benefits of biomass

The benefits of using biomass fuel for electricity generation are based on the following:

- Biomass power has a high load factor (base load) in the region of 200,000 MWh per annum (90% in comparison to other technologies which have 30–40% availability factors)
- The value chain creates higher employment in operations
- This is technology proven over many years
- While we have experienced tree losses because of the drought, the forestry industry is still not as affected by seasonality and climatic conditions in contrast with annual crop supply chains, and
- Unlike coal the forestry industry can reinvest in raw material supply by replanting trees for future use as an energy source.

profitability and innovation continued



In line with our move to adjacent business, at a group level we are investing in nanocellulose and have established a pilot plant in The Netherlands. For further details, please refer to the Sappi 2015 Annual Integrated Report, available at www.sappi.com.



The Sappi Technology Centre is now offering analytical services – including full project investigations and consultancies – to external customers. Services have been provided for local and overseas companies. The centre was recently approached to provide a paper forensics training course.

Sappi as a company earns about 1% of South Africa's total foreign revenue.

Paper plays an important role in language development

Illiteracy is a global concern. Research suggests that 175 million young people, largely from poor countries and regions, lack basic literacy skills and a World Literacy Foundation study estimated that illiteracy costs the global economy more than US\$1 trillion through lost job opportunities. Recently, South African Deputy President Cyril Ramaphosa said that fewer than 5% of parents in South Africa read to their children.

But research suggests that the way to equip children for a life of literacy from their infancy is to share picture books with them.

There is already a compelling body of evidence from high income countries which shows that children's language development and literacy skills are facilitated by book sharing with a caregiver, beginning in infancy. There seems to be something special about the process of book sharing.

The evidence shows that sharing picture books with infants delivers the largest benefit in terms of their cognitive development. Providing training in sensitive early book-sharing could play a major role in boosting the educational prospects of children living in poverty.¹



⁽¹⁾ <http://www.timeslive.co.za/lifestyle/2015/09/21/Sharing-picture-books-with-kids-can-make-them-smarter-and-more-attentive>

Prosperity

Promoting prosperity in the broader community

South Africa has one of the highest inequality rates in the world and while there has been some progress in reducing poverty in urban areas, many South Africans in rural areas still endure high levels of poverty underpinned by social deprivation and under-development. According to Statistics SA, levels of poverty in rural areas in South Africa are twice as high as in urban areas and the majority (58.3%) of poor people in the country live in rural areas.¹

Sappi's activities offer the rural poverty areas in South Africa an economic life line. Indirectly, our activities establish the foundation for other businesses to grow and flourish.

We promote prosperity in the broader community in a number of ways, including:

- Project Grow is aimed at community tree-farming and has successfully uplifted impoverished communities in KwaZulu-Natal and the Eastern Cape. Transport is a significant cost for growers, accounting for approximately 20–30% of their overall expenses. The opening of the new Sappi rail-siding and weighbridge at Hluhluwe in KwaZulu-Natal in 2015 has significantly benefited small forestry growers in the area, who previously had to transport their timber by road to the nearest rail link – Penecui rail-siding – situated approximately three hours away. The Penecui siding has limited stacking space and can only accommodate 20 rail wagons at a time. The new Hluhluwe siding means that the distance growers' timber has to travel by road has shortened by 77 kilometres – saving the growers both time and money.

In addition, the new siding can accommodate up to 40 wagons on both the main and loop lines, and has a stacking area of up to 4,500 tons (three 40 truck trains), which facilitates the management of logistics from the road hauliers down to the harvesting and short haul contractors. This quicker turn-around time will also reduce the time that timber is left lying infield or on the roadside, leading to less timber drying out and depleting growers' revenue. For further details, please see our Project Grow FAQ, available at www.sappi.com.

The Hluhluwe siding and weighbridge was officially opened by General Bheki Cele, Deputy Minister of the Department of Agriculture, Forestry and Fisheries (DAFF) as part of a Women's Day programme held in Manguzi, northern Zululand on Monday 10 August 2015. The event, which was jointly hosted by Sappi and the Umhlabuyalingana municipality, represented more than 1,600 growers located in three chieftaincies and represented by the KwaNgwanase tribal area.



- We have made 12,000 hectares of land on Venus and Inkwazi plantations in Mpumalanga available to a number of households living nearby for beekeeping which provides a relatively easy entry into an expanding market. Eucalyptus trees – like those on Sappi's plantations – flower at various times of the year, providing a constant, reliable flow of nectar and pollen, making them essential to the beekeeping industry.
- With the help of the Department of Environmental Affairs we are helping the local community close to our Glenthorpe plantation in Mpumalanga establish a cooperative community greenhouse tunnel with 12 local members. The aim of the project is to establish a subsistence vegetable group, thereafter moving into growing forestry seedlings. Members of the cooperative are being remunerated based on the amount of time they put into the project. As the business grows, a certain percentage will go into the community fund towards a community project.

- Sappi Forests' business model involves outsourcing harvesting and silvicultural work to contractors. Recognising the important role enterprise development plays in promoting socio-economic growth, we are currently in the process of developing a framework and methodology for a value chain incubator/accelerator programme targeted at small-, medium- and micro enterprises. Our overall aim is to accelerate and diversify opportunities within the forestry value chain.

The programme is being developed within the Department of Trade and Industry's framework for incubation, with input from our current contractor base. To this end, we held contractor development workshops in both Mpumalanga and KwaZulu-Natal in September 2015 to better understand their issues and challenges. Discussions focused on the following themes: quality, safety, profitability, production, leadership, human resources/people, communication and the environment.

This information will be incorporated into a framework. Once internally approved, we will discuss the programme with possible partners including funders, government agencies, contractors and community stakeholders.

- Further initiatives which promote rural development and previously disadvantaged farmers are discussed in the transformation section of this report on page 39.



² <http://beta2.statssa.gov.za/publications/Report-03-10-06/Report-03-10-06March2014.pdf>

fibre supply

Background

Fibre is pivotal to our success as a business and we need to ensure sustainable continuity of supply.

Globally, the increase in international trade has accelerated the spread of pests and diseases and these are negatively impacting natural resources like trees.

Insect pests and fungal diseases can damage shoots, leaves and crowns, which reduce tree growth and condition and, if severe enough, cause trees to die. Insects and fungi can also reduce wood quality, resulting in lower yields and reduced timber prices.

Being able to recognise, manage and mitigate the symptoms of key pests and diseases is critical for managing a healthy and productive plantation.

Our approach

Containing this spread is something we take very serious, given that pests and diseases impact the sustainability of our woodfibre base.

We follow an integrated pest management approach to dealing with the problem of pests and diseases. This approach entails managing or intervening in one or more of the three key components of the pest and disease complex – the pest, the host (our trees) and the environment – when

pest infestation levels exceed the economic threshold. In support of this strategy, Sappi works closely with other organisations to manage this problem. Sappi is a founder member of the Tree Pathology Co-operative programme based at the University of Pretoria. This programme is the world leader in the field of tree related pests and pathogens.

Pests and diseases can be exotic or indigenous. Most pests and diseases affecting plantation trees in South Africa are exotic. The most significant example of an indigenous insect switching hosts to attack plantation trees is the Cossid moth (*Coryphodema tristis*), which has caused extensive damage in Eucalyptus (*E*) nitens.

