

2025 Annual Integrated Report

for the year ended September 2025

sappi



Our reporting suite

2025 Sappi Annual Integrated Report

www.sappi.com/annual-reports 

Provides a holistic view of how Sappi creates, preserves and protects value across our capitals. It covers:

- Strategic progress under our **Thrive** strategy
- Performance against financial and non-financial objectives
- Material matters, principal risks and operating context
- Governance and outlook for future value creation.

Frameworks

- Integrated Report (IR) Framework
- Companies Act 71 of 2008 (as amended) of South Africa (Companies Act)
- Johannesburg Stock Exchange (JSE) Listings Requirements
- King IV Code on Corporate Governance™ for South Africa 2016 (King IV)¹.

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2025 Sappi Group Annual Financial Statements

www.sappi.com/annual-reports 

This report presents the group's audited financial results for the year in accordance with IFRS, offering stakeholders transparent insight into our financial position, performance and cash flows. The AFS cover:

- Consolidated income statement, balance sheet and cash flow information
- Notes to the financial statements and detailed accounting policies
- Segmental performance and key financial drivers
- Independent auditor's report and directors' report.

Frameworks

- International Financial Reporting Standards (IFRS)
- Companies Act
- JSE Listings Requirements
- King IV.

2025 Sappi Group Sustainability Report

www.sappi.com/2025GSDR 

Provides an overview of the environmental, social and governance priorities identified with key stakeholders and the material issues shaping our strategy. It highlights our commitments, actions and performance against sustainability targets across our 4P's framework – Principles, Prosperity, People and Planet. It includes extensive metrics and disclosures covering:

- Sustainable forestry, biodiversity, climate change, water stewardship, waste and circularity initiatives
- Social impact within our workforce and communities
- Ethics and responsible procurement
- Limited external assurance of selected key performance indicators.

Frameworks

- Global Reporting Initiative (GRI) standards
- United Nations Global Compact (UNGC)
- United Nations Sustainable Development Goals (UN SDGs).

2025 Sappi King IV Application Register

www.sappi.com/annual-reports 

Demonstrates how we apply the King IV principles through ethical leadership, strong governance and transparent reporting across the group. It covers:

- Principle-by-principle application of King IV
- Board roles, responsibilities and oversight mechanisms
- Committee structures and governance processes
- Alignment between governance practices and value creation.

2025 Sappi Risk Report

www.sappi.com/annual-reports 

Provides a comprehensive view of the risks facing Sappi in a dynamic global context, outlining how we manage uncertainty to protect and grow value. It covers:

- Principal risks related to our business
- Climate-related, environmental, safety and regulatory risks
- Risk governance, tolerance and mitigation approaches
- External factors shaping the operating environment.

2025 Sappi Our Leadership and Executive Management Report

www.sappi.com/annual-reports 

Profiles the board, Executive Committee and regional leaders who guide Sappi's strategy and performance. It covers:

- Board composition, independence, skills and expertise
- Executive leadership roles and group management structure
- Committee memberships and governance responsibilities.

2025 TCFD Report

www.sappi.com/annual-reports 

Outlines how climate-related risks and opportunities inform our strategy, governance and risk management processes, providing clear insight into our climate transition journey and operational resilience. It covers:

- Climate strategy and governance
- Climate risks and opportunities
- Scenario analysis and strategic resilience
- Risk management integration
- Climate metrics and decarbonisation targets.

2025 TNFD Report

www.sappi.com/annual-reports 

Demonstrates how nature-related dependencies, impacts, risks and opportunities shape our strategy and value chain, informing how we manage forests, water, biodiversity and broader ecosystem impacts. It covers:

- Nature strategy and governance
- Nature-related risks, impacts and opportunities
- Priority locations in our forestry landholdings
- Risk management integration
- Metrics, targets and nature-positive actions.

For up-to-date information, please refer to our quarterly results announcements and analyst presentations

www.sappi.com/quarterly-reports 

How to navigate our report

Throughout our Annual Integrated Report, the following icons are used to show the connectivity between sections:

Referencing



Page



Online



Risk

Thrive strategy



Grow our business



Sustain our financial health



Drive operational excellence



Enhance trust

Sappi's 4Ps



Principles



Prosperity



People



Planet

Our capitals



Intellectual capital



Financial capital



Manufactured capital



Human capital



Social and relationship capital



Natural capital

Sappi and the United Nations (UN) Sustainable Development Goals (SDGs)



* Sappi Southern Africa (SSA) priority SDGs.



This report is printed on
Galerie Silk 350 and 130 g/m².

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Our cover image

The Falkirk Wheel, Scotland: Navigating with ingenuity

The Falkirk Wheel in Scotland is the world's only rotating boat lift – an elegant feat of modern engineering that connects two canals separated by 35 metres of elevation. Using precision balance and minimal energy, it lifts vessels effortlessly, symbolising how innovation can overcome obstacles with efficiency and ingenuity.

