

Steve Binnie
Chief Executive Officer, Sappi Limited
09 November 2023

sappi

Q4 FY23 financial results

Forward-looking statements

Certain statements in this release that are neither reported financial results nor other historical information are forward-looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. The words “believe”, “anticipate”, “expect”, “intend”, “estimate”, “plan”, “assume”, “positioned”, “will”, “may”, “should”, “risk” and other similar expressions, which are predictions of or indicate future events and future trends and which do not relate to historical matters, identify forward-looking statements. In addition, this document includes forward-looking statements relating to our potential exposure to various types of market risks, such as interest rate risk, foreign exchange rate risk and commodity price risk. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). Certain factors that may cause such differences include but are not limited to:

- the highly cyclical nature of the pulp and paper industry (and the factors that contribute to such cyclicity, such as levels of demand, production capacity, production, input costs including raw material, energy and employee costs, and pricing);
- the impact on our business of adverse changes in global economic conditions;
- unanticipated production disruptions (including as a result of planned or unexpected power outages);
- changes in environmental, tax and other laws and regulations;
- adverse changes in the markets for our products;
- the emergence of new technologies and changes in consumer trends, including increased preferences for digital media;
- consequences of our leverage, including as a result of adverse changes in credit markets that affect our ability to raise capital when needed;
- adverse changes in the political situation and economy in the countries in which we operate or the effect of governmental efforts to address present or future economic or social problems;
- the impact of restructurings, investments, acquisitions, dispositions and other strategic initiatives (including related financing), any delays, unexpected costs or other problems experienced in connection with dispositions or with integrating acquisitions or implementing restructurings or other strategic initiatives, and achieving expected savings and synergies;
- currency fluctuations.

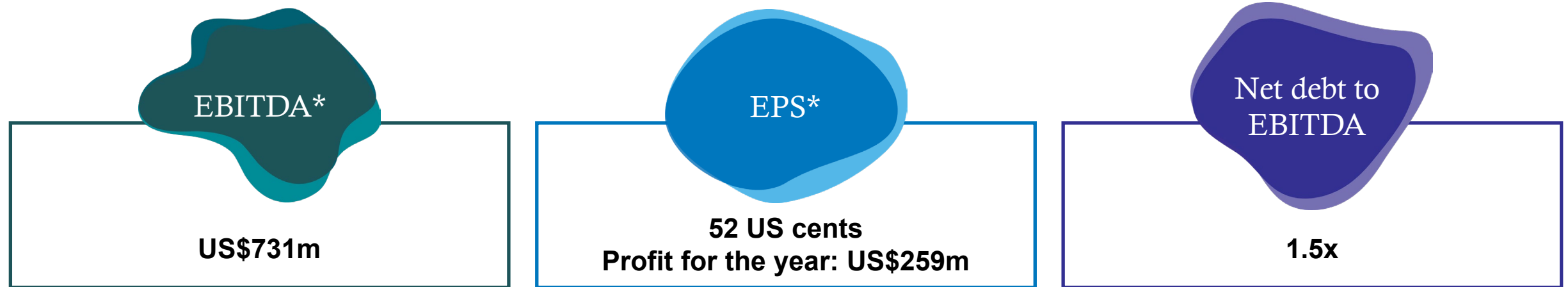
We undertake no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events, circumstances, or otherwise.

Regulation G disclosure

Certain non-GAAP financial information is contained in this presentation that management believes may be useful in comparing the company’s operating results from period to period.

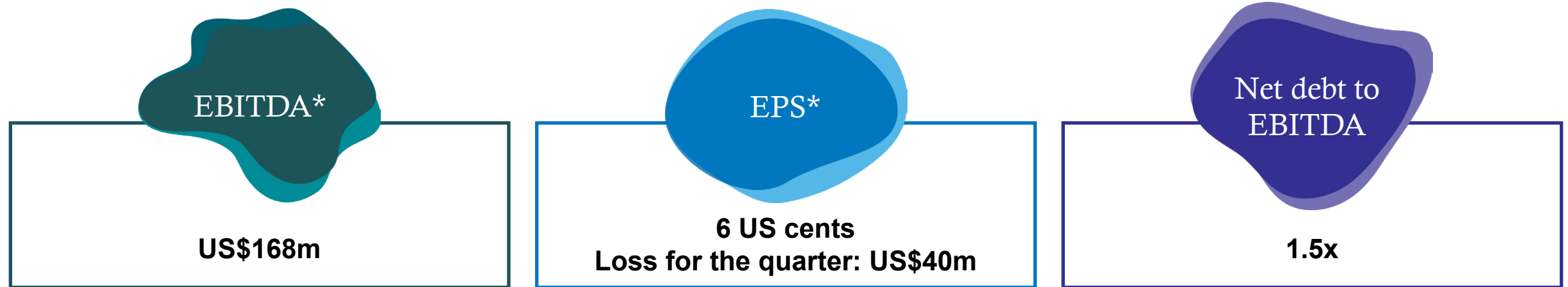
Reconciliations of certain of the non-GAAP measures to the corresponding GAAP measures can be found in the quarterly results booklet for the relevant period.

These booklets are available on our website: <https://www.sappi.com/quarterly-reports>



- Challenging macroeconomic environment
- Despite the challenges, the South African business delivered record EBITDA (in ZAR) and North America the second-highest-ever EBITDA
- Paper segments faced weak trading conditions related to high levels of downstream inventory and muted consumer demand
- The pulp segment's profitability was adversely impacted by the lower average pricing and cost inflation
- Net debt reduced to the lowest level in 30 years due to significant cash generation
- Dividend declared of 15 US cents per share

* Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items.

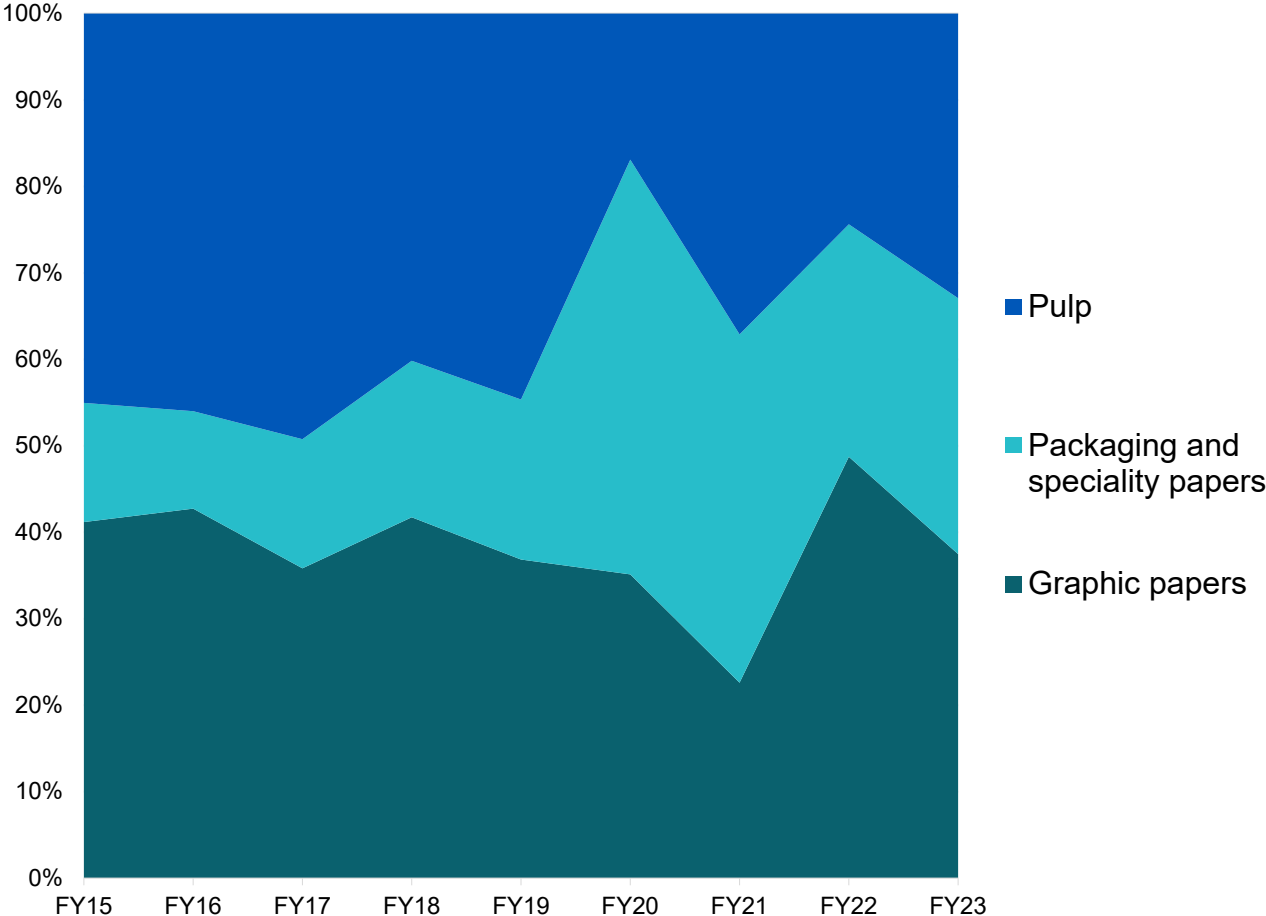


- Operating performance ahead of expectations, however, challenging trading conditions
- Small recovery in graphic paper sales volumes
 - Production curtailments taken across our graphic paper assets in Europe and North America
- Record pulp sales volumes for the quarter
- Market conditions for the packaging and speciality papers segment impacted by high inventory levels and the unfavourable economic climate

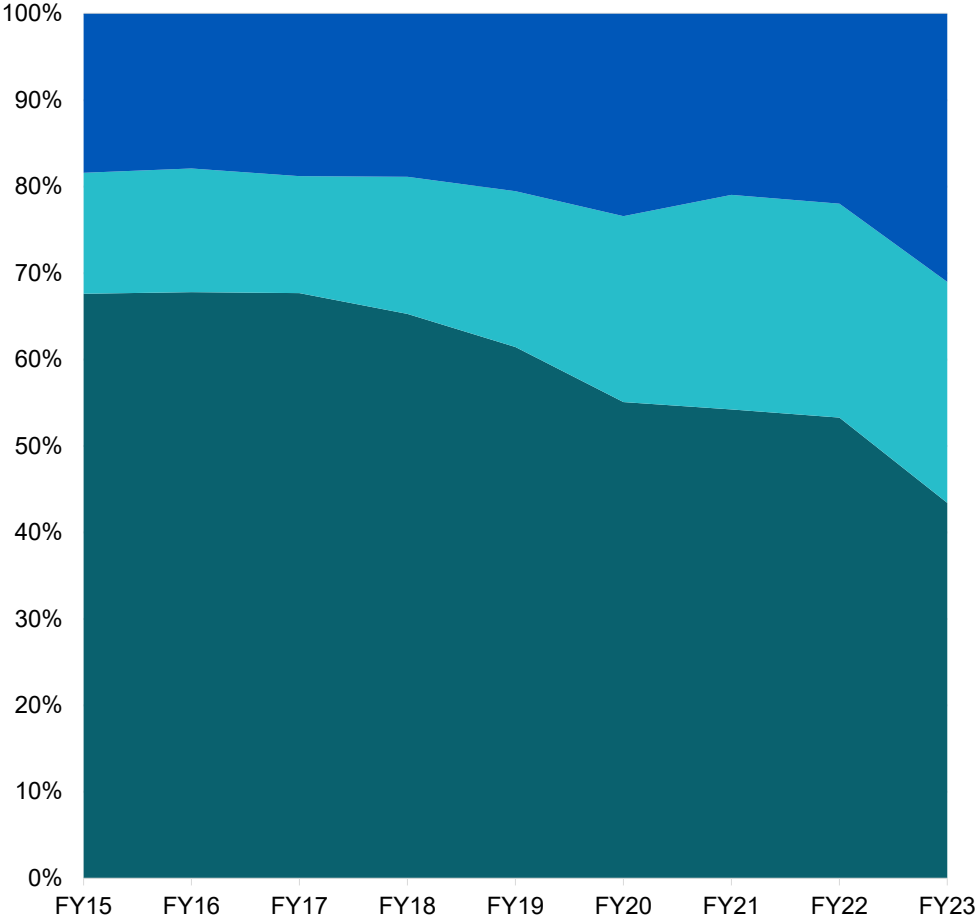
* Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items.

Product contribution split

EBITDA* excluding special items



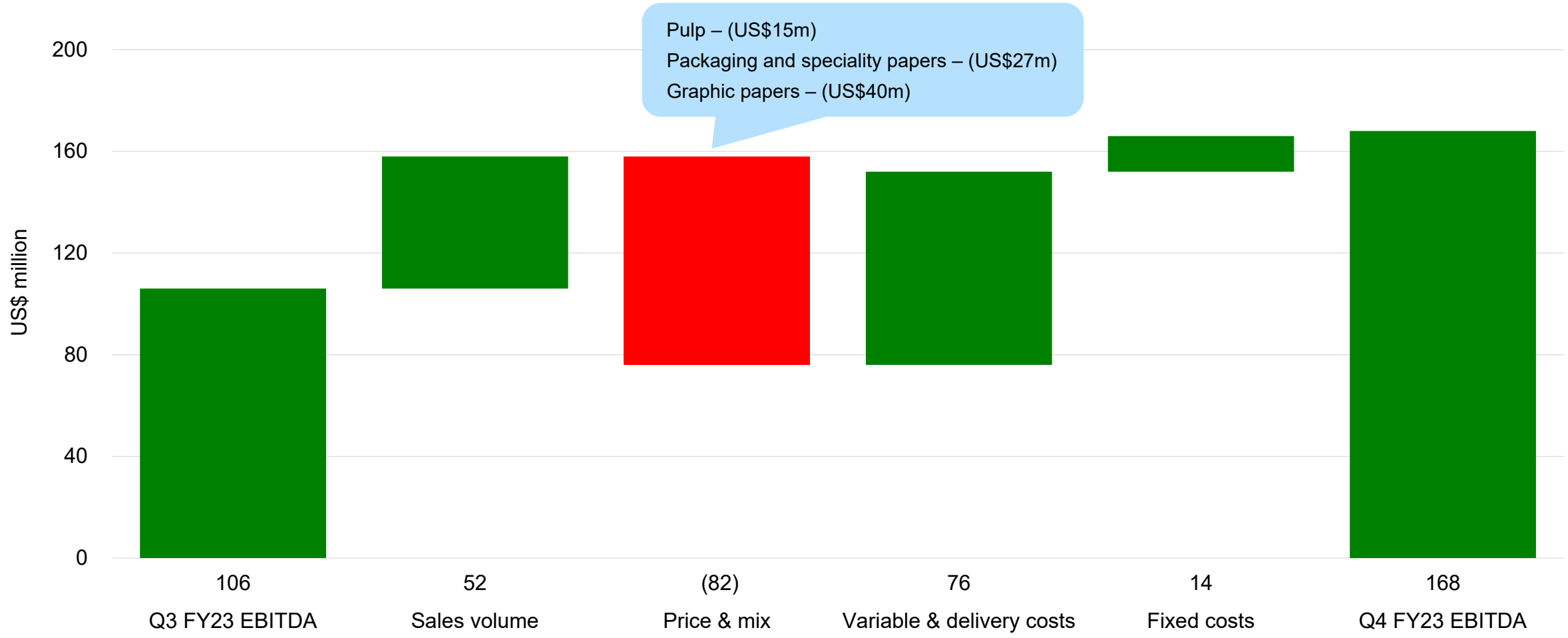
Sales volumes**



* Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items. Data excludes treasury operations and an insurance captive.