Management practices and interventions used to manage pests and diseases include:



When a new pest or disease is identified, the first course of action is to ascertain where the pest or disease occurs, as well as which genotypes it impacts. This allows us, where possible, to amend our site species matching recommendations, thus avoiding the pest by deploying more resistant genotypes.



Tree breeding and hybridisation are two methods of increasing the levels of tolerance to pests and diseases. Tree breeding involves identifying individuals or families from within a species, which demonstrate increased tolerance to pest and diseases. Only these individuals or families are then used to produce seed for plant production.

Another method used to increase tolerance involves hybridising a species which displays a high level of tolerance with another that contains other traits

in which Sappi may be interested, thereby introducing tolerance or resistance to the offspring. Examples where hybridisation has been used to increase tolerance to pests and disease include amongst others; *Pinus (P) patula* hybridised with *P tecunumanni* to increase tolerance to *Fusarium circinatum*, and *Eucalyptus (E) grandis* hybridised with *E urophylla* to increase tolerance to a host of sub-tropical diseases.

Hybrids are generally propagated vegetatively and deployed as rooted cuttings rather than seedlings (from seed). As a result of the increasing deployment of hybrid cuttings, Sappi has recently completed construction of a new cutting nursery at Clan, near Albert Falls in the KwaZulu-Natal Midlands, with a production capacity of 17 million plants.

In addition, Sappi has started with the rebuild of our Ngodwana Nursery in Mpumalanga with a cutting capacity of 17 million plants. This nursery will, once rebuilt, produce 50% cuttings and 50% seedlings.

Mitigating the impact of drought in KwaZulu-Natal

The severe drought in KwaZulu-Natal has affected the supply of one of Stanger Mill's key inputs – bagasse, with yields decreasing from 80 tons of sugarcane per hectare in 2009 to 30 tons per hectare in 2015.¹ Accordingly, we are looking into the possibility of using sawdust sourced from sawmills in the vicinity of the mill as an alternative fibre source. As bagasse cooks more quickly than wood, we have been investigating optimum ways to process sawdust which has proved to be successful on a laboratory scale. Using sawdust would be an interim solution and closing an immediate fibre gap rather than a permanent solution.

We are using a certain amount of burnt timber at Tugela Mill for unbleached packaging products. This helps to reduce losses from fires and maximises the use of available fibre.

⁽¹⁾ <http://www.iol.co.za/news/south-africa/kwazulu-natal/kzn-crippled-by-drought-1.1933095#.Vickiyt2DSM>



Developing biocontrol measures



This approach involves the identification and release of natural enemies. In conjunction with our partners at the Tree Pathology Co-operative Programme, a number of biocontrol programmes have been instituted. Examples of pests being managed via biocontrol include: wood wasp (*Sirex noctilio*), *E chalcid* (*Leptocybe invasa*), bronze bug (*Thaumastocoris peregrines*), red gum lerp psyllid (*Glycaspis brimbelcombii*) and the E snout beetle (*Gonipterus scutellatus*).

Improved management practices



Poor management can result in trees becoming stressed, which in turn makes them more susceptible to pest and disease attack. Sappi's silvicultural best operation practices are aimed at minimising stress.



State-of-the-art laboratory at the Tweedie Research Centre.

Other methods



There are a number of other methods used to control pests and diseases. One of the most recent methods currently being tested is mating disruption in the Cossid moth, which damages *E nitens*. Our partners at the Tree Pathology Co-operative programme have identified and replicated the pheromone which attracts male moths to the females. Experiments are currently under way to lure the males out of the environment using this pheromone. It is hoped this will drastically reduce the moth population and reduce timber losses.

Clan Nursery expands

Completed in September 2014, Clan Nursery supplies Sappi's plantations and affiliated small scale farmers, or 'out-growers', across the region with superior planting stock. The nursery is the biggest tree rooted cutting production facility in Southern Africa.

In common with Sappi's other three nurseries, Clan Nursery focuses on selective breeding to produce faster growing trees with a higher and better quality fibre yield, as well as trees that produce wood with the qualities customers require.

Delivering these superior trees to our plantations requires a shift from mainly seedling production to more rooted cutting propagation. Accordingly, we are significantly increasing our cuttings production capacity. Cuttings are more labour intensive to produce than seedlings in both eucalyptus and pine species.

Rooted cutting production is particularly sensitive to climate conditions. Clan is located high enough above sea level to escape extreme summer heat and is at a low enough altitude to avoid the cold winters experienced in other parts of the country.

The nursery is increasing its production from just over 10 million cuttings in the current financial year to

14.3 million cuttings next year and has employed a further 40 people to meet this increase in production.

The new employees, 80% of whom are women, come from local communities. There has already been positive feedback from community members about the positive social and financial effects the nursery has had on the surrounding communities.



skills and education

people

By maintaining a safe, healthy workplace for our People in which diversity is valued ... we enhance productivity and our ability to service global markets.

Background to the need for skills development

The unemployment rate in South Africa remains one of the highest in the world, while at the same time there is high demand for skills with high demand for engineers and skilled tradeworkers in particular. Paradoxically, because many South African youth are poor, millions are unable to pursue secondary and tertiary education or training, which presents a challenge in terms of their skills development and employment prospects. Accordingly, creating jobs is one of our key challenges.

Our approach

Operating successfully in a technical environment like ours depends on having a strong skills base. Our skills

development strategy is aligned with government's focus on integrated workplace learning and skills development, and aims to develop a pool of the scarce and critical skills needed to enhance our own sustainability and that of our industry. Currently, we are involved in the following internal skills development initiatives, all of which have a strong bias towards uplifting the previously disadvantaged:

- We support 50 bursary students of whom 32 are previously disadvantaged. Of the total group, 15 are studying forestry, while seven are registered for MSc or PhD studies in line with our research and continuous development strategies. The other 28 bursars are studying engineering.
- We are supporting one TOPP student who will qualify as a chartered accountant at the end of 2015.
- In terms of our graduates in training programme, there are 30 engineers in their two-year practical development phase across the engineering disciplines and five in forestry disciplines.
- Apprenticeships are occupationally directed programmes, directed by a Seta (sector education and training authority) and presented by an accredited training provider. When completed, apprentices qualify as artisans in various trades. We are currently training 106 apprentices of whom 78 are previously disadvantaged individuals.



Operating successfully and safely is important in Sappi.

- Learnerships involve a structured learning process for gaining theoretical knowledge and practical skills in the workplace leading to an NQF⁽¹⁾-registered qualification. Currently, 75 people (65 previously disadvantaged individuals) have formal learnership training contracts with Sappi.
- In 2015, we initiated a programme to support work-integrated learning for students and work experience opportunities for newly qualified learners over six and 12 months respectively. Some of the 31 individuals on the programme are supported via grants from external sources and others through the use of our mandatory grants received back

from the Fibre Processing and Manufacturing (FP & M) Seta.

- Thirteen employees (eight previously disadvantaged individuals) participated in the Sappi Leadership Academy whereby high-potential employees, participate in focused leadership programmes. The academy is a key aspect of our efforts to develop a leadership pipeline.
- At the Technology Centre, we continued with our internship programme in terms of which we provide work experience to unemployed graduates. There are currently 12 interns from Itukise⁽²⁾, the Tshwane University of Technology, the Vaal University of Technology and the University of Pretoria undergoing a

year's work exposure and an additional four interns from the Innovation Hub's Green Learnership programme for five months' work experience.