Chosen as our cover image, it reflects the theme of Navigate: overcoming complexity with clarity, purpose, and innovation.

Scan the QR code to find out more about this modern-day wonder.



About this report

Our Annual Integrated Report for the year ended 30 September 2025 provides an overview of how we create value through our purpose, vision and strategy.

This report reflects on key opportunities and risks in our markets, our performance against financial and non-financial objectives, and our goals and focus areas for the year ahead.

Although the report's primary audience is our shareholders, it contains information relevant to a broad group of stakeholders. Our group and regional sustainability reports address a wider audience with more detail on stakeholder engagement and key material issues. The main content of this report (pages 1 to 207) is supplemented by supporting appendices (pages 210 to 238).

Holistic value creation

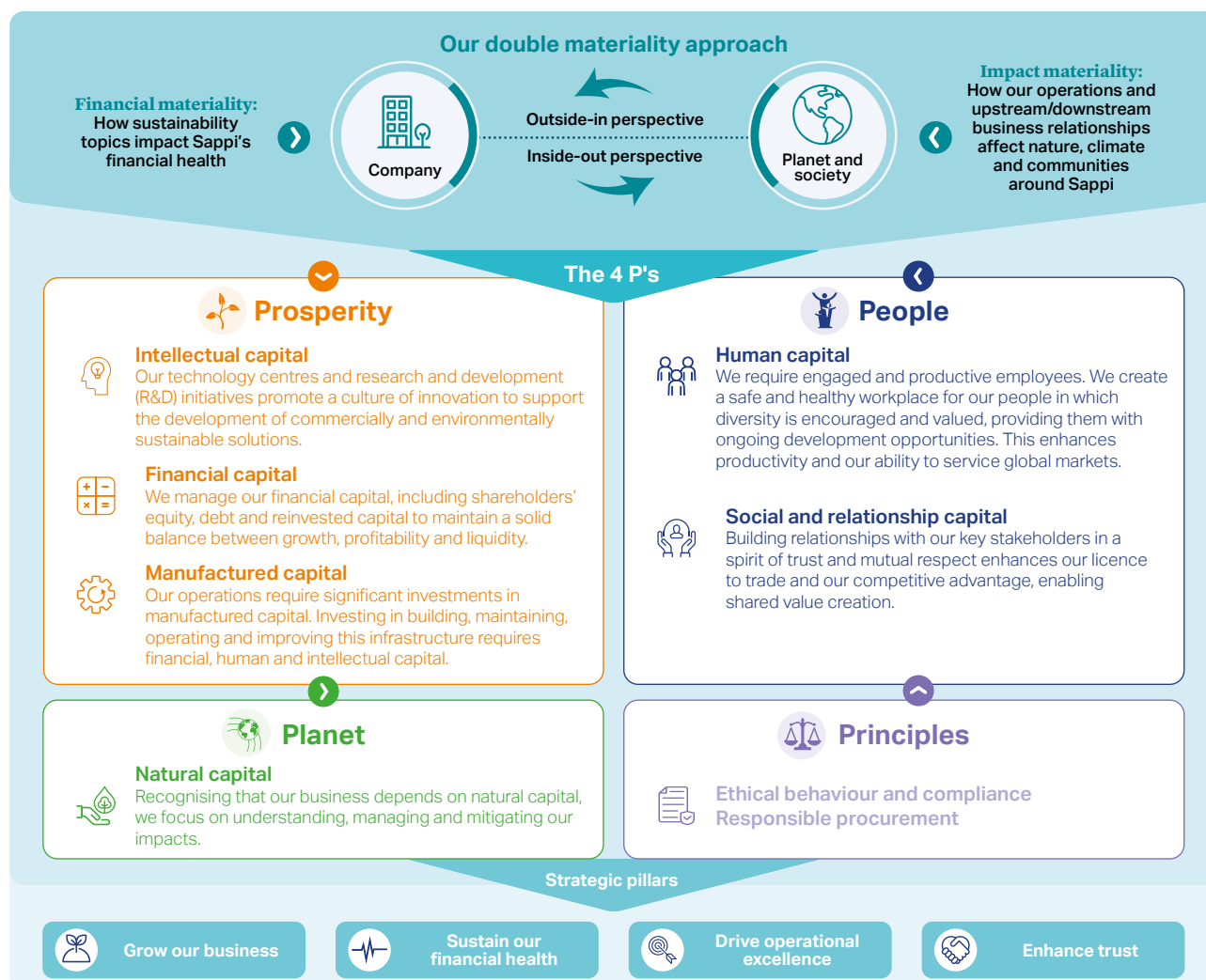
We take a holistic approach to creating value, recognising that Sappi's long-term sustainability depends on delivering meaningful outcomes for our stakeholders. We see value beyond delivering returns to our shareholders, and we focus on maximising every resource throughout our value chain to ensure those returns are sustainable. We recognise that our sphere of influence and impact extends beyond our mill gates.