** Sales volumes exclude forestry operations.

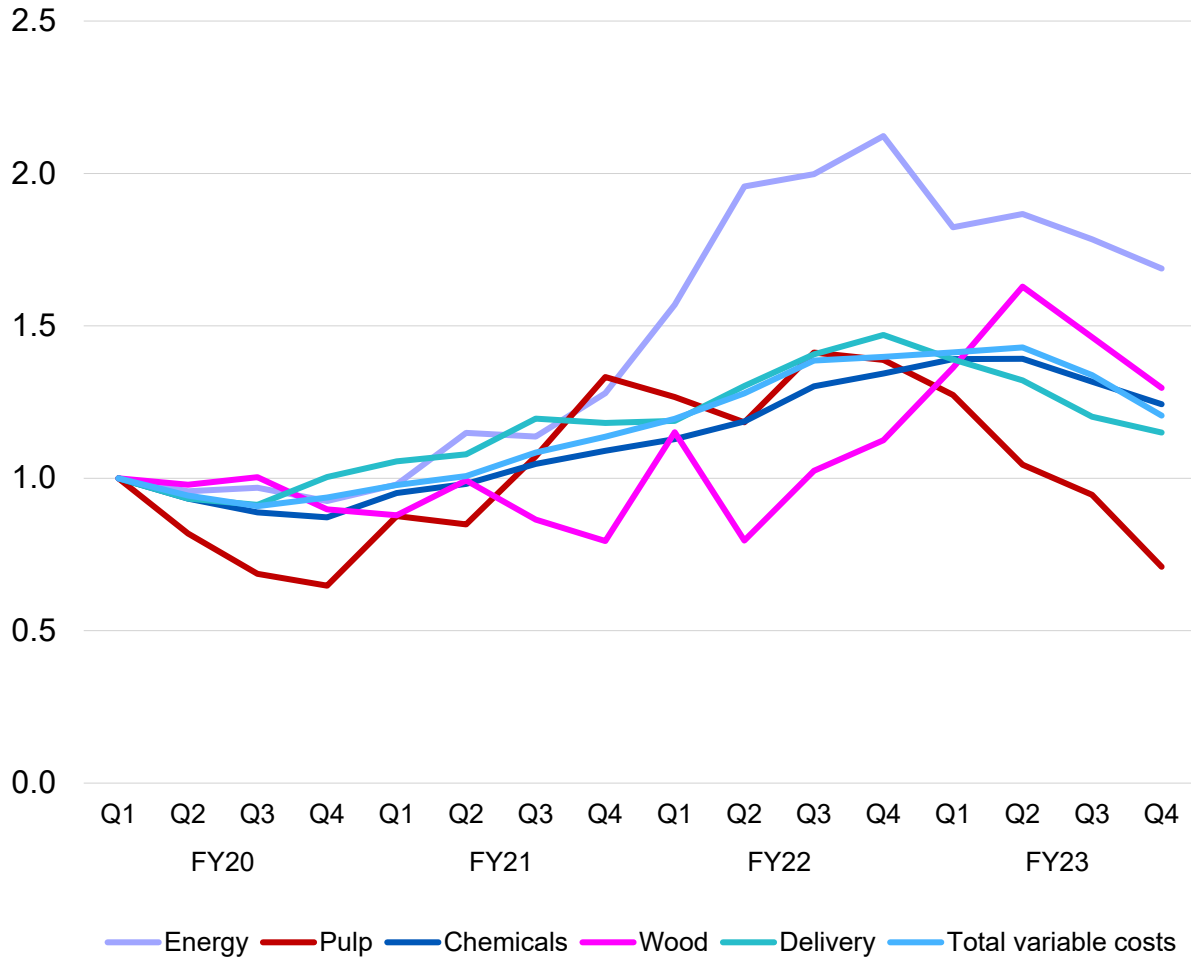
EBITDA* reconciliation Q3 FY23 to Q4 FY23



1. All variances were calculated, excluding forestry operations.
 2. Currency conversion reflects translation and transactional effect on consolidation.
 3. * = Excluding special items.

Cost inflation developments

Major variable input cost/ton impact on the group since Q1 FY20

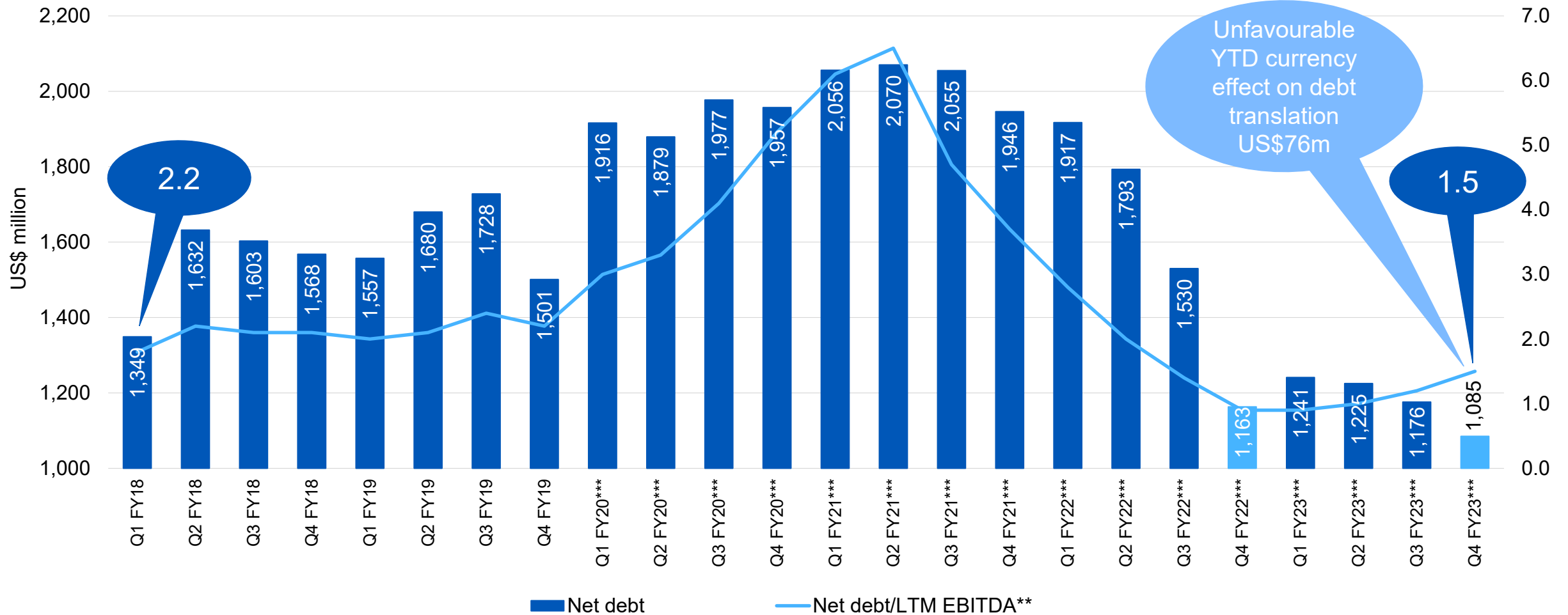


- Curtailment impacted operational efficiencies
- Input costs across all variable cost categories reduced q-o-q*
- Total variable cost -10% q-o-q*

Indexed to Q1 FY20.

* Q4 FY23 versus Q3 FY23.

Net debt/EBITDA* development

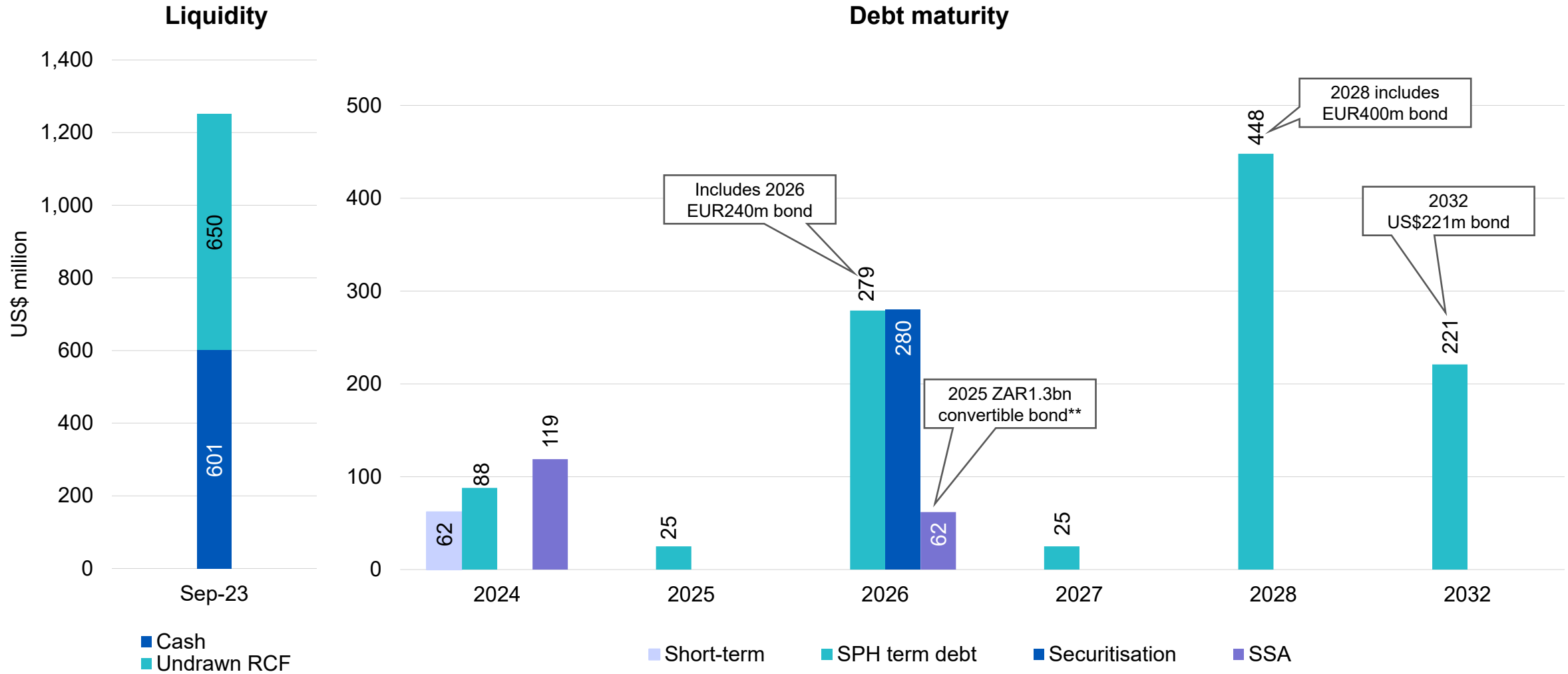


* EBITDA excluding special items.

** The covenant Net debt/LTM EBITDA calculation has adjustments and therefore differs from that shown above.

*** Quarters impacted by IFRS 16 leases (Q4 FY23 ~US\$91m) and Matane Mill acquisition (Q1 FY20 US\$158m).

Debt maturity profile* Fiscal years

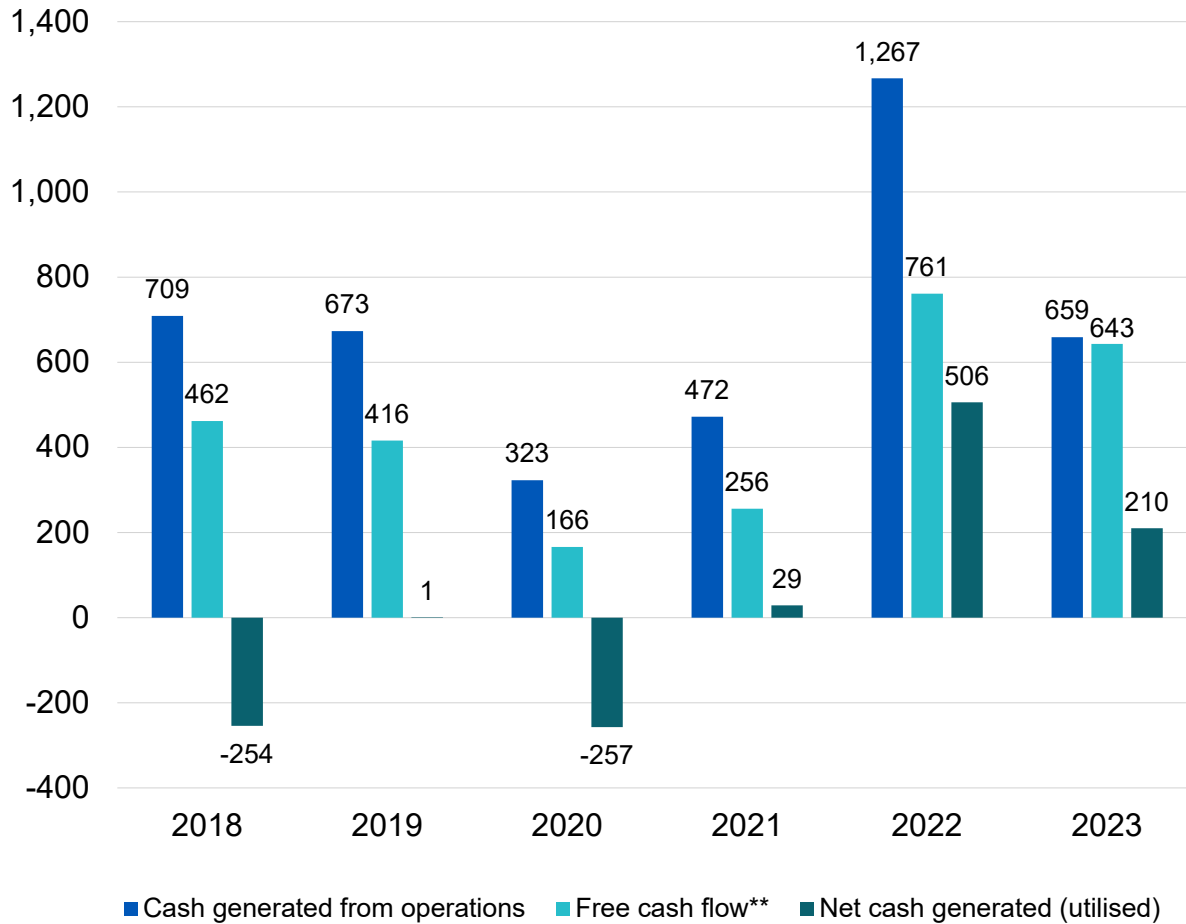


* Excludes US\$91 million in IFRS 16 leases; average time to maturity of approximately four years.