- At our Braamfontein Head Office, 12 learners underwent workplace experience in the following disciplines:
 - IT
 - Strategy Development
 - Technical
 - Risk
 - Finance
 - Internal Audit
 - Corporate Affairs, and
 - HR.

Note: Training figures exclude Lomati Sawmill.

⁽¹⁾ National Qualifications Framework.

⁽²⁾ An unemployed graduates programme, run by the Department of Trade and Industry.

skills and education continued

We submit annual Workplace Skills and Training plans to the FP & M Seta. These plans are monitored by the Sappi National Employment Equity and Learning Forum, a formalised structure comprising trade unions, management representatives and other employees elected to represent the interests of employees from different occupational levels and categories.



The 'I Can' team in Sappi's Clan Nursery.

We have embarked on a disability joint project with an organisation called 'I Can' in terms of which we are sponsored by the FP & M Seta to support 10 disabled learners from previously disadvantaged backgrounds for a 12-months NQF 1 Seta accredited learnership at our Sappi Shaw Research Centre in KwaZulu-Natal.

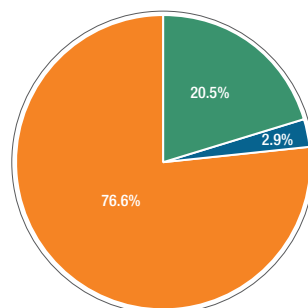
Background to the need for external skills development and a focus on mathematics (maths), science and technology

South Africa was ranked 143 out of 143 countries surveyed in terms of the quality of maths and science education by the World Economic Forum in its Global Information Technology Report 2015. Lack of proficiency in these fields has a negative impact on socio-economic development as maths and

science at school are vital to higher education, skilled jobs, the national economy and the country's competitiveness. Of the 100 identified scarce skills in South Africa (with engineering topping the list¹), 93 require a decent pass in matric maths.

In 2014, only 12% of successful matriculants achieved more than 50% for maths and the number of pupils enrolled to write matric maths has decreased by 4% from 44.3% in 2012 to 40.8% in 2015.²

CSR spend in 2015



- Education and literacy
- Environment
- Community support (including health and welfare)

Our approach

Promoting maths, science and technology education aligns with our business needs. Accordingly, we support initiatives aimed at uplifting skills in these disciplines, particularly PROTEC (Programme for Technological Careers) and resource centres.

2015 marked the 20th year of our support of this programme, aimed at upgrading maths, science and technology education for grade 10, 11 and 12 learners in the country's previously disadvantaged communities. Today PROTEC deploys learner excellence and teacher development programmes through a permanent branch network spanning eight provinces. The programme covers subjects such as maths, physical sciences, English and World of Work (WOW)³.

⁽¹⁾ The top 10 scarce skills in South Africa are: electrical engineers, civil engineers, mechanical engineers, quantity surveyors, programme or project managers, financial managers, physical and engineering science technicians, industrial and production engineers, electricians and chemical engineers. <http://www.iol.co.za/news/south-africa/gauteng/state-s-top-100-most-wanted-skills-1.1695677#.Vd2GuZd2DSM>

⁽²⁾ <http://mg.co.za/article/2015-08-26-ger>

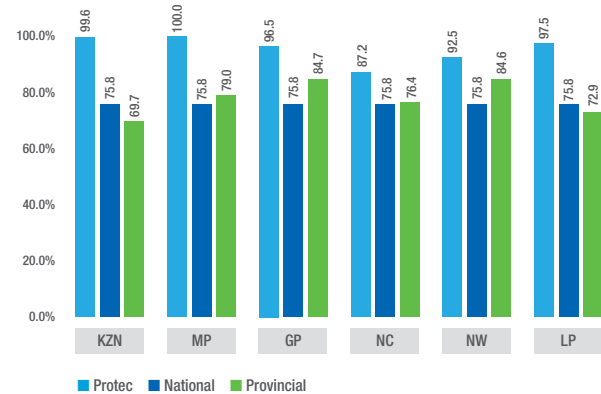
⁽³⁾ Commercial subjects and Afrikaans have recently been added in one branch.



Learner support includes Saturday school programmes that involve supplementary education in maths, science, English and World of Work classes; vacation camps and vacation classes for curricular and career-related activities including site visits to tertiary centres of learning and the workplace. Teacher support includes subject tutor workshops, school support visits and the supply of equipment to promote learning.

In 2014, PROTEC once again outperformed the results achieved at national and provincial education departments in the 2014 National Curriculum Statement (NCS) examinations, achieving a 96.7% average grade 12 pass and 71.1% average bachelor pass against the national averages of 75.8% and 28.3% respectively.

Results at grade 12 (matriculation) level



Key to provinces: KZN (KwaZulu-Natal); MP (Mpumalanga); GP (Gauteng); NC (Northern Cape); NW (North West); LP (Limpopo)

PROTEC: Celebrating 20 years of Sappi's involvement

At the school where **Zandile Mdluli** studied for matric, there was no science teacher for half the year. This should have greatly diminished her chances of a career in a technological field. Luckily for her, the Sappi-sponsored PROTEC branch in Nelspruit made all the difference and today Zandile is an Effluent Plant Operator at Ngodwana Mill. "It was a blessing to be part of PROTEC from grade 10 to 12. It greatly improved my marks, and ultimately changed my future," says Zandile. "I used to have trouble understanding maths and science, but the PROTEC tutors were very patient. With their help, I passed matric with a Bachelor degree admission and went on to study chemical engineering at the Cape Peninsula University of Technology." Her ties with PROTEC also secured her a job at Sappi.

Hlengiwe Ndlovu is a former student at the Sappi-sponsored PROTEC branch in Pietermaritzburg. After attaining distinctions in biology and geography, Sappi awarded her a full bursary to study BSc Honours in forestry and environmental science at the University of Stellenbosch. She took up a position as an Environmental Officer with Sappi Forests after graduating.

"I absolutely love what I do and experience a great sense of achievement in knowing that I'm contributing to caring for the environment," says Hlengiwe. "PROTEC changed my life," says Hlengiwe. "It opened up career opportunities that I didn't even know existed. It's proof that life doesn't end once you've completed your schooling. With Sappi and PROTEC's help, a good matric is only the beginning."

Trevino Sunker is another ex-PROTEC student (from the Umkomaas branch), who now has a budding career at the Sappi Saiccor Mill. PROTEC had a remarkable impact on his school grades. "My maths and science marks rose from 70% to the mid and high 80s," he says. "It contributed to my distinction pass in matric and ultimately led to employment at Sappi."

Trevino is currently working as Superintendent at Saiccor Mill's skills development centre, where electrical and engineering apprentices are trained.

Bheki Ndlela is an ex-student from the PROTEC Mandeni branch. He achieved A and B symbols in maths and science in matric, which earned him a bursary from Sappi to study towards a degree in electrical engineering at the University of KwaZulu-Natal. Bheki embraced the opportunity. Today, with his degree in hand, Bheki works as an engineer-in-training at Tugela Mill.



Zandile Mdluli.



Hlengiwe Ndlovu.

skills and education continued

Over the last 20 years, Sappi has helped prepare more than 20,000 secondary and tertiary level students for technological careers and successful integration into the working environment, contributing over ZAR27.5 million towards PROTEC.

From 2013 onwards, we have contributed ZAR10,000 for each 'A' pass in maths and science achieved by PROTEC learners, towards their tertiary education.