Materiality

This report considers material information relevant to our stakeholders based on extensive ongoing engagement. We assessed materiality against the backdrop of current business operations and industry trends and the global economic environment. We adopt a double materiality approach to enhance our stakeholders' understanding of the impact of environmental and social issues on Sappi's enterprise value and the impact of our activities on the environment and society. For a deeper understanding of the material matters that affect our business, refer to pages 64 to 99.

Scope and boundary

This report covers the period from 01 October 2024 to 30 September 2025. We aim to present material, relevant and complete information, while ensuring comparability. The issues and indicators included in this report reflect our significant economic, environmental and social impacts and factors that may substantively influence investors' assessments and decisions.



In determining our material matters and value creation over time, we consider the following timeframes:

Short term:	One to two years, in line with immediate risks and opportunities.
Medium term:	Three to five years, in line with management accounting's five-year financial forecast plan.
Long term:	Five to 30 years, considering the nature of our mill operations and capital investments for long-life assets, Sappi Forests' research planning horizons in response to climate change and the EU's plan to achieve carbon neutrality by 2050.

Our reporting boundary is critical to our materiality determination process. Our reporting boundary includes all our operations (refer to **Where we operate** on pages 18 to 19) and considers risks and opportunities beyond our financial reporting boundary that may significantly affect our ability to create value. These include material matters arising from our operating context, strategy, stakeholder issues, opportunities, risk management processes and SDG commitments, among others.

Our Annual Integrated Report boundary

Our operating context (page 48)

Our strategy and performance (pages 119 to 127)

Value creation (pages 20 to 23 and page 60)

Financial reporting entity:

- Sappi Europe
- Sappi North America
- Sappi Southern Africa (page 19).

Our key material issues (page 74)

Our key relationships (page 62)

Our risks and opportunities (page 52)

Assurance

We obtained limited external assurance on selected sustainability key performance indicators (KPIs) in our **2025 Sappi Group Sustainability Report** www.sappi.com/2025GSDR, which includes the independent practitioner's limited assurance report. Our internal audit team verifies sustainability information by reviewing the procedures we applied to collect, measure, calculate and validate non-financial data, as well as reviewing reported information and supporting documentation.

Most of our key operations undergo external verification, including:

- **Europe:** The Eco-Management and Audit Scheme
- **Europe and South Africa:** ISO 50001 energy certification
- **Globally:** ISO 45001 environmental certification, ISO 9001 quality certification and ISO 45001 health and safety certification.

Some of our mills are certified to the ISO 22000 food safety management standard and EN 15593 management of hygiene in the production of packaging for foodstuffs.

We are assessed in terms of the forest certification systems we use. In South Africa, an external rating agency assesses our broad-based black economic empowerment (BBBEE) performance.

These external assessments and certifications and stakeholder interactions ensure our performance indicators are reliable, accurate and pertinent. The Social, Ethics, Transformation and Sustainability (SETS) Committee is satisfied that the sustainability information presented in this report has been provided with a reasonable degree of accuracy.

Our financial information is verified by our external auditors. For information on the combined assurance framework relevant to the disclosure in this report and the independent auditors' report, see our group **Annual Financial Statements** at www.sappi.com/annual-reports

Board approval

The Sappi Limited board of directors (board) acknowledges its responsibility for ensuring the integrity of the 2025 Sappi Annual Integrated Report. To the best of its knowledge and belief, the 2025 Sappi Annual Integrated Report addresses all issues material to the group's ability to create and preserve value in the short, medium and long term and fairly presents the group's integrated performance and outlook.

The board believes that the 2025 Sappi Annual Integrated Report has been prepared in accordance with the IR Framework and speaks to Sappi's use of and effect on the 4Ps (addressing value creation, preservation and erosion), which are aligned with the six capitals.

The board thus approved the 2025 Sappi Annual Integrated Report on 05 December 2025.

Mr NL Sowazi
Chairman

Mr BR Beamish
Independent

Mr MA Fallon
Independent

Mr JM Lopez
Independent

Ms ZN Malinga
Independent

Ms B Mehloakulu
Independent

Mr RJAM Renders
Independent

Mr LL von Zeuner
Independent

Ms E Istavridis
Independent

Mr SR Binnie
Chief Executive Officer (CEO)

Mr GT Pearce
Chief Financial Officer

Forward-looking statements

In line with the IR Framework, this report contains forward-looking statements that enable users to understand the challenges and uncertainties Sappi is likely to encounter in pursuing its strategy. This information is included throughout the report.