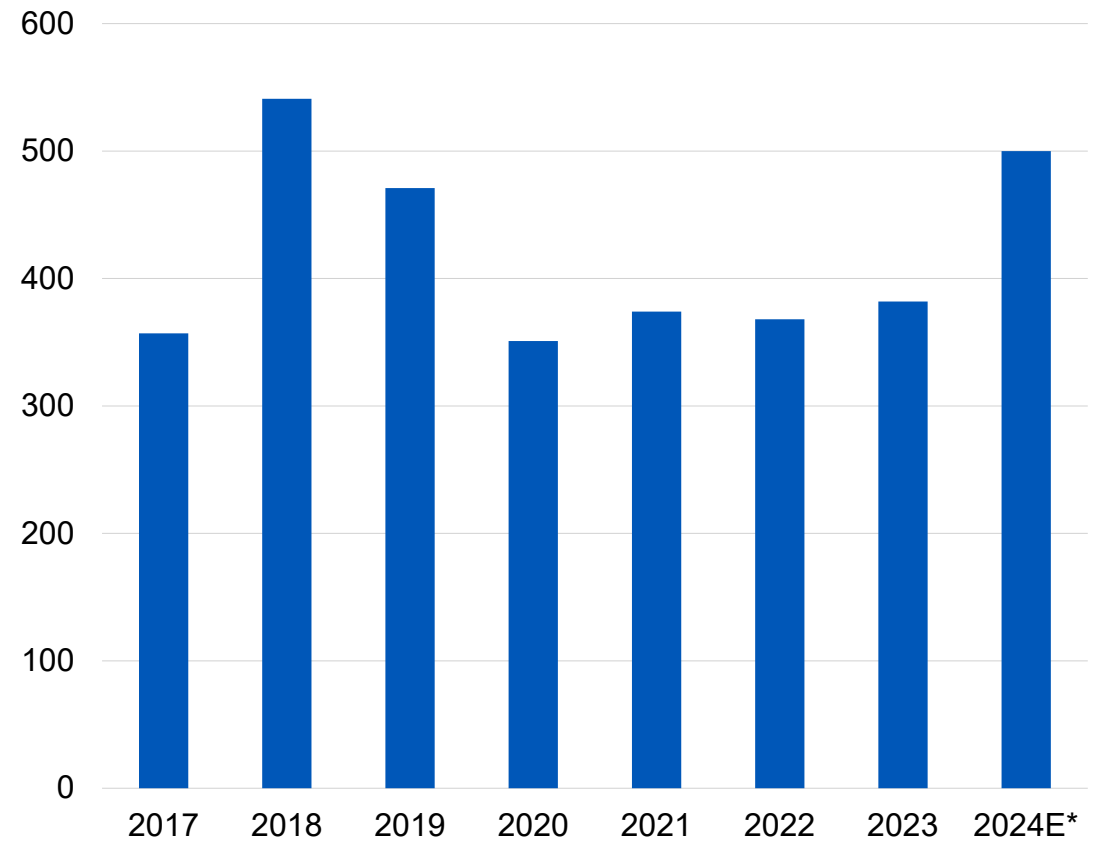
** SSA issued five-year convertible bonds in 2020 with a principal amount of ZAR1.8 billion. The bonds are convertible into ordinary shares of Sappi Limited. The group has received conversion notices for the convertible bond of just over 35% of the initial offering of ZAR1.8 billion.

Cash flow and capex

Cash flow













Capital expenditure



* FY23 capital expenditure of US\$382 million included US\$100 million for the conversion and expansion of Somerset Mill PM2 to packaging grades. Capital expenditure for FY24 is estimated to be in the region of US\$500 million including approximately US\$154 million for the Somerset Mill PM2 project.

** Free cash flow = Cash generated from operations less working capital, less maintenance and regulatory/environmental capex.

Disciplined capital allocation

Category		Strategic priority	FY23 Achievements
 Regulatory & environmental	External regulatory & environmental requirements	High Mandatory license to operate Mandatory to meet ESG goals	 ~ US\$30 million for sustainability
 Sustaining	Balance sheet sustainability	A healthy balance sheet maximises capital allocation flexibility	 FY23 free cash flow US\$643 million Good progress towards target net debt of US\$1 billion FY23 net debt US\$1,085 million
 Profit improvement	Protect against future decline	Reduce exposure to declining graphic paper markets	 Closure of Stockstadt Mill and potential closure of Lanaken Mill announced
	Cost reduction Increase efficiency Mix optimisation	Improve cost position Optimise assets Shift into better-performing product categories	
 Shareholder returns	Shareholder value	Sustainable dividends return value to shareholders Target ROCE 2% above WACC	 Annualised ROCE 12.3% Dividend payment US\$85 million Initiated the share buy-back program (April/May ~9.2 million shares US\$22 million)
 Growth	Expansion of existing products	Invest in growth segments	 Conversion & expansion of Somerset Mill PM2 from graphic paper to paperboard initiated (FY23 capex US\$100 million)

Segmental overview



Pulp



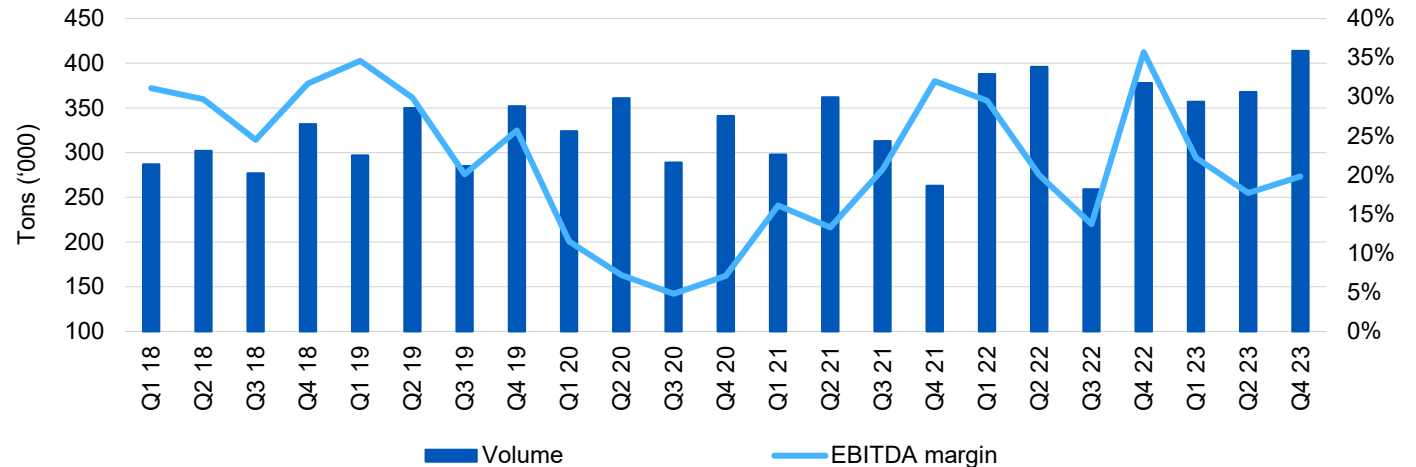
Summary Q4 FY23

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Sales tons +10%
year-on-year**

Selling price per ton
-15% year-on-year**

EBITDA* margin
19.8%



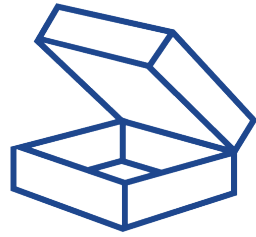
- Dissolving pulp (DP) demand remained robust
- Record sales volumes for the segment
- Improved production at Saiccor Mill



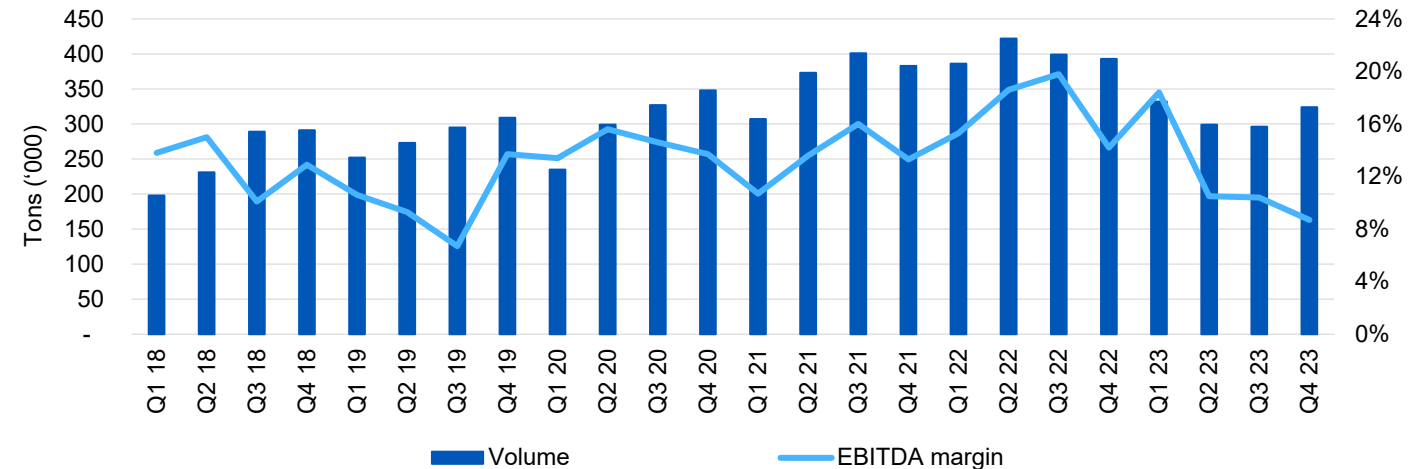
* Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items.

** Q4 FY23 vs Q4 FY22.

Packaging and speciality papers



Sales tons -18% year-on-year**	Selling price per ton -7% year-on-year**	EBITDA* margin 8.7%
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- Market conditions impacted by high inventory levels and the unfavourable economic climate
- Profitability negatively impacted by lower sales volumes and selling prices

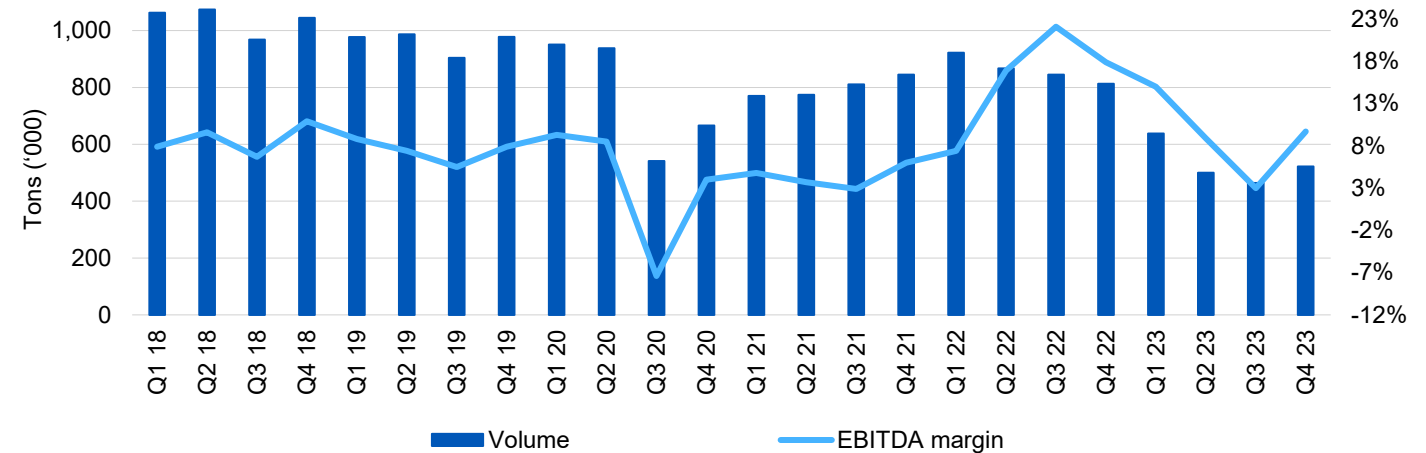
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** Q4 FY23 vs Q4 FY22.

