

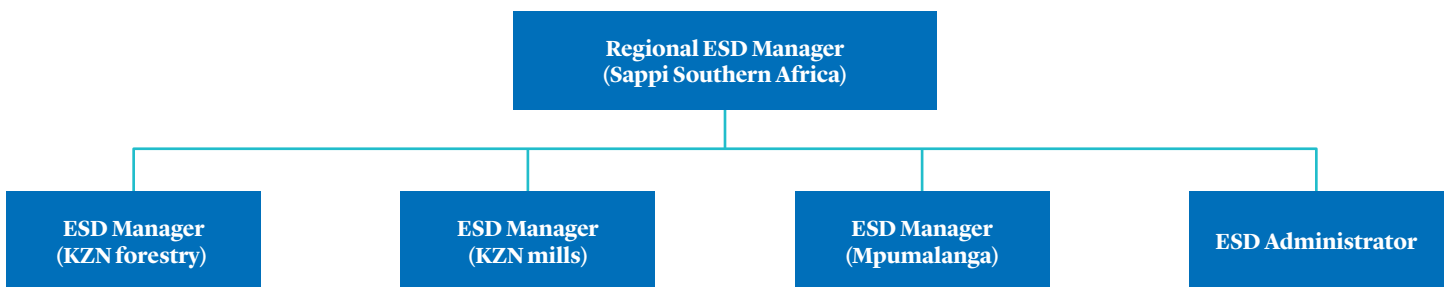
Enterprise and Supplier Development (ESD) Programme

Sappi ESD strategic objectives

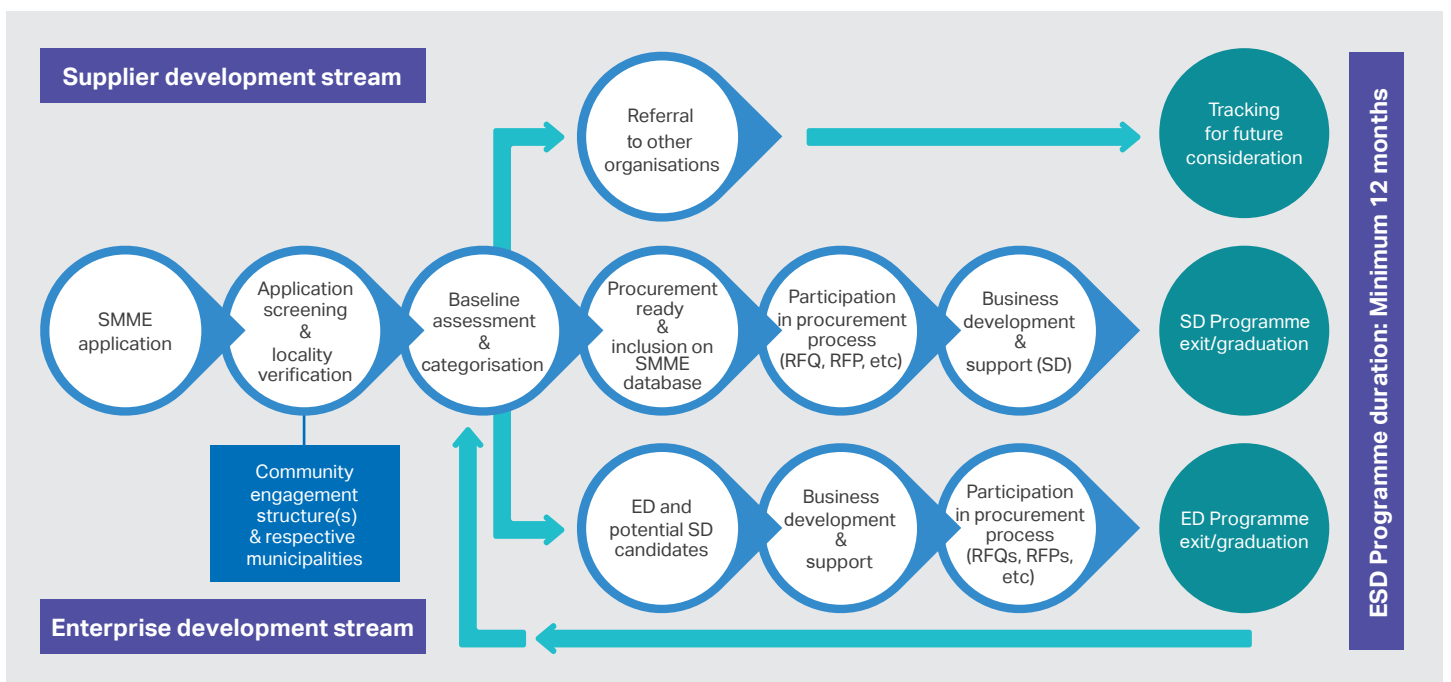
Sappi Southern Africa has launched an ESD strategy whose objectives are entrenched in its Shared Value Principles and Sustainable Development Goals which are aimed at:

- Building thriving local economies within the communities where we operate – through provision of capacity building programs for SMEs focusing on: (1) Access to markets (internal and external) (2) Business and technical skills development, (3) Facilitation of access to funding and (4) Access to infrastructure and other necessary support to ensure business sustainability and growth.
- Proactively build a sustainable environment by coinciding with the environmental and strategic objectives in view of creating value for both the company and its stakeholders through active participation and involvement of local communities in our environmental management programs eg ReFibre, Khulisa, Alien Invasive Species Management, etc.
- Retain license to operate for long-term business sustainability and coexistence with our communities through: (1) Collaboration with strategic partners, (2) Transforming our supply chain to include local community-based SMEs, (3) Aligning transformation objectives and programs to those in the Local Economic Development Plans (IDPs) and lastly to review, align and integrate existent programs in order to maximise business value and impact to our local communities.

ESD structure



ESD process



What does Sappi look for in an ESD beneficiary?

- Entrepreneurial potential in suppliers who live and work in the local communities around Sappi operational sites.
- The possibility of job creation within communities local to Sappi operational sites.
- The potential for sustainable or long-term economic development in communities local to Sappi operational sites.
- The potential to provide goods and/or services to Sappi as an approved supplier.

How does Sappi promote the implementation of its ESD Programme?

Sappi Procurement has implemented an ESD Policy that:

- Identifies possible business opportunities for ESD suppliers
- Ensures business opportunities are in line with Sappi's procurement strategy, and compliant with its procurement policy
- Promotes ESD-compliant suppliers in order for them to provide goods and/or services to Sappi
- Promotes local supplier development in the communities in which Sappi operations are located, and
- Monitors and reports on the progress of supplier development initiatives.

What does Sappi provide to support an ESD beneficiary?

- Shorter payment terms - seven (7) days from receipt of invoice.
- Identify business opportunities that will only be made available to ESD beneficiaries.
- Make SME development funds available for ESD projects on an annual basis.
- Forge partnerships with financial institutions to assist ESD beneficiaries to access business finance.
- Provide assistance and knowledge sharing with regard to safety training and how to compile safety files.
- Upfront payment for 'entry medicals' - cost recoverable from ESD beneficiary over time.
- Pay for the first issue of personal protection equipment (PPE) - cost recoverable from the ESD beneficiary over time.
- Provide any other enabling support that will be determined on a case-by-case basis.

Please use the following contact details should you require assistance

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Visit www.sappi.com to view the **Sappi Code of Ethics** and **Sappi Supplier Code of Conduct**.