Background to our focus on digital literacy

Digital literacy is more than simply knowing how to use a computer or smart phone. It is the ability to locate, organise, understand, evaluate, and analyse information using digital technology.¹

Digital resources, including computers, have become an increasingly dispensable part of daily life. Despite this fact, many South Africans – particularly those outside major urban areas – lack understanding of and access to digital resources. This has negative implications for learning and teaching and also in the workplace, where digital proficiency is a prerequisite.

Resource centres

Against the backdrop outlined above, we have established two digital resource centres – the Sappi KwaDukuza Resource Centre in KwaZulu-Natal and the Umjindi Resource Centre in Mpumalanga – in 2000 and 2005 respectively.

The centres were created in response to requests for this kind of facility by the communities themselves and their nature and scope was developed in consultation with local schools, civic organisations and community leaders. Their main objective is to provide learner and school support, support for community members looking for work and support for students undergoing tertiary education. They also aim to

enable all members of the communities in which they are situated to enter the economic mainstream.

Both resource centres are based on an innovative model, focused on self-study and self-empowerment, as well as on providing support for the broader schools syllabus. Resources and facilities at both centres include a digital village, a technolab, a reference library, a televideo centre, a conference centre, a teacher and learner resource centre, a print room and an administration centre.

Although both centres are managed by full time employees, there is a strong volunteer base from the local community who assist in running them.

Background to our focus on early childhood development (ECD)

The South African government has prioritised ECD services to poor and marginalised children, with ECD highlighted in the National Development Plan (NDP) vision for 2030. In addition, National Treasury has significantly increased funding for ECD and the government is aiming to rapidly scale up services for young children, with priority given to poor and vulnerable children under the age of six. However, in reality, the situation remains dire, with ECD teachers in disadvantaged areas often lacking access to the education and training they need. Recent government estimates suggest that 90,000 practitioners are required to serve the ECD sector.²

Our approach

Many young children, particularly in rural areas where Sappi's plantations are situated, are not exposed to early learning – which is why Sappi decided to step in:

- In **KwaZulu-Natal** we have partnered with Training and Resources in Early Education (TREE), a non-profit organisation (NPO) to train 25 women across KwaZulu-Natal as ECD practitioners. TREE has developed an inclusive education training programme which enables practitioners to effectively engage and

stimulate children. This accredited programme forms part of the National Qualifications Framework (NQF) Level 4 qualification, which is equivalent to a matriculation or trade certificate.

- In **Mpumalanga**, since 2013 we have been working with our long-standing partner, Penreach. With 20 years' experience in ECD, this not-for-profit (NPO) organisation provides educational interventions and solutions in under-resourced schools in rural communities. Together with Penreach, Sappi Forests' community services department, the Entabamhlophe Combined School and their school governing body, and the Luvuvethu ECD Centre, combined forces to establish the Sappi ECD programme in terms of which five ECD practitioners are being trained in a four-year module. Since the inception of the programme, 90% of ECD learners have shown improvement in literacy at Entabamhlophe grade R.

Practitioners attend Saturday workshops once a month and three-day cluster workshops once a term.

TREE is a non-profit organisation that assists adults (mostly women) from disadvantaged communities to provide young children with access to qualified ECD.

Penreach has over 21 years' experience in ECD and provides educational interventions and solutions to under-resourced schools in rural communities.

We are in the process of rolling out the alien invasive clearing programme initiated at Ngodwana Mill in 2014 to our other mills. This not only has environmental benefits, but also provides training and employment. At Ngodwana Mill, 16 permanent and eight casual jobs were created. The team underwent herbicide, chainsaw operating, brushcutter operating and safety training.



⁽¹⁾ <http://www.learningliff.com/transforming-way-learn-digital-literacy-important/#.VRAcJfYcRjo>

⁽²⁾ TREE 2013/2014 Annual Report.

safety, health and wellbeing

Background

There is growing recognition that wellbeing, health and safety are not 'soft' issues, but that they can have a significant impact on morale, productivity, profitability and reputation.

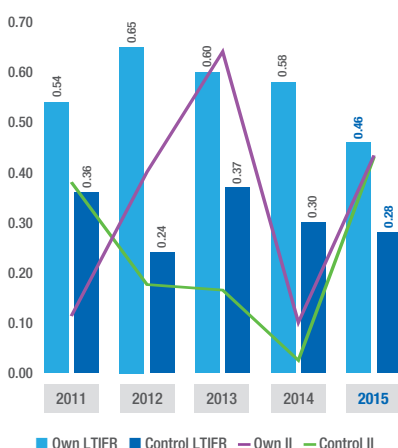
Our safety performance in 2015

Tragically, there were three contractor fatalities and three amputations at our facilities (one contractor and two own employees) in 2015. The fatalities involved: the overturning of a loader on a steep slope, a chainsaw accident during harvesting and an accident involving a skidder. The Sappi management team takes the unacceptable trend in the number of fatalities in 2015 very seriously and has instituted a number of new initiatives, such as forestry contractor training and operator certifications.

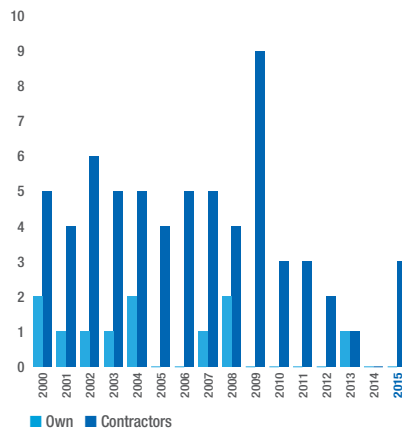
We also instituted the following mitigation actions in response to the accidents described:

- In terms of loader overturning, we have implemented far more rigorous training of the drivers and increased supervision.
- We conducted refresher training for all chainsaw operators and appointed an independent assessor to verify chainsaw operator felling practices.
- We have reviewed and improved on the procedure for timber bundle extraction.

Lost Time Injury Frequency Rate 2011-2015



Number of fatalities



On the positive side, good progress was achieved in the Lost Time Injury Frequency Rate (LTIFR) targets for 2015 with the current LTIFR for own employees at 0.46 and contractors at 0.28 against the regional target of 0.53.

Ten out of 18 operating units achieved zero own Lost Time Injuries (LTIs) for 12 months or more, and six units achieved zero contractor LTIs for 12 months or more.

Going forward

We are committed to reducing the number and seriousness of injuries in our workforce by continued and concentrated focus on driving down the severity of accidents and of near misses. We will continue to improve our behaviour-based safety programme; address unsafe conditions in line with the requirements of our OSHAS 18001 certification and legal requirements; hold safety conferences and workshops at the mills; engage further with organised labour and improve communication lines with contractors.

According to the Food and Agriculture Organisation (FAO), forestry is one of the most dangerous occupations globally. Sappi Forests prides itself on having a comprehensive Risk Management System (RMS), which is designed to minimise the negative impacts and maximise the positive impacts of forestry. All safety is monitored, contractor and own operations, in terms of our RMS system on a weekly basis.



Stanger Mill Global Safety Awareness Day demonstration.