Graphic papers



Sales tons -36% year-on-year**	Selling price per ton -5% year-on-year**	EBITDA* margin 9.7%
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- Demand remained suppressed
- Curtailment across the graphic paper assets in Europe and North America
- Combination of cost savings and higher capacity utilisation provided some relief for the segment

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** Q4 FY23 vs Q4 FY22.

Regional segments

Summary Q4 FY23

Sappi Europe



Sales tons -38%
year-on-year**

Selling price per ton (EUR)
-12% year-on-year**

EBITDA* margin
0.4%

Sappi North America



Sales tons -15%
year-on-year**

Selling price per ton (US\$)
-14% year-on-year**

EBITDA* margin
13.9%

Sappi Southern Africa



Sales tons*** +7%
year-on-year**

Selling price per ton (ZAR)
+8% year-on-year**

EBITDA* margin
25.9%

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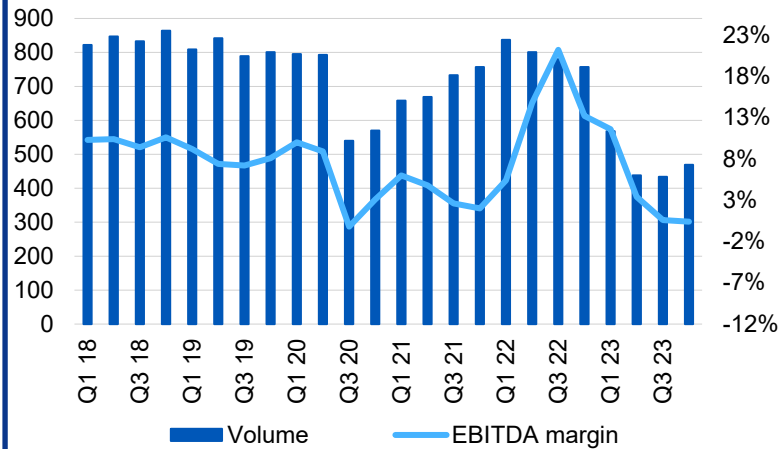
** Q4 FY23 vs Q4 FY22.

*** Sales tons and price per ton excludes forestry operations.

Regional segments continued

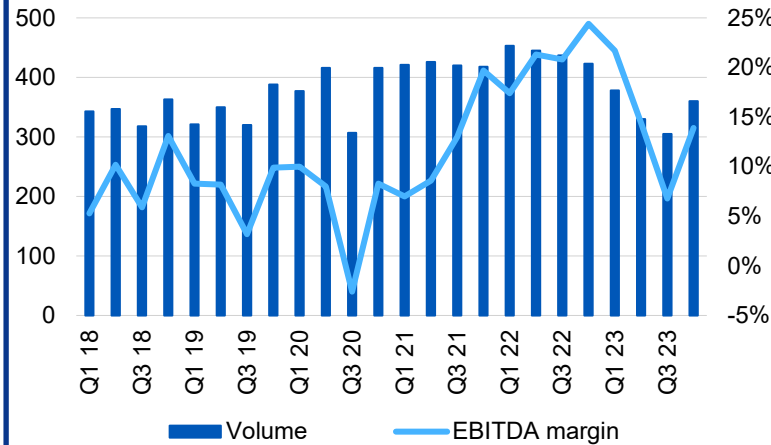
Summary Q4 FY23

Sappi Europe



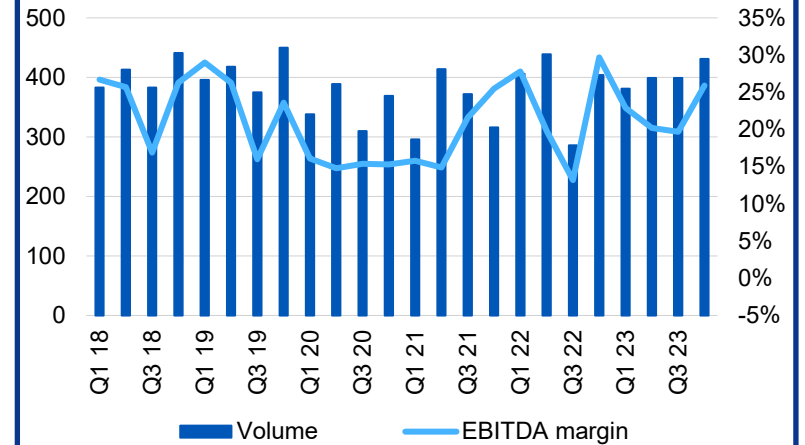
- Profitability severely impacted by ongoing production curtailments required to manage the effect of extremely weak demand

Sappi North America



- Profitability improved from the lows of the third quarter
- Region achieved second highest annual EBITDA

Sappi Southern Africa

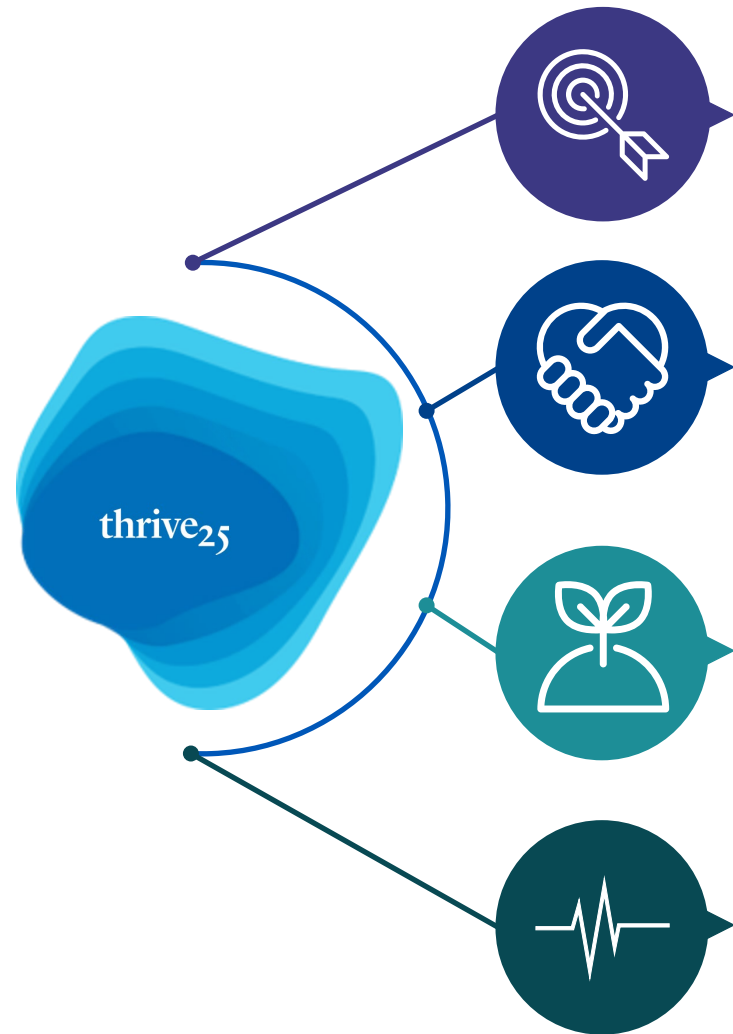


- Record annual EBITDA of ZAR6,035 billion
- Good performance across all product segments

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Our business strategy

Thrive25



What this means

Drive operational excellence

- Strengthen our safety-first culture
- Continuously improve our cost position
- Continue to maximise the benefits of our global footprint
- Best-in-class production efficiencies

Enhance trust

- Improving our understanding of and proactively partnering with all stakeholders
- Driving sustainability solutions
- Meeting the changing needs of every Sappi employee

Grow our business

- Grow dissolving pulp (DP) capacity, matching market demand
- Continue to expand and grow packaging and speciality papers (P&SP) in all regions
- Further commercialisation of biotech opportunities
- Reduce exposure to declining graphic papers business

Sustain our financial health

- Target net debt: EBITDA⁽¹⁾ at 1.5x
- Reduce absolute debt level and improve EBITDA
- Optimise capital management
- Optimise debt maturity profile and finance charges

Strategic objectives

- Achieve zero fatalities and at least a 10% reduction in LTIFR pa
- Maximise production outputs
- Gain cost advantage through a global footprint
- Optimise supply chain and customer service
- Increase forestry footprint in South Africa
- Improve pulp integration

- Progress towards science-based decarbonisation targets
- Implement the TCFD⁽²⁾ recommendations
- Expand Supplier Code of Conduct
- Maintain forestry certification and BBBEE in SA
- Sustain and/or improve employee engagement
- Sustainability capex spend ~US\$70m per annum

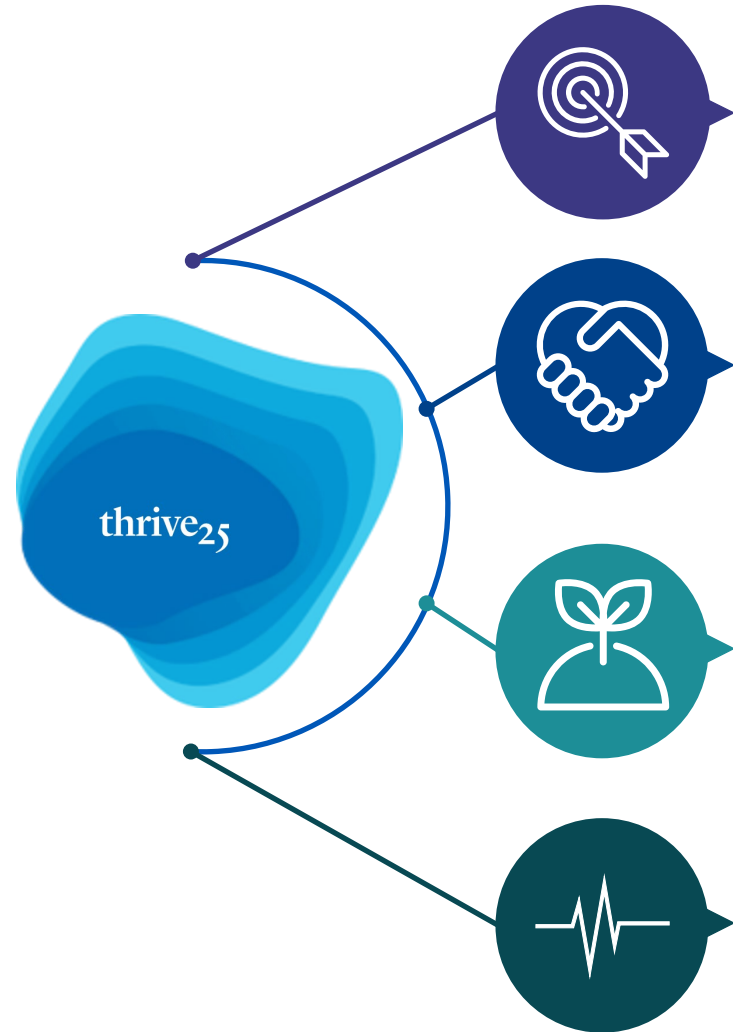
- Continue to grow and optimise packaging and speciality papers
 - Label grades at Gratkorn Mill
 - Somerset Mill PM2 conversion & expansion from CWF to SBS
- Maximise DP volumes to capacity
- Reduce graphic papers exposure in Europe
- Continue to grow and advance biotech opportunities
 - Valida (micro fibrillated cellulose) and Furfural

- Focus on managing fixed and variable costs
- Optimise the graphic papers business
- Focus on maximising cash generation through efficient capex and working capital management
- Long-term target net debt of approximately US\$1bn
- SPH RCF renewed to 2027 with sustainability-linked KPIs

* Earnings before interest, tax, depreciation and amortisation.

(1) EBITDA = EBITDA excluding special items.

(2) TCFD = Task Force on Climate-related Financial Disclosures.



What we have achieved in FY23

Drive operational excellence

- Zero fatalities
- Lowest ever LTIFR (combined employees and contractors)
- Ngodwana Mill PM1 (kraft linerboard) upgrade completed
- Somerset Mill PM1 (SBS) debottlenecking complete
- Cloquet Mill PM12 (CWF) reel upgrade completed
- Gratkorn Mill PM11 (CWF) modernisation project completed
- Saiccor Mill (DP) operations stabilised
- US\$115 million procurement savings

Enhance trust

- Significant improvement in employee participation in the employee engagement survey (94% vs 84% in 2021)
- SSA Level 1 BBBEE contributor
- Expanded Supplier Code of Conduct (79% by spend)
- Expanded EcoVadis platform to assess suppliers (57% by spend)
- Validated science-based decarbonisation targets
 - Gratkorn Mill coal to mixed fuels (phase 2 to 100% biomass)
 - Kirkniemi Mill coal to biomass
 - Saiccor Mill calcium cooking converted to closed-loop magnesium cooking (energy savings)
- All three Sappi regions are platinum-rated on EcoVadis

Grow our business

- Saiccor Mill ramping expansion capacity
- Barrier coating technology commissioned at Alfeld Mill
- Gratkorn Mill PM9 wet strength label project in progress (commission end-2024)
- Somerset Mill PM2 conversion and expansion from CWF to SBS initiated and progressing well (commission mid-2025)
- Furfural – class 10 engineering study for commercial scale plant initiated

Sustain our financial health

- Net debt reduced to US\$1,085 million
- Net debt: EBITDA 1.5x
- Disciplined capital allocation and value returned to shareholders
 - Dividend
 - Share buy back
- Repurchased portion of 2026 bonds
- Repaid SSA 07 Public Bond
- Rationalising graphic paper capacity in Europe

Growing our business

Somerset Mill PM2 conversion and expansion

- Project progressing well – within budget, and schedule on track
- Environmental permitting completed with receipt of air license
- Construction management continues to effectively manage the ~100 contractors on site daily



Growing our business Somerset Mill PM2 conversion and expansion sappi



Sustainability targets FY23

People & Prosperity



Safety

- LTIFR* target achieved in all regions
- Strong safety focus



Gender diversity

- Target for women in senior positions achieved
- SEU needs further improvement



Sustainable procurement

- Target achieved; 79% of our group procurement spend with a declared compliance with our Supplier Code of Conduct



Advanced broad-based black economic empowerment (BBBEE)**

- Level 1 contributor (Next audit in December 2023)



Employee engagement

- Exceeded both participation and engagement targets
- 94% participation rate

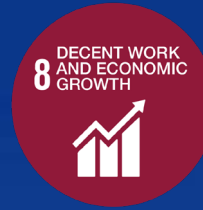


Return on capital employed (ROCE)

- Target not achieved

* Lost time injury frequency (LTIFR) rate for own employees and contractors.