For important information relating to these forward-looking statements, refer to the inside back cover.

Our 2025 reporting theme: Navigate

To navigate is to move with intention – through uncertainty, across shifting terrain, and towards a horizon that is sometimes distant, often unknown. Our 2025 reporting theme, Navigate, draws from the Latin *navigare*: to sail, to set in motion. Long before nautical charts, ancient mariners found their way through stormy, uncharted waters, guided by stars, swells, and instinct. They relied on observation, oral tradition, and rudimentary instruments to steer their course.

Today, we navigate a different kind of turbulence. Change is constant, and the socioeconomic landscape is increasingly complex. Political pressures – from rising protectionism and trade disputes to social unrest and leadership volatility – are reshaping global markets, supply chains, and the role of business in society. Climate extremes, technological breakthroughs, and economic recalibrations have shifted the currents beneath us.

The US tariff increases disrupted trade flows, prompting nations to reassess alliances and production strategies. Climate events – from searing heatwaves and catastrophic floods to unprecedented wildfire outbreaks – have underscored the urgency of environmental stewardship. As quantum computing and AI reshape the frontiers of innovation, they also require us to reflect on how technology should be applied ethically and inclusively.

For businesses, these forces have converged into a call to action. NGOs face mounting pressure under economic volatility, and companies are increasingly expected to channel resources, logistics, and advocacy into humanitarian response. The relationship between business and society is evolving – and we are committed to being part of that transformation, guided by purpose, responsibility, and shared prosperity.

At Sappi, we have had to find our way through these headwinds. From navigating pricing pressures in dissolving wood pulp to steering strategic shifts in our product mix, we have made deliberate choices to stay on course. The Somerset Mill conversion and expansion project marked a milestone in our packaging journey, while operational challenges in South Africa tested our agility and resolve.

Ultimately, navigation is not just about strategy or instruments – it is about people. The steady hands, shared values, and quiet determination of those who stay the course when seas are choppy. In times of turbulence, it is their resolve that keeps us moving forward – charting new paths, adjusting our sails, and holding fast to our purpose as we continue to navigate towards a future that is more circular, inclusive, and resilient.

Signal

Who we are

Sappi uses renewable resources to make woodfibre-based products. We are a diversified, innovative and trusted leader focused on sustainable processes and products, and are building a circular economy that benefits the world.

Our pulp, packaging and speciality papers, graphic papers and biomaterials are manufactured from woodfibre sourced from sustainably managed forests, in production facilities which, in many cases use internally generated bioenergy. Many of our operations are energy self sufficient.

We have manufacturing operations on three continents and sell our products in more than 150 countries. Our global presence allows us to optimise for different markets, while sharing best practices and the latest technological achievements.

Together with our partners, we work to build a thriving world by acting boldly to support Prosperity, People and Planet while upholding our Principles.

4.8 million tons

Paper production capacity per year

2.3 million tons

Paper pulp production capacity per year

1.5 million tons

Dissolving wood pulp production capacity per year

Globally we have around

11,350 employees¹

405,103 ha

Owned and leased sustainably managed forests in South Africa

¹ Fixed term contract and permanent employees. Includes Corporate and Sappi Trading.



Trail

Every trail we follow is shaped by people – the communities we serve, the teams we empower, and the values we uphold. At Sappi, we believe that sustainable progress begins with understanding local needs and investing in shared value.

Like the fox navigating snow-covered terrain, we move with agility and intent – alert to change, guided by experience, and grounded in ethical purpose. This instinctive adaptability mirrors our approach: making smart decisions swiftly, with courage and integrity, and always with safety foremost in mind.

The communities beyond our fence lines are places we are also proud to call home. Their prosperity is not only linked to our own – it is deeply valued and actively nurtured. Our social impact approach is collaborative. We partner with communities to jointly identify and leverage opportunities that support local needs while aligning with Sappi's purpose. While each region has its own programmes, they share common themes – forestry-related activities, environmental protection and conservation, education, and community welfare.

Through targeted enterprise and supplier development (ESD) programmes, we support local businesses and foster inclusive economic growth. We maintain open, proactive dialogue with stakeholders to build trust and mutual understanding.

Internally, we invest in training, succession planning, and skills development to prepare our workforce for future demands. We manage reputation with care and uphold ethical standards in every decision – ensuring that our path is shaped by smart choices and ethical resolve, moving swiftly but never at the expense of safety or integrity.

Our people-centred approach strengthens our social licence to operate and reinforces our commitment to shared progress – with every step, we remain alert, responsive, and purposeful.



Letter to stakeholders from the Chairman and CEO



“This year’s standout achievement was the successful completion of our Somerset Mill PM2 conversion and expansion project – an investment that