This was the first year where the traditional safety day was celebrated in the form of a sustainability week to allow senior management of every region to visit more of the units in their respective areas and to demonstrate management's commitment to safety. This year's theme 'You are the key that unlocks safety' emphasised that a safe working environment is only possible when everyone at all levels of the organisation is committed to safety and encourages each Sappi employee to take a leadership role in safety.

safety, health and wellbeing continued

Our health and wellbeing focus in 2015

• **Occupational health:** Our major challenges in respect of our work environment relate to noise, vapours, fumes and ergonomic risks. Approximately 52% of our employees are exposed to noise levels above 82 decibels for more than eight hours per day. Hearing loss measurements are undertaken as part of our occupational hygiene monitoring programme and in the few cases where hearing has deteriorated as a result of exposure at work, corrective actions have been instituted with the

assistance of our risk department and line managers. The major focus is to try to reduce and eliminate noise levels in the workplace. Where this is not possible, personal protective equipment is used.



• **Primary health care:** We continued to focus on HIV/Aids and tuberculosis as primary health care issues. Please refer to the HIV/Aids FAQ at www.sappi.com.

• **Employee wellbeing (EWB):** Our programme includes various initiatives including substance abuse (alcohol and drugs), weight-loss programmes and awareness programmes related

to cancer, testing cholesterol, blood glucose, body mass index, blood pressure, HIV/Aids and TB. The programme also includes basic counselling for referrals to external providers, financial wellness, trauma counselling, work stress issues and other health and relationship issues.

Our focus is on educating and empowering employees with the skills to take ownership of their wellbeing to make better lifestyle choices, and where necessary, to support them and provide care and treatment.



In view of our commitment to promoting a healthy life style and nurturing an appreciation for nature and the sustainable use of renewable resources, in recent years we have increased our support for mountain biking on Sappi land. To this end we have taken up the naming rights of Sappi Karkloof MTB (Sappi Karkloof Classic Event, Sappi Karkloof Trailblazer Event and Sappi Karkloof MTB Recreational); the Sappi Mankela Mountain Bike Challenge and the Sappi Howick MTB Classic. We have also provided land access/ sponsorship to the Isuzu 3 Towers Stage Race, the MTN Barberton Classic, SANI2C, Joburg2C and the DCSR Misty Valley Challenge.



transformation

Background

Following South Africa's transition to democracy in 1994, legislation relating to transformation was introduced to accelerate economic and social transformation.

Our approach

As a company headquartered in South Africa, with significant assets and people, transformation is an important component of our reputation and licence to trade. We recognise that transformation 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.

Focusing on the new codes

We were audited by ratings agency Empowerdex in November 2015 and were classified as a Level 3 contributor with a procurement recognition level of 110% for the 2016 year. We achieved a score of 80.24. We have also been classified as a 'Value Adding Enterprise' which improves our preferential procurement recognition level by 1.25 times.

We have been working towards classification in terms of the amended Broad-based Black Economic Empowerment (BBBEE) Codes of Good Practice. However, the government has announced a delay in the gazettement of the Forestry Charter Code. Accordingly, we were audited in terms of the old codes in October 2015 shortly after year-end and expect to maintain a Level 3 status which will be used for the 2016 financial year. We will, however, continue to manage the business in terms of the expected new codes. Post the reporting period, the Department of Trade and Industry gazetted the revised Forestry Charter Code.

Enterprise and supplier development

Our main enterprise development initiative which began in 1983, is Project Grow. This aims to include rural individuals and communities in the forestry industry which has high barriers to entry. Project Grow has now been expanded beyond the borders of KwaZulu-Natal province to the Eastern Cape. (For further details please refer to our Project Grow FAQ, available at www.sappi.com).

2015 was a record year for Project Grow – the scheme supplied 361,134 tons of fibre into our mills which injected ZAR247 million into the local economy.

We are working with communities in the Eastern Cape to help them obtain water-use licences for the establishment of new plantations.

These initiatives are aligned with the South African government's strategy of promoting forestry as a means of sustainable livelihood in rural areas and involve the transfer of business skills, technical assistance, financial support and preferential payment terms to assist new enterprises to enter the market.

In addition to rural development, the development of small, medium and micro enterprises is another key focus for government. Our ReFibre model is an outsourced business model that

involves the collection and recycling of post-consumer and post-industrial waste, which is procured from homes, offices, wholesalers and retailers, as well as manufacturers in both the formal and informal sectors by an extensive network of independent agents across the country. This model enables us to support entrepreneurial development and job creation, while also providing a secure market for recyclable paper. In social terms, it's estimated that our outsourced baling suppliers have over 4,000 informal collectors linked to our network. The total industry in South Africa probably supports approximately 20,000 informal collectors.



Project Growers in KwaZulu-Natal and the Eastern Cape.

transformation continued

BBBEE scorecard elements

Inputs				Outcomes			
Capitals				Capitals			
	Prosperity (financial, intellectual and manufactured)	People (human, relationships and social)	Planet (natural)	Prosperity (financial, intellectual and manufactured)	People (human, relationships and social)	Planet (natural)	
Ownership	Sefate deal done where shares were issued to a black-owned company, a black women's development trust and ESOP, MSOP and foundation trust created.			Black employees, managers, black companies, black women's development trust and communities have access to shares to the value of ZAR1 billion.			
Management control		We will focus on gender imbalance, move our employees closer to the demographics distribution and work on interventions that create transformation within the business.			Workforce becoming more representative of the economically active population demographics.		
Skills development	Training expenditure will have a focus on black employees with further focus on black women and disabled training.	Training of unemployed people in certain of our communities.			Promotions within the company, certain of the unemployed people in our communities have been employed by our contractors and other businesses in the area.		
Enterprise and supplier development	Started Project Grow 30 years ago with three farmers, the project now has 5,000 farmers.		Projects initiated where communities make use of our by-products resulting in less waste to landfill.	Our spend on Project Grow in the current year was approximately ZAR150 million.	Improved livelihood in our communities.	Reduced impact on natural forests which the communities used for heat energy.	
Socio-economic development	Socio-economic spend on communities where Sappi has a footprint, with a focus on education, environment and upliftment.				Improved livelihood in our communities.	Improved management of environment.	



People

BBBEE score				Aspirational	
	Current year target	Actual current year	Actual prior year	Targeted score (new scorecard)	Inputs and activities
	24.50	24.33	24.50	25.00	Review current scheme to determine whether there is a better opportunity to transfer wealth to our employees which does not result in financial stress to the company or its shareholders and creates the 'once empowered always empowered' situation.
	5.00	4.54	7.57	9.00	Have interventions in our company that will result in an employee base that represents the economically active population demographic distribution of the country.
	9.00	9.43	9.00	15.00	Implement industry initiatives and create a disabled business which is supported by industry as well as create a training facility for the unemployed.
	34.00	33.94	34.54	27.00	Focus on improving our suppliers' BBBEE scorecards and introducing new incubational enterprise/supplier development models that have a larger impact on our communities.
	8.00	8.00	8.00	8.00	Focus on where we have the largest impact on our communities.
	80.50	80.24	83.61	84.00	

energy

planet

By treading more lightly on the Planet through cleaner, more efficient manufacturing and waste beneficiation processes, we can produce more with less.

Background

Energy is one of the highest input costs in the pulp and paper industry and by reducing usage we reduce costs and enhance energy security – important in the light of Eskom's ongoing struggle to keep up with demand. Eskom has begun a ZAR300 billion build programme, with about 20,000MW of additional capacity, but this is only due to be completed by 2025.

Reducing energy usage also helps to reduce greenhouse gas emissions and shield companies from the impact of potential carbon taxes.