** Specific to Sappi Southern Africa.



Specific for Sappi Southern Africa

Thrive25

Sustainability targets FY23

Planet

Specific process water usage*

- Target not achieved

Energy efficiency

- Negative impact of production curtailment

Share of renewable energy

- Below FY23 target but improvement from FY22

Specific landfilled solid waste

- Negative impact of production curtailment and various once-off waste disposals

Specific GHG emission

- Negative impact of production curtailment

Certified fibre (%)

- Target achieved

Biodiversity*

- Action plans in progress to improve habitat conditions in important conservation areas within forestry landholdings

* Specific to Sappi Southern Africa.



Our approved science-based targets

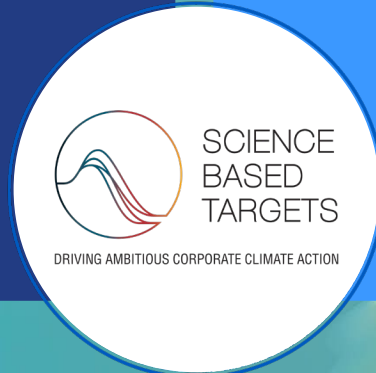
Our commitment

- Reduce Scope 1 and Scope 2 GHG emissions by 41.5% per ton of product by 2030 from a 2019 base year.*
- 44% of our suppliers by spend will have science-based targets by 2026.

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

Our FY23 performance

- Target: 0.73 tons CO₂/adt
- Actual: 0.94 tons CO₂/adt
- Production curtailments significantly reduced the energy efficiency of our operations.
- 21% of suppliers by spend have set science-based targets.





Outlook

Demand

- Persistent global macroeconomic challenges and generally subdued consumer sentiment continue to impact demand for many of our products
- Demand for graphic papers has experienced a permanent structural decline

Strategy

- We remain committed to our stated strategy to reduce exposure to graphic paper markets
 - Conversion and expansion of Somerset Mill PM2 graphic paper asset to solid bleached sulphate paperboard
 - Rationalisation of European capacity through the closure of Stockstadt Mill and the potential closure of Lanaken Mill



Shuts

- Scheduled maintenance shuts at Saiccor, Ngodwana and Cloquet Mills
- Estimated US\$40 million impact on group profitability

Capital expenditure

- Capital expenditure for FY24 is estimated to be in the region of US\$500 million including ~US\$154 million for the Somerset Mill PM2 project

Overall impact on Q1 FY24

- Notwithstanding the gradual recovery in pulp and paper markets and taking into consideration the impact of the scheduled maintenance shuts, we anticipate that the EBITDA for Q1 FY24 will be below that of Q4 FY23

Thank you

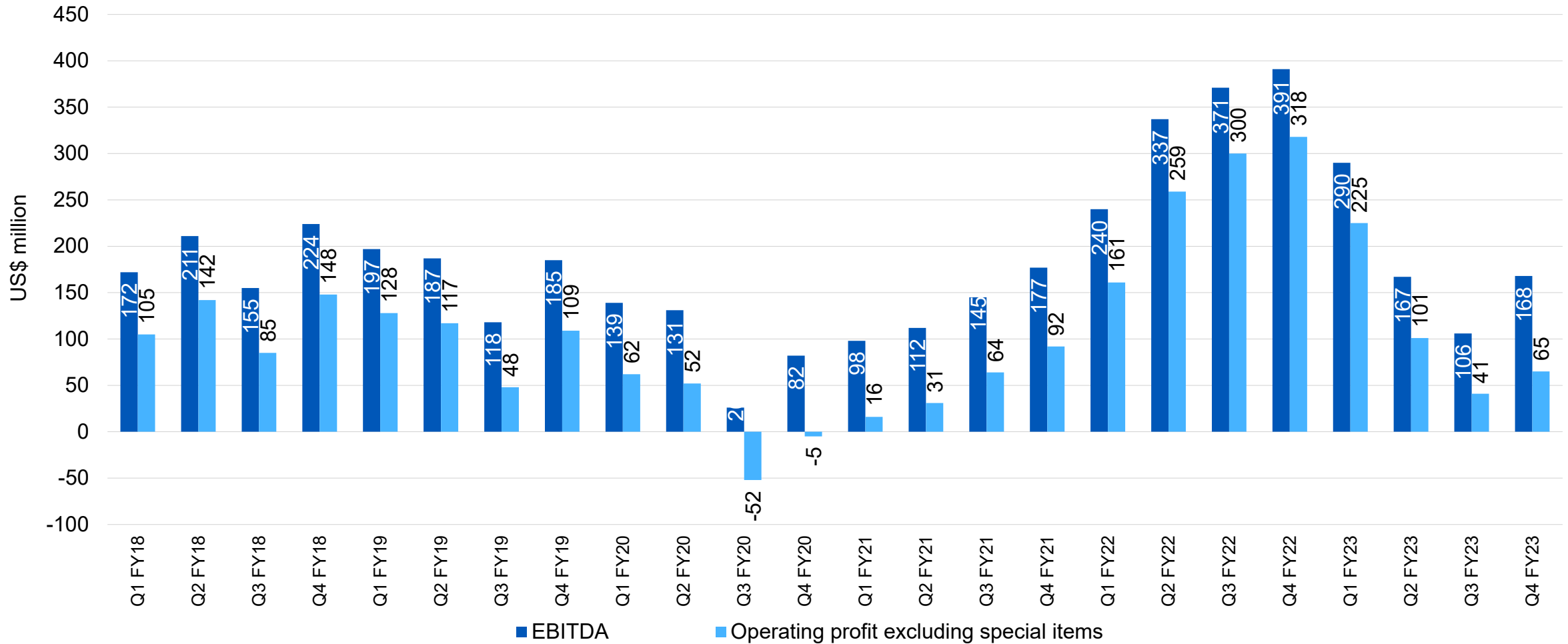


Supplementary information



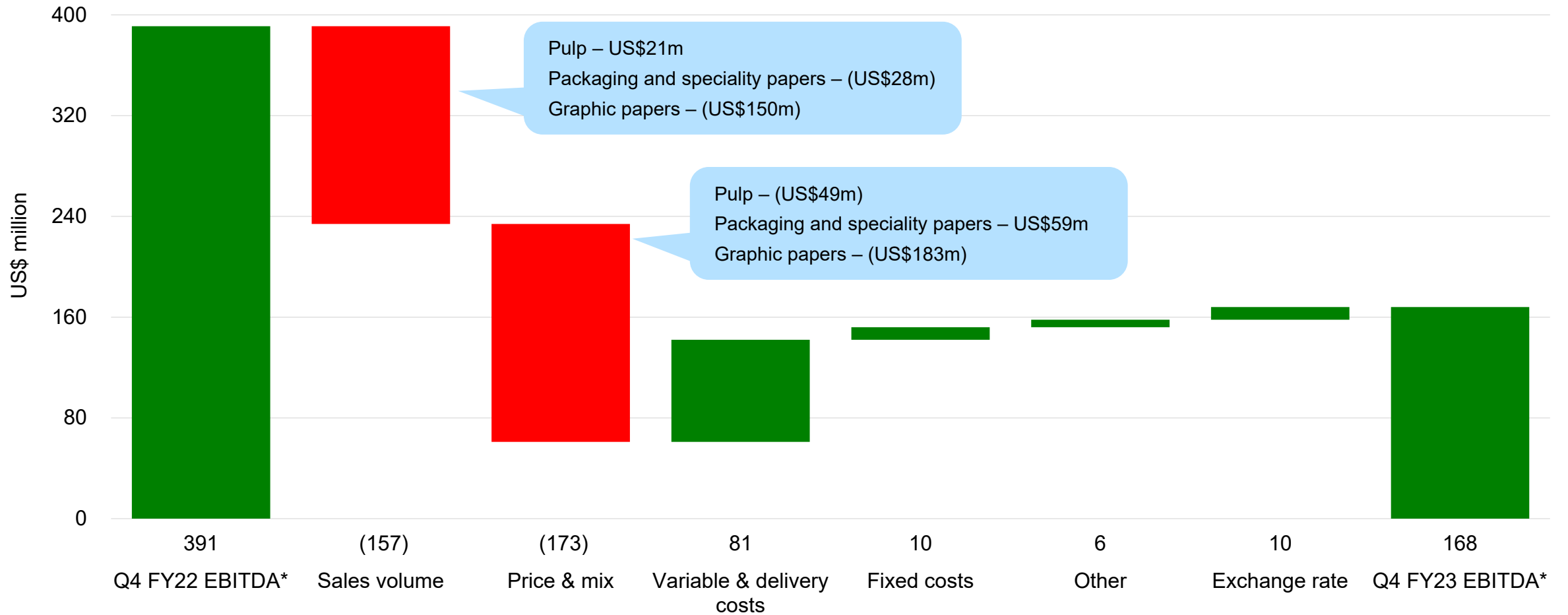
EBITDA and operating profit

Excluding special items*



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EBITDA* reconciliation Q4 FY22 to Q4 FY23

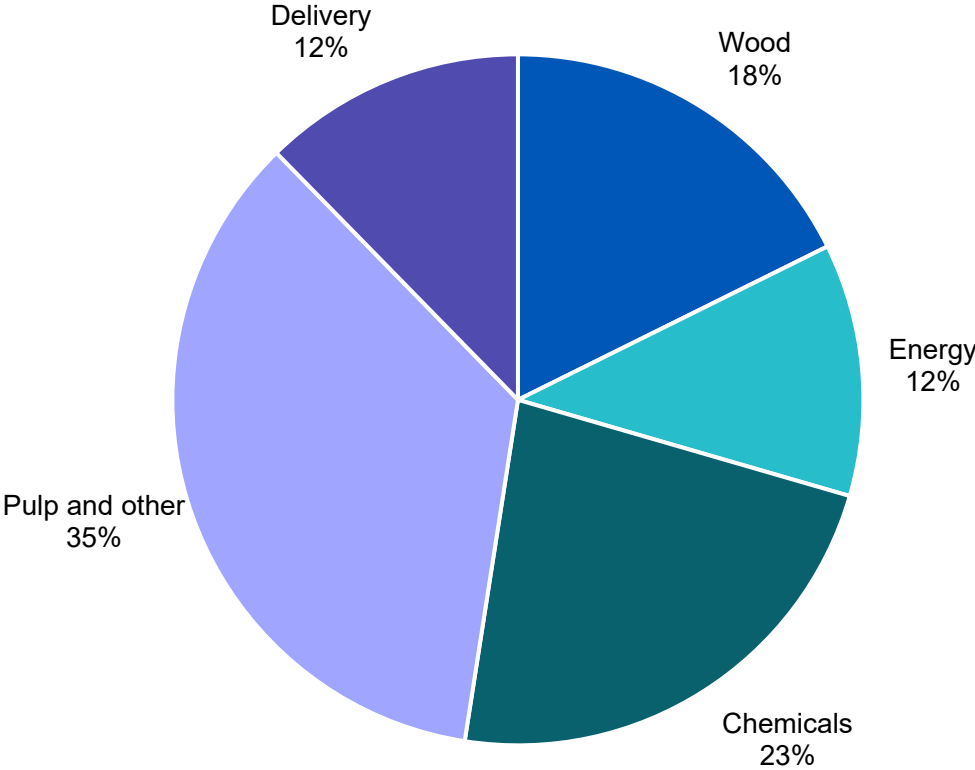


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 3. * = Excluding special items.

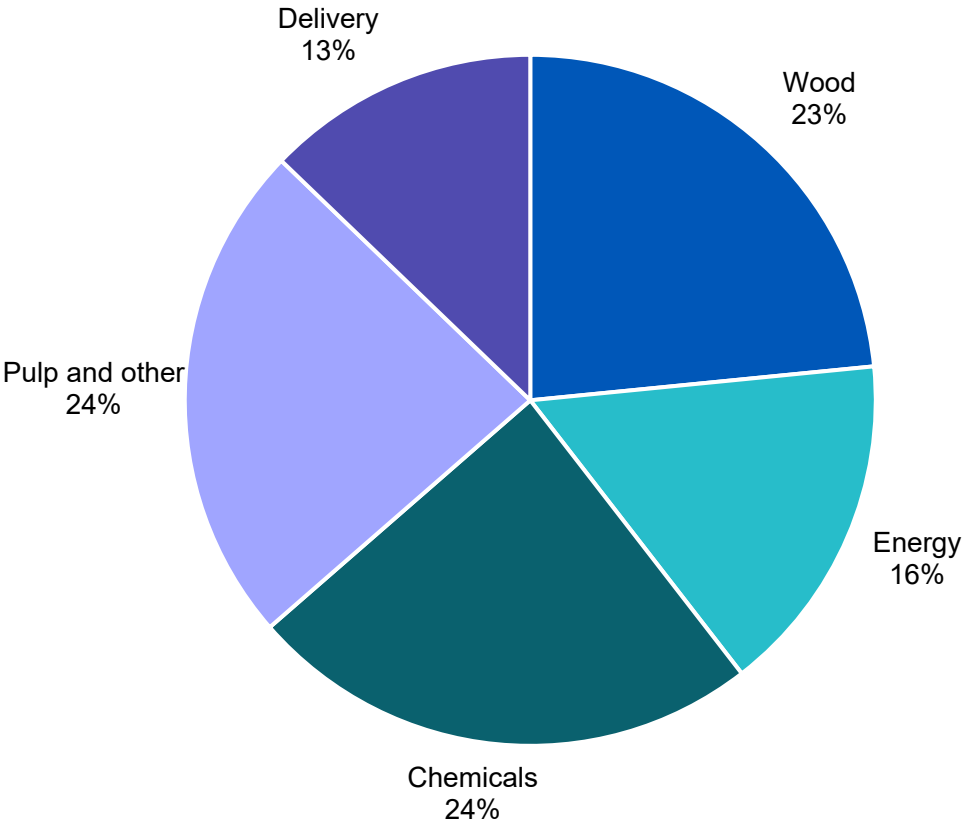
Cost inflation developments

Major variable input cost

FY19



FY23



Planned maintenance shut schedule FY24

Unit	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Gratkorn Mill	X	X	X	X
Cloquet Mill	X			
Somerset Mill		X	X	X
Ngodwana Mill	X			
Saiccor Mill	X		X	
Tugela Mill		X		

- Q1 FY23 shut cost impact is estimated to be US\$40 million
- Gratkorn Mill shuts for Q1, Q2 & Q4 are project-related
- Somerset Mill shuts are mainly project-related

Note: Major maintenance shuts are disclosed in the table above. Major maintenance shuts are defined as maintenance shuts that last for more than 14 days or have an EBITDA impact of more than US\$2 million.