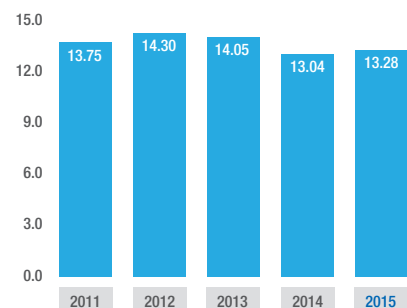


Our approach

We see energy as an opportunity to develop adjacent businesses and generate revenue, in line with our strategy (see pages 2 – 3 of this report for further details). Our energy self-sufficiency level currently stands at 42.3% – closely reflecting our high use of renewable energy which stands at 42.8%.

Our level of fossil energy intensity has dropped by 32% since 2000, while our Scope 1 (direct) and Scope 2 (indirect) emissions have dropped by 25% and 30% respectively over the last five years.

Energy costs as a percentage of cost of sales





30% of Sappi's land is managed for biodiversity conservation.

Energy projects in progress and under consideration

Saiccor Mill currently runs five turbines, three of which are small, inefficient and primarily use steam from coal-fired boilers, while the other two are combined heat and power units (CHP) fired by steam generated through renewable resources. The mill's process involves batch cooking of wood which means that steam demand is periodic. As a result, steam consumption is discontinuous with excess steam being vented into the atmosphere when not required.

To redress the situation, we will replace the three small turbines with a cogeneration and condensing system to supply steam to the process, while taking up swings in process

demand, thereby improving efficiency considerably. This will allow us to draw steam on demand and will also mean that up to 25MW of electricity which could be fed into the national grid will be generated.

At **Tugela** and **Saiccor Mills** we have implemented a cogeneration project and a green power project which would generate 10MW and 4MW of electricity respectively.

Project Buyisa, our ZAR120 million upgrade to Saiccor Mill to increase energy self-sufficiency by 12%, has had a major impact on performance. Black liquor is recovered after the cooking process and concentrated in an evaporation train before being used as a fuel in the recovery boilers. Approximately 31 tons per hour of

Our plantations mitigate global warming by absorbing carbon: during photosynthesis trees use energy from the sun to convert carbon dioxide (CO₂) into organic compounds essential for their growth, storing carbon and releasing oxygen in the process. Without this vital daily exchange, life on earth would simply not be possible.

energy continued

additional steam is now being generated in these boilers with a resultant 9MW increase in own power generation. Because more steam is being generated from the recovery boilers, less steam from coal is required, with a resultant decrease in coal consumption of more than 4,400 tons for FY2015 (more than 19kg coal per ton of pulp produced).

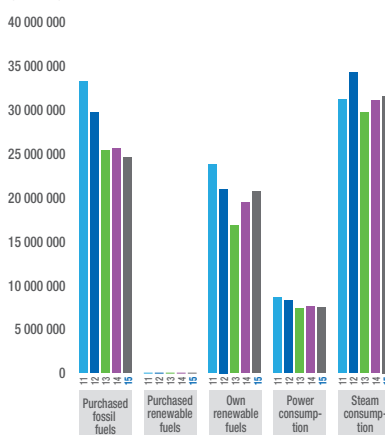
At **Ngodwana Mill** we have successfully bid to supply energy to the national grid in terms of the Renewable Energy Independent Power Producer Procurement (REIPPP) programme – the first REIPPP project in Mpumalanga province. Unfortunately, given Sappi's potential to supply green energy to the national grid, the project is being unnecessarily delayed by regulatory uncertainty, shifting bid windows, and long approval process.

Carbon taxes and carbon budgets

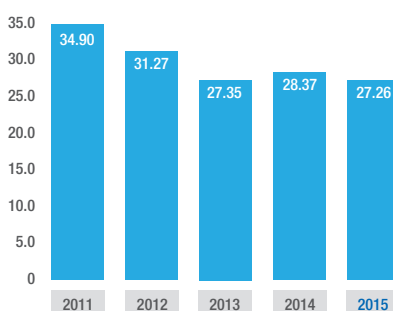
We are facing carbon taxes in 2017, discussed in the stakeholder section of this report on page 19.

We have engaged with the Department of Environmental Affairs (DEA) regarding the setting of carbon budgets for corporates. We currently report using the GHG protocol which, on the request of the DEA, needs to be changed to the IPCC protocol. The department is aware of our plantations absorbing high levels of carbon – essentially acting as carbon 'sinks' and as soon as there is agreement on the model to measure this, indications are that the carbon sequestration impact of our plantations will be recognised by the department.

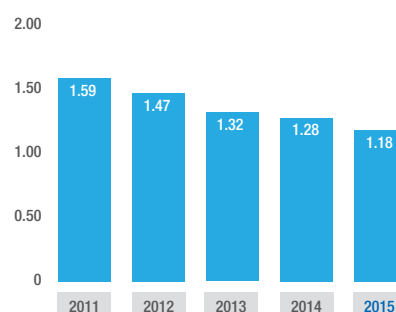
SA internal energy consumption (GJ/a)



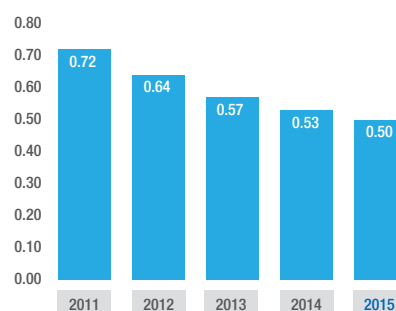
Energy intensity (GJ/adt)



Direct GHG emissions (Scope 1) (tCO₂/adt)



Indirect GHG emissions (Scope 2) (tCO₂/adt)



Smart Trucks: leading the way in the forestry industry

Increasing payload not only improves safety, reduces road wear and decreases costs, it also helps to reduce carbon emissions. After testing the first prototype 26.8 metre Smart Truck in the forestry industry for two years Sappi Forests, in conjunction with Timber Logistics Services, began running the first South African commercial fleet of 15 Smart Trucks in KwaZulu-Natal in 2009.

During 2013, a new 23.8 metre prototype Smart Truck was developed and introduced into service in September that year. Designed and dedicated to carry six metre length

logs, fuel consumption recorded for this rig has been approximately 10% to 11% lower than figures recorded for the original 25.8 metre units, while payload has been increased by 3%.

The use of Smart Trucks has resulted in the following improvements and benefits:

- The 15 rig Smart Truck fleet has completed 50,000 trips and transported in excess of 2.25 million tons of timber since starting operations. By way of comparison, the number of trips required, using conventional 22-metre units to move the same mass of timber, would have been in excess of 59,000 trips.

- The number of rigs in service using the country's road networks has reduced from 18 to 15 units.
- The total litres of diesel used by the Smart Truck fleet has been approximately 7.6 million litres – a saving of 1 million litres, should these volumes have been transported by 22 metre rigs.
- Carbon emissions have been reduced by 15%.

The following quantifiable savings have been recorded:

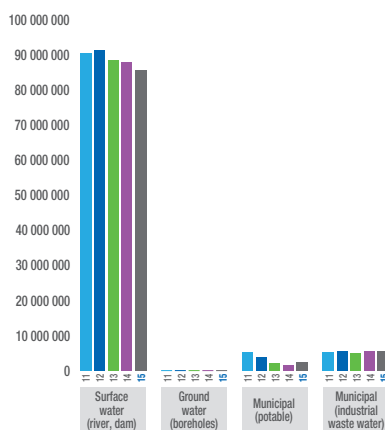
- Reduction in kilometres and trips travelled – 14.7%
- Savings in fuel cost per ton – 10.1%
- Total savings in cost per ton – 9.0%

water

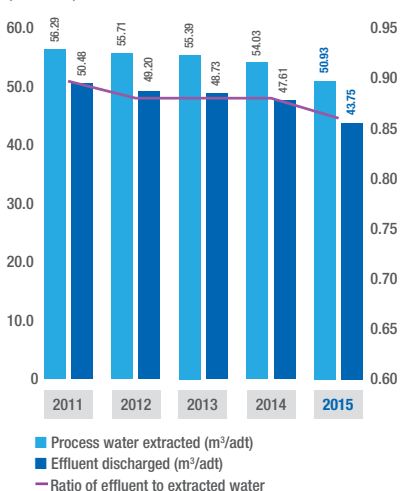
Background

South Africa's population has been growing steadily over time and the country is now home to 49 million people. This rapid population growth is placing increased pressure on water supplies in a country which is already officially classified as water stressed. This is compounded by the fact that approximately 35% of South Africa's water is lost due to illegal connections and uncontrolled usage; old, deteriorating water infrastructure; sewage pollution; climate change and drought in many parts of the country.

Total water withdrawal by source (m³/a)



Specific water returned to extracted (m³/adt)



Our response

Our processes are highly dependent on water, with water extracted primarily from the rivers on which our mills are situated (76.8%), our own dams (14.6%) and from municipal sources (8.6%). This extraction is regulated by strict licence conditions. Just over 85% of the water we extract is returned to the environment after being cleaned and filtered. Since 2007, our specific water usage has decreased by 12.9%, indicating that we are succeeding in our goal of treading more lightly on the planet, albeit partly as a result of the current drought which has forced our mills to curb production.

Mitigating drought conditions

South Africa is currently experiencing a severe drought. To mitigate the impact of low flows on the uMkomazi River, the primary source of water to **Saiccor Mill**, we are proceeding with a project to raise the Comrie Dam wall, upstream of the mill. The dam was constructed in 1978 to augment the uMkomazi River. Raising the dam wall by four metres will more than triple the amount of water contained in the dam, which will help ensure security of water supply in order to avoid the possibility of downtime as a result of low river flows. The Environmental Impact Assessment (EIA) has been completed and we will begin civil engineering work in 2016.

While the Comrie Dam's primary function is to supply water to Saiccor Mill, it has a number of secondary functions:

- It provides a source of water during fire fighting operations
- During emergencies, it is open for use by surrounding land users and any fire protection agency, and
- Sappi has an existing water services agreement with the local municipality (Sisonke District Municipality) for future abstraction of 3,600m³ of water per day from the dam once all the environmental licences are in place.

At **Stanger Mill** in KwaZulu-Natal we are facing a water crisis. The uMvoti River from which the mill draws water sometimes runs dry. The situation has been compounded by sand miners who place sand mounds across the river, thereby blocking the free flow of water. The refined river sand is excavated and sold.

As Sappi is the second last user on the river before it flows into the sea, activities like sand mining have a significant impact on our operations. We have several boreholes, but found that the water is insufficient for use in the mill. To mitigate the water shortage, at certain times we have to stop the pulp plant, buy in pulp and run the paper machines with the limited water available from alternative sources.



Comrie Dam.

solid waste

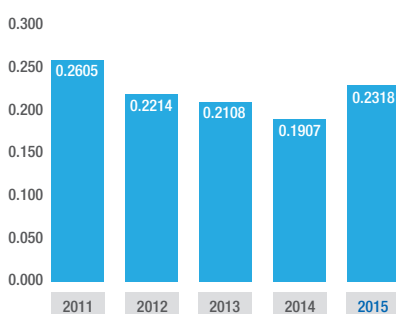
Background

Reducing solid waste has positive environmental implications as solid waste is generally sent to landfill and landfills generate methane, a greenhouse gas with approximately 25 times the global warming potential of carbon dioxide. There are also positive economic implications. By re-using input materials such as chemicals, costs are reduced. Waste minimisation is also an avenue for revenue generation.

Our response

We have reduced the amount of solid waste sent to landfill by 25% since 2009. Our waste minimisation initiatives, which are ongoing, are discussed on pages 46–47 of the 2014 Sappi Southern Africa Sustainability Report.

Specific landfilled waste
(t/adt)



We did not achieve this ambitious target as certain waste beneficiation projects have been placed on hold. We hope to resume these in the short to medium term.



In the last three years, Tugela Mill has sold 145,000 liquid tons of lignosulphonate to customers around the world, but has recently installed drying equipment to reduce transport costs to customers.



our sustainability governance structure


Our sustainability policies

Global policies include:

- Climate Change Policy
- Code of Ethics
- Corporate Social Responsibility Policy
- Environmental Policy
- Human Resources Policy
- Human Rights Policy
- Occupational Health and Safety Policy
- Stakeholder Engagement Policy
- Supplier Policy
- Sustainability Charter
- Wood and Fibre Procurement Policy

Policies specific to South Africa include:

- Environmental Policy
- Forests Safety, Health, Environment and Quality Policy
- HIV/Aids Policy
- Occupational Health and Safety Policy
- Pulp and Reclaimed Material Sourcing Policy
- Railway Safety Policy
- Quality Policy

 These policies are all available under the sustainability tab at www.sappi.com.

External policies and charters

In terms of external policies and charters, we are guided by:

- Energy Efficiency Accord
- Eskom's 49M campaign
- The Organisation for Economic Co-operation and Development (OECD) Policy Guidelines for Preventing Corruption which are incorporated into our Code of Ethics
- The UN Global Compact (signed by Sappi Limited in 2008)
- Universal Declaration of Human Rights
- International Labour Organisation

Memberships and associations

 Sappi Forests is a founding member of the Tree Protection Co-operative programme (TPCP) based in the Forestry and Biotechnical Institute (FABI: www.fabinet.up.ac.za) at the University of Pretoria. Through the TPCP we are members of the internationally collaborative programme BICEP



(Biological Control of Eucalyptus Pests) (<http://bicep.net.au/>) at the Australian Centre for Industrial and Agricultural Research (ACIAR). We also belong to the Eucalyptus Genome Network (EUCAGEN) based at the University of Pretoria.

Sappi Southern Africa belongs to the following associations:

- Industry bodies:
 - Energy Intensive Users Group (EIUG)
 - Fibre Processing and Manufacturing Skills Education and Training Authority Seta
 - Forest Stewardship Council® (FSC®)
 - Forestry South Africa (FSA)
 - Packaging SA
 - Paper Manufacturers' Association of South Africa (PAMSA)
 - Paper Recycling Association of South Africa (PRASA)
 - Printing SA (PIFSA)
 - South African Chamber of Commerce and Industry (SACCI) local chambers of commerce and industry
- Business and voluntary associations:
 - Damage-causing Animals Working Group
 - Business against Crime
 - Business Leadership South Africa (BLSA)
 - Business Unity South Africa (BUSA)
 - Environmental and conservancy associations (local and provincial)
 - KwaZulu-Natal Growth Coalition
 - National Business Initiative (NBI)
 - Manufacturing Circle
 - Mpumalanga Growth Coalition
 - Provincial Disaster Management Advisory Forums
 - South African Chamber of Commerce and Industry (SACCI)
 - TwoSides
 - Various fire and water associations – both local and national
- Civil society:
 - Birdlife SA
 - SANBI (South African National Biodiversity Institute)

- SANParks (South African National Parks) honorary rangers movement
- South African Institute of Entrepreneurship (SAIE)
- University of Cape Town (UCT) Animal Demography Unit (ADU) tree project
- Wildlife and Environment Society of South Africa (WESSA)
- World Wildlife Fund South Africa (WWF-SA)

A well-established governance structure

At the highest level, sustainability is overseen by the Social, Ethics, Transformation and Sustainability (SETS) Committee. This is a statutory Sappi Limited board committee which has an independent role and accountability to the board. Further detail on the work undertaken by this committee in 2015 is available in our Annual Integrated Report.