Packaging and speciality papers Production facilities



Alfeld Mill (Germany)
Flexible packaging, label paper, paperboard, silicone base paper, functional paper



Gratkorn Mill (Austria)
Label paper



Rockwell Solutions (Scotland)
Functional papers and flexible packaging, coated barrier film



Carmignano Mill (Italy)
Flexible packaging paper, label paper, dye sublimation paper



Lanaken Mill (Belgium)
Functional paper



Somerset Mill (United States)
Label paper, paperboard, flexible packaging



Cloquet Mill (United States)
Label paper



Maastricht Mill (Netherlands)
Paperboard



Tugela Mill (South Africa)
Containerboard



Condino Mill (Italy)
Flexible packaging paper, silicone base paper, dye sublimation paper



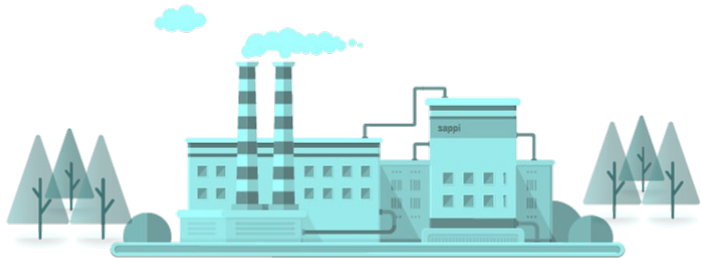
Ngodwana Mill (South Africa)
Containerboard



Westbrook Mill (United States)
Casting and release paper



Eningen Mill (Germany)
Containerboard





Packaging papers



- Paperboard
- Flexible packaging
- Containerboard



Speciality papers



- Label & self-adhesive
- Casting & release
- Dye sublimation
- Tissue



Graphic papers



- Coated woodfree
- Coated mechanical
- Newsprint
- Office



Pulp



- Dissolving pulp
- High-yield pulp
- Kraft pulp



Biomaterials



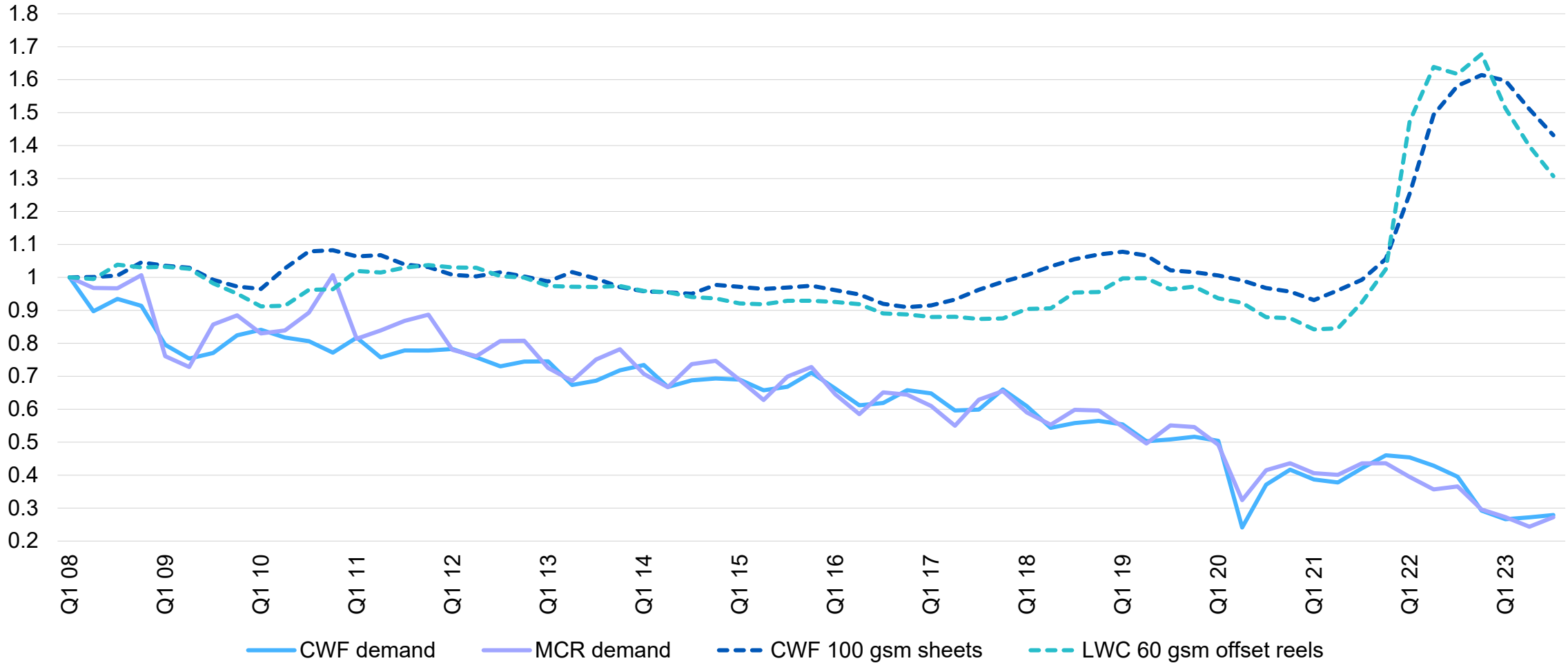
- Biochemicals
- Fibrillated cellulose
- Lignin

	Q4 FY23	Q3 FY23	Q4 FY22
Tons sold ('000)	469	434	757
- <i>Packaging and speciality papers</i>	111	107	153
- <i>Graphic papers</i>	358	327	604
Sales (EURm)	537	543	982
Price/Ton (EUR)	1,145	1,251	1,297
Cost/Ton* (EUR)	1,252	1,288	1,162
Operating profit excluding special items** (EURm)	(50)	(16)	102
EBITDA excluding special items** (EURm)	2	3	130

* Sales less operating profit excluding special items divided by tons sold.

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Coated paper Deliveries and prices Western Europe*



* Western Europe shipments, including export.

Source: Cepifine, Cepiprint and RISI indexed to Q1 08.

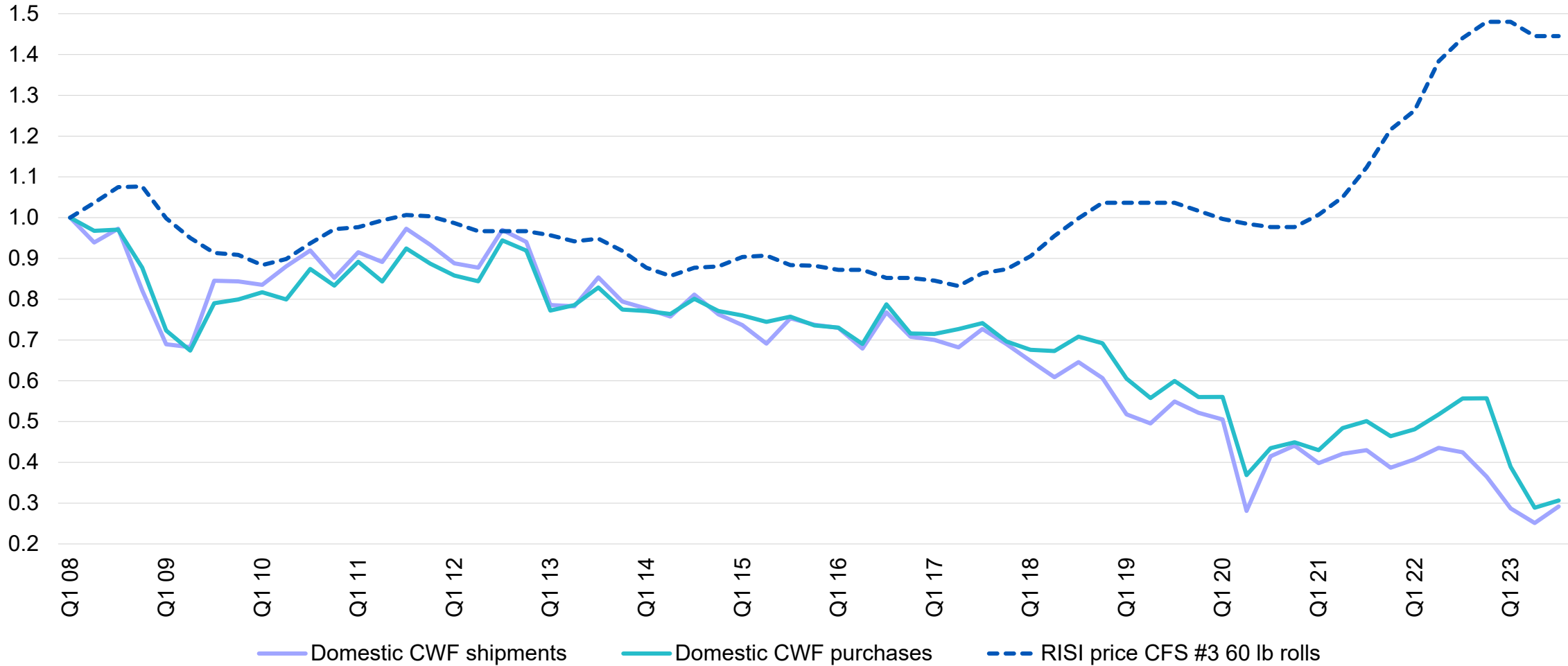
	Q4 FY23	Q3 FY23	Q4 FY22
Tons sold ('000)	360	305	423
- Pulp*	142	119	111
- Packaging and speciality papers	90	83	135
- Graphic papers	128	103	177
Sales (US\$m)	431	395	586
Price/Ton (US\$)	1,197	1,295	1,385
Cost/Ton** (US\$)	1,094	1,282	1,099
Operating profit excluding special items*** (US\$m)	37	4	121
EBITDA excluding special items*** (US\$m)	60	27	143

* Included in pulp volumes are BCTMP and kraft market pulp volumes of Q4 FY23 – 66 Kt, Q3 FY23 – 49 Kt and Q4 FY22 – 40 Kt.

** Sales less operating profit excluding special items divided by tons sold.

*** Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items.

Coated paper Deliveries and prices United States*



* US industry purchases are defined as industry shipments plus imports, less exports.

Source: AF&PA and RISI indexed to Q1 08.

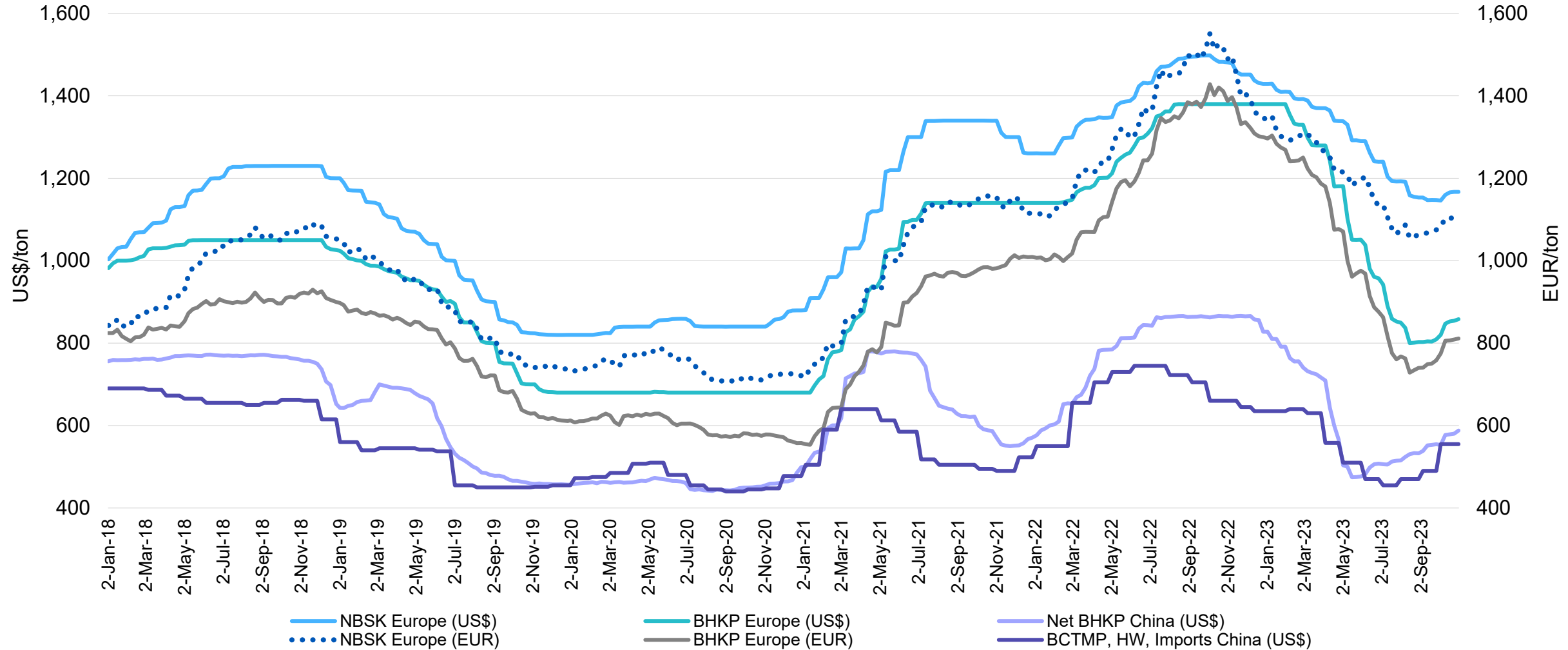
	Q4 FY23	Q3 FY23	Q4 FY22
Tons sold* ('000)	431	399	404
- Pulp	272	259	267
- Packaging and speciality papers	123	106	105
- Graphic papers	36	34	32
Sales* (ZARm)	6,817	6,389	5,924
Price/Ton* (ZAR)	15,817	16,013	14,663
Cost/Ton** (ZAR)	12,508	13,652	10,923
Operating profit excluding special items*** (ZARm)	1,426	942	1,511
EBITDA excluding special items*** (ZARm)	1,854	1,335	1,881

* Tons sold, sales and price per ton exclude forestry operations.

** Sales less operating profit excluding special items divided by tons sold.

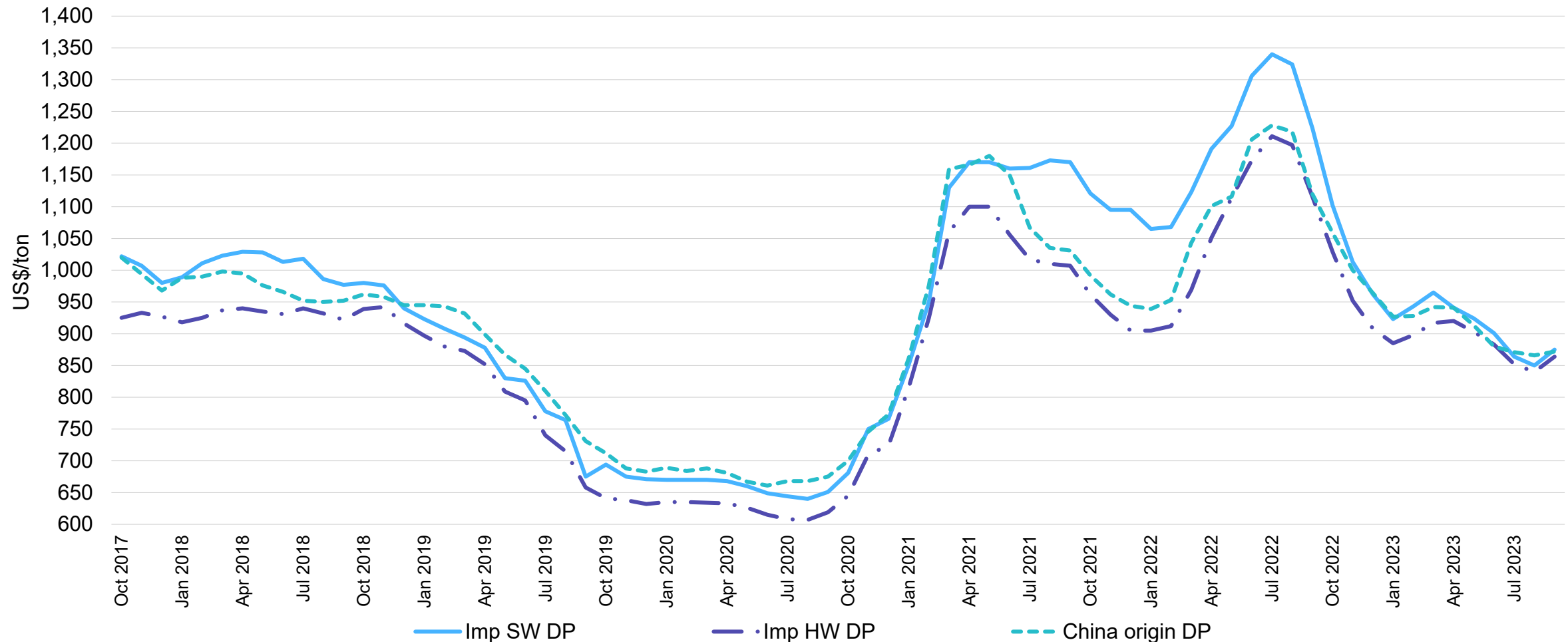
*** Refer to the supplementary information in this presentation for a reconciliation of EBITDA to reported operating profit and page 30 in our Q4 FY23 financial results booklet (available on www.sappi.com) for a definition of special items.

Paper pulp Prices



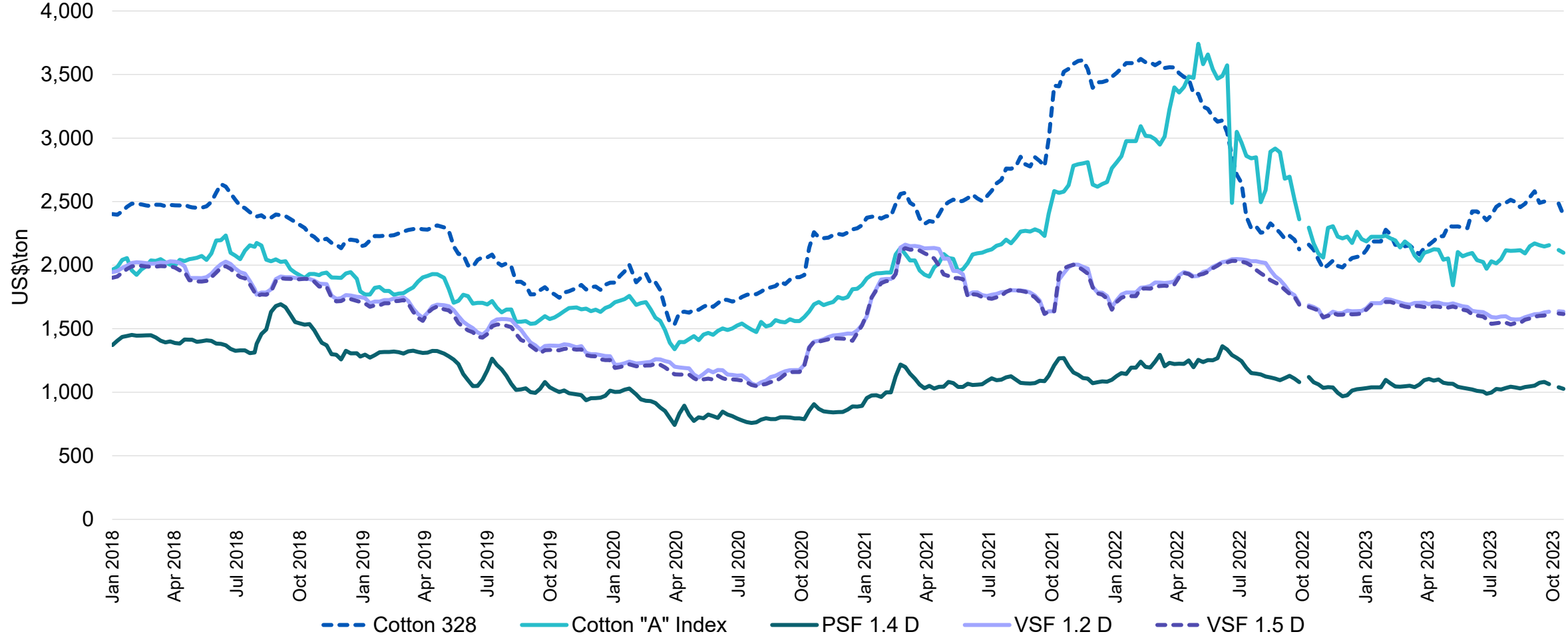
Source: FOEX, CCF group, RISI.

Dissolving pulp Prices



Source: CCF Group.

Textile fibre Prices



Source: CCF Group.

US\$m	Q4 FY23	Q3 FY23	Q4 FY22
Cash generated from operations	126	91	352
Movement in working capital	164	89	78
Finance costs paid	(23)	(33)	(50)
Finance income received	8	7	5
Taxation (paid) refund	(28)	(14)	(8)
Dividend paid	-	-	-
Cash generated from operating activities	247	140	377
Cash utilised in investing activities	(171)	(67)	(135)
Capital expenditure	(179)	(62)	(134)
Proceeds on disposal of assets	5	-	1
Other non-current asset movements	3	(5)	(2)
Net cash generated (utilised)	76	73	242

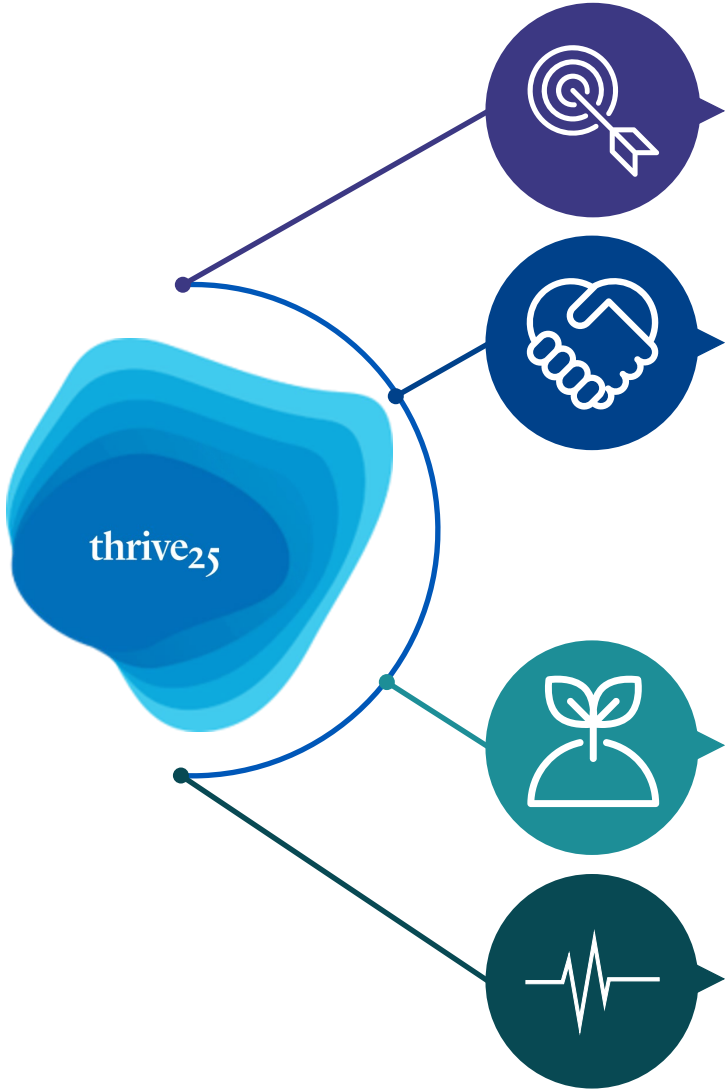
EBITDA and operating profit

Excluding special items* reconciliation to reported operating profit

US\$m	Q4 FY23	Q3 FY23	Q4 FY22
EBITDA excluding special items*	168	106	391
Depreciation and amortisation	(103)	(65)	(73)
Operating profit excluding special items*	65	41	318
Special items* – gains (losses)	(80)	15	(213)
Plantation price fair value adjustment	85	20	6
Net restructuring provisions	(77)	-	-
Profit (loss) on disposal and written off assets	3	-	(19)
Asset impairments	(233)	-	-
Reversal of loss of held-for-sale assets	181	-	(183)
Profit (loss) on disposal of held-for-sale assets	-	-	-
Equity accounted investees impairment reversal	-	-	-
Insurance recoveries	(2)	10	6
Fire, flood, storm and other events	(37)	(15)	(23)
Operating profit	(15)	56	105

* Refer to page 26 in our Q4 FY23 results booklet (available on www.sappi.com) for a definition of special items.

Conversion and expansion of Somerset Mill PM2

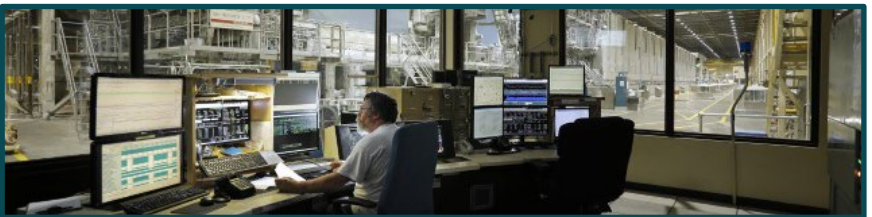


- Conversion and expansion of Somerset Mill PM2 from 235,000 tons per annum CWF to 470,000 tons SBS
- Approved by the board on 09 November 2022

- Progressing well
- Start-up H2 FY25

- Aligned with Thrive25 strategy to reduce exposure to declining graphic papers markets and grow packaging and speciality papers
- North American demand for food service board and flexible packaging exceeds the current supply
- Significant growth opportunity as consumer demand for packaging shifts from plastic to paper
- Somerset Mill PM1 hybrid capability to produce both CWF and SBS provides maximum flexibility for optimising product mix during ramp up

- Project cost ~ US\$418 million
- Spend will be phased over three years
- FY24 – US\$154 million



Who we are

Sustainability is at the core of our business and work culture.

Every solution we create supports our goal to make everyday products more sustainable.

We know that the long-term sustainability of our business will only be ensured by delivering sustained value for our stakeholders.

We will be a sustainable business with an exciting future in woodfibre that provides relevant solutions, delivers enhanced value and is a trusted partner to all our stakeholders.



ESG - Continuously rethinking what we do and how we do it

Our commitment to sustainable growth



Awarded
Platinum Level
in sustainability
performance by
independent rating
agency **EcoVadis**

Sappi Forests
100% FSC- and
PEFC-certified

SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Validated
**Science-Based
GHG reduction**
target

Corporate
Responsibility

Prime

rated by
ISS-oekom

Rated '**Prime**' by
Oekom Research,
an improvement
from C+ to **B-**
(December 2022)

MSCI
ESG RATINGS

A

MSCI rating
improved to **A**
(May 2022)

CCC | B | BB | BBB | **A** | AA | AAA



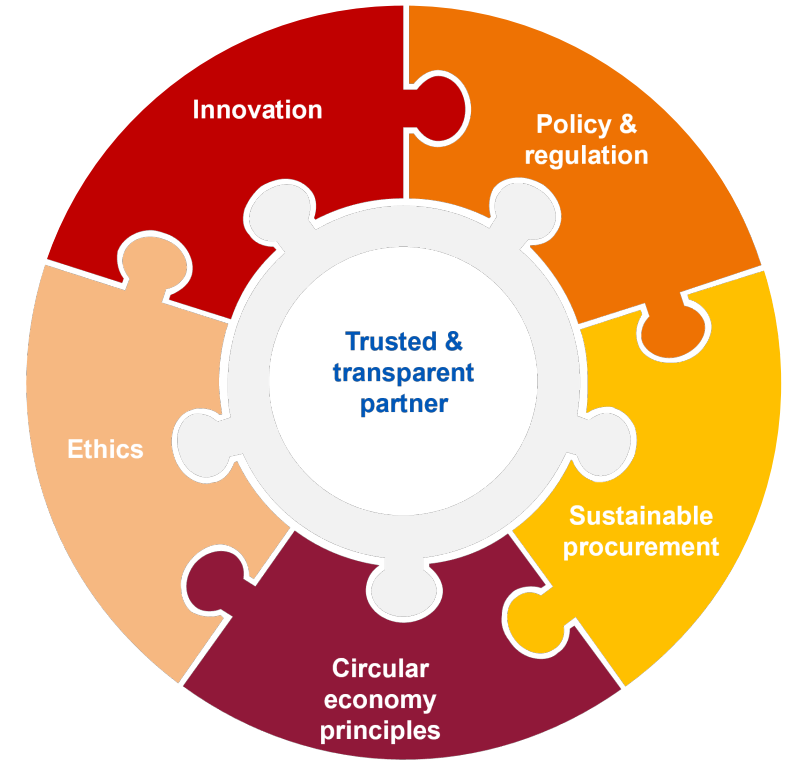
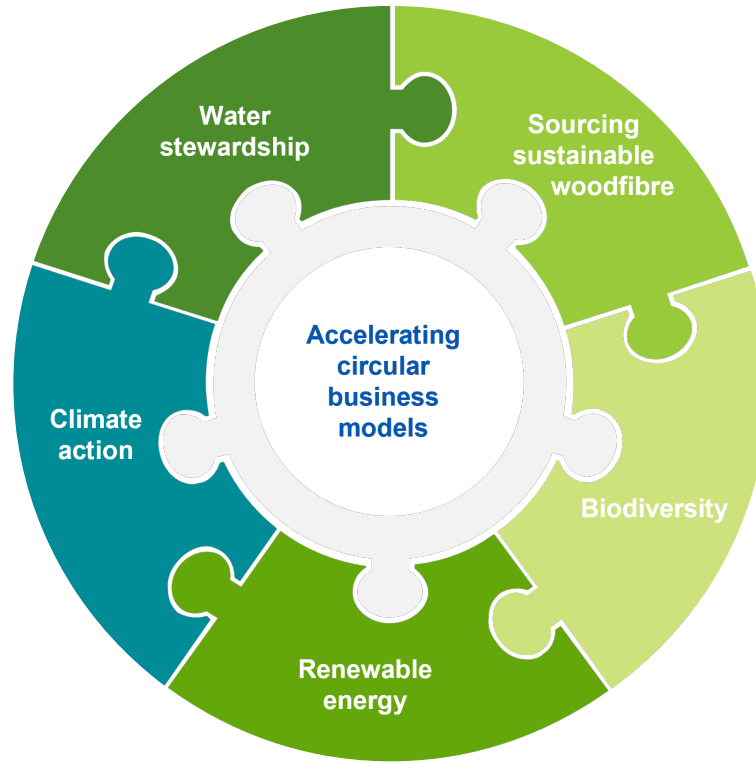
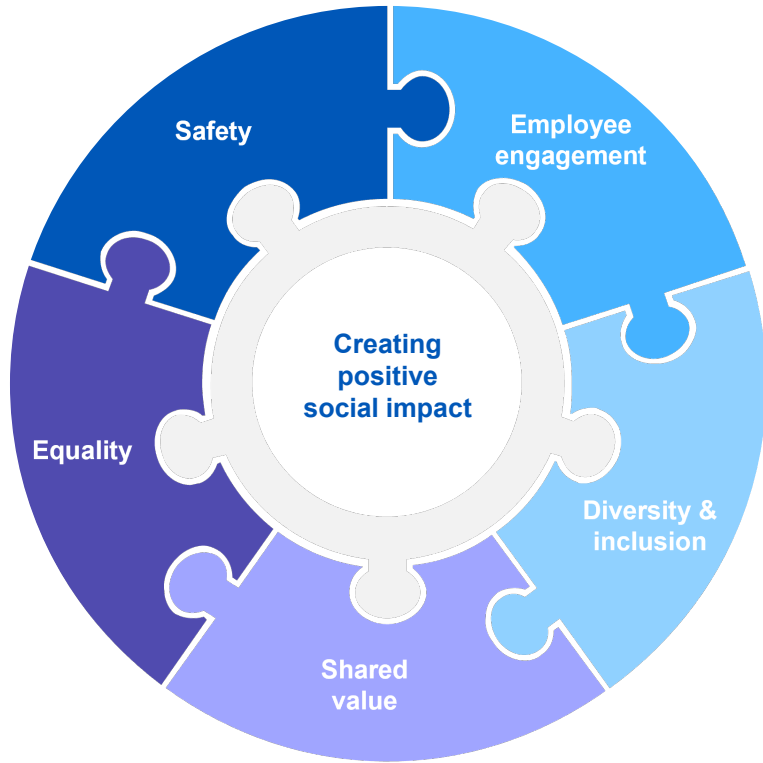
Report to the **CDP** (www.cdp.net/en)
under its **climate change** (2022 B),
forest (2022 A-) and **water** (2022 B-)
programmes making our responses
publicly available on www.sappi.com

the dti
Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

BBBEE

Sappi Southern
Africa is a **Level 1**
broad-based black
economic
empowerment
contributor (2022)

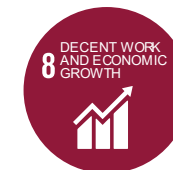
Our Thrive 25 sustainability commitments



Sappi commits to:

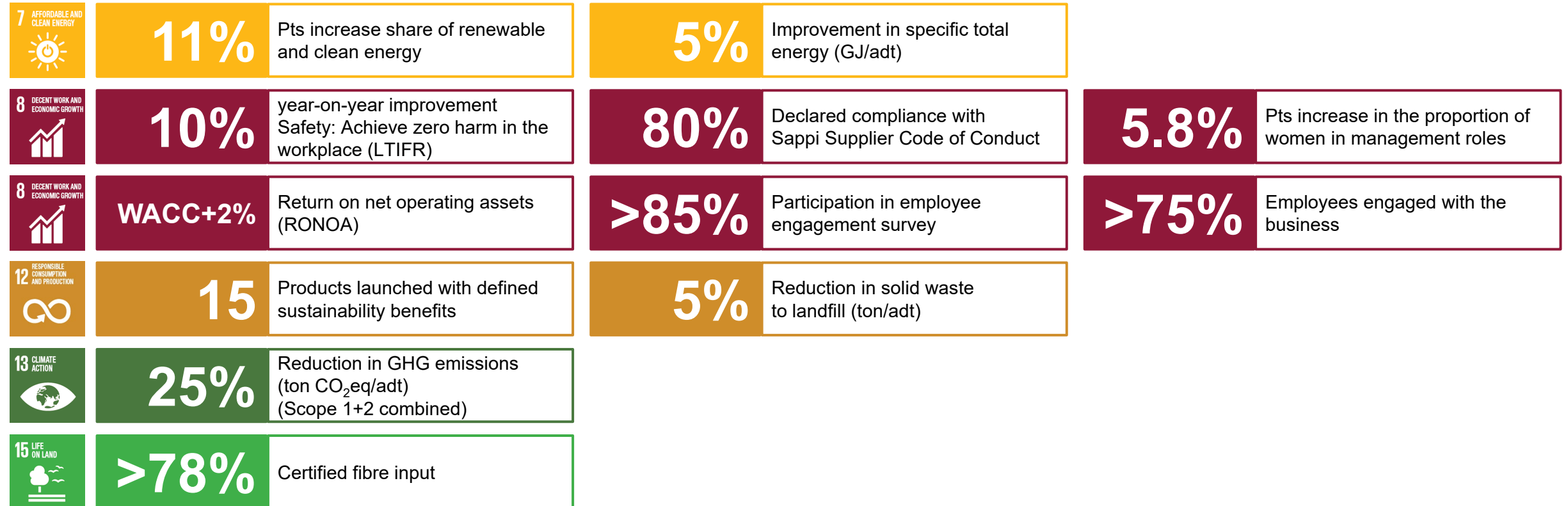
- Reducing Scope 1 and Scope 2 emission intensity by 41.5% per ton of product by 2030 (from a 2019 base year), and
- That 44% of its suppliers (by spend) will have science-based targets by 2026

SUSTAINABLE DEVELOPMENT GOALS



2025 Sustainability targets are aligned with United Nation's Sustainable Development Goals (SDGs)

What we need to achieve in Sappi Europe between 2021–2025*:



* Our baseline year is FY19.

2025 Sustainability targets are aligned with United Nation's Sustainable Development Goals (SDGs)

What we need to achieve in Sappi North America between 2021–2025*:

<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Within 5% of baseline or higher</p>	<p>Share of renewable and clean energy Baseline = 79.1%</p>	<p>5%</p>	<p>Improvement in specific total energy (GJ/adt)</p>		
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>10%</p>	<p>year-on-year improvement Safety: Achieve zero harm in the workplace (LTIFR)</p>	<p>80%</p>	<p>Declared compliance with Sappi Supplier Code of Conduct</p>	<p>4%</p>	<p>Pts increase in the proportion of women in management roles</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>WACC+2%</p>	<p>Return on net operating assets (RONOA)</p>	<p>>85%</p>	<p>Participation in employee engagement survey</p>	<p>>75%</p>	<p>Employees engaged with the business</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>5</p>	<p>Products launched with defined sustainability benefits</p>	<p>10%</p>	<p>Reduction in solid waste to landfill (ton/adt)</p>		
<p>13 CLIMATE ACTION</p>	<p>5%</p>	<p>Reduction in GHG emissions (ton CO₂eq/adt) (Scope 1+2 combined)</p>				
<p>15 LIFE ON LAND</p>	<p>>55%</p>	<p>Certified fibre input</p>				

* Our baseline year is FY19.

2025 Sustainability targets are aligned with United Nation's Sustainable Development Goals (SDGs)

What we need to achieve in Sappi Southern Africa between 2021–2025*:

	7%	Pts increase share of renewable and clean energy	9%	Improvement in specific total energy (GJ/adt)		
	10%	year-on-year improvement Safety: Achieve zero harm in the workplace (LTIFR)	80%	Declared compliance with Sappi Supplier Code of Conduct	3.1%	Pts increase in the proportion of women in management roles
	WACC+2%	Return on net operating assets (RONOA)	>85%	Participation in employee engagement survey	>75%	Employees engaged with the business
	5	Products launched with defined sustainability benefits	24%	Reduction in solid waste to landfill (ton/adt)		
	20%	Reduction in GHG emissions (ton CO ₂ eq/adt) (Scope 1+2 combined)	21%	Reduction in specific purchased fossil energy		
	>82%	Certified fibre input	10%	Biodiversity improvement on our own forestry landholdings	>4 Mt	Sustainable annual growth in our plantations
	23%	Reduction in specific water use		Level 1	BBBEE contributor status	

* Our baseline year is FY19.

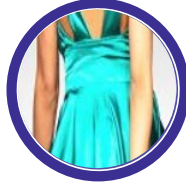
Innovative R&D focus

Unlocking the full potential of each tree

Graphic papers
Packaging and speciality papers
Commercial print and publishing
Product packaging
Technical papers



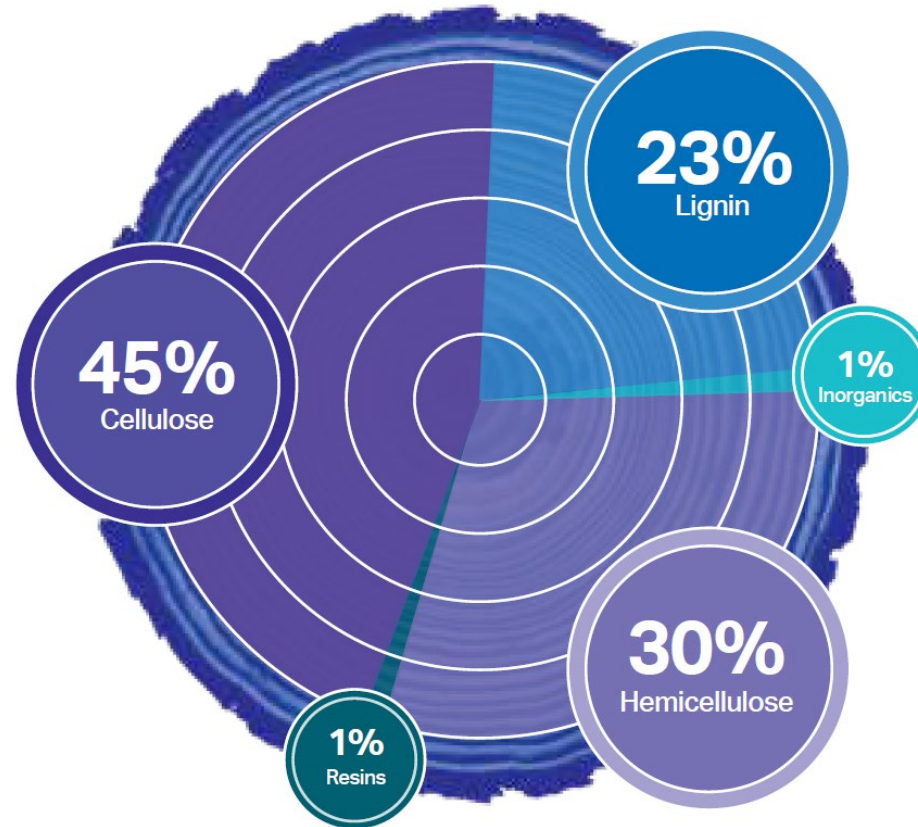
Dissolving pulp
Textiles
Pharmaceuticals
Foodstuffs



Nanocellulose
Reinforcing agent
Control release agent
Viscosity modifier



Casting and release papers
Textures for materials
Functional films
Automotive wraps



Chemicals from lignin
Binding agent
Dispersion agent
Emulsion stabiliser



Extraction and beneficiation of C5 sugars
Xylose
Xylitol
Furfural

Thank you