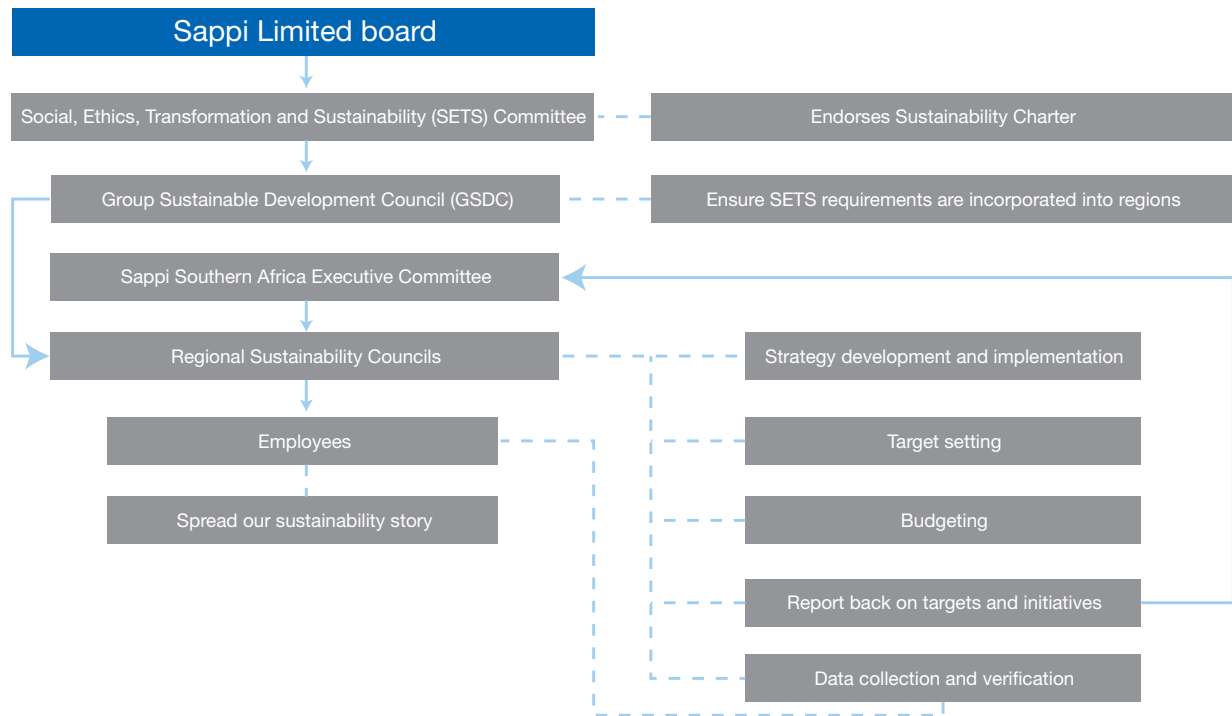
The Global Sustainable Development Council (GSDC) reports to the SETS Committee and oversees the work of the Regional Sustainability Councils (RSCs). There are RSCs in Europe, North America and South Africa. Each RSC focuses on key material issues relevant to their specific region and on incorporating sustainability into everyday business processes.

In South Africa, this is achieved by:

- Incorporating milestone setting on targets into the budgeting process and by reporting back on progress against these targets on a quarterly basis to the South African Executive Committee
- Our sustainability ambassadors and through our award-winning Earth Kind Agent game, and
- Ongoing communication with customers, investors, employees, suppliers and contractors aimed at reinforcing our sustainability messaging.

our sustainability governance structure

continued





messages from our regional sustainability council

"It is absolutely critical for us to continue to succeed as a business, we need to sustainably evolve with changing market requirements. Product requirements are changing at a faster pace than ever before and we need to be at the forefront of this in terms of adapting our products to this changing environment. We will continue to work with our customers to further improve and develop our products such that they can deliver enhanced value to our customers. We have learnt a lot with the development of Ultraflute and we can now use this experience across our product range."

Richard Wells

General Manager, Commercial

"Sustainability is about meeting our current needs without compromising the needs of our future."

Sappi's sustainability strategy is based on the principle of intentional evolution, the goals of which are to provide stakeholder coherence, give purpose to the company's operations and to optimise resource utilisation by continuously reviewing and updating its processes."

Pat McGrady

Manufacturing and Technical Director

"To be sustainable one must be able to adapt to changing circumstances while striving to meet one's objectives. At Sappi, we have clear objectives, but our mission is to meet these objectives in a responsible and sustainable way that gains the trust of all stakeholders."

David Everard

Divisional Environmental Manager

"At Sappi, sustainability is about responsible usage and development of available resources."

Fergus Marupen

Group Head Human Resources
Sappi Limited

"In a diverse and complex country like South Africa, developing an effective and evolving sustainability culture at Sappi is all about making the right choices. As a company we choose to rigidly comply with regulations and laws but, and more importantly, as individuals we choose to care. This means having the courage to make the difficult choices. Sustainability is about making the right choices today to secure a future for our children tomorrow."

William Morrow

Marketing Director
Sappi Papier Holding GmbH

"Evolution typically refers to biological evolution, but for us it means a completely new phase in the Sappi's growth. We are heading in a particular direction, but will only succeed if we drive it intentionally. We will achieve this vision through regular review of our sustainability strategy; fulfilling our objectives and adapting swiftly when required."

Renée van Hoeve

Regional Environmental Manager

"Sustainability is a journey, which, by definition, means that a company's collective understanding evolves during this journey; thereby enabling the company to deepen and broaden its commitment to sustainability. This has been and continues to be the case for Sappi, but with one important addition – namely we intentionally pursue our commitment to sustainability as a core element of our mission, our vision and our strategy. We actively include a regard for sustainability issues in everything we do. We are confident that our continued success and growth will be supported by our commitment to think and operate in a sustainable manner."

André Oberholzer

Group Head Corporate Affairs
Sappi Limited

"In today's rapidly changing world, sustainability is no longer about setting targets and striving to achieve them, but rather about continual reviewing and revising to make sure the objectives remain relevant and the impacts are significant."

Charlie Clarke

Technology Centre Manager

"Sustainability has to form the core of every new product or initiative in our business as we intentionally evolve into a world where renewable resources are the future. We need to get more out of what we already have available, waste less and use what we have more cleverly to benefit all."

Liezl Krummeck

Business Development Manager

"This year's theme of intentional evolution is very apt in today's society where all seems lost. It is US that can drive positive and meaningful change by working together for the common good of all. As 'intentional evolutionaries' regardless of religion, colour, creed, nationality, political standings or personal background, through our collective consciousness we can make this world a better place where we are one with each other and the world."

Through our new vision and strategy, at Sappi we have embarked on a similar journey where we aim to be a better company where all stakeholders benefit."

Tyrone Hawkes

Director: Strategy and Business
Development



sappi
Inspired by life

www.sappi.com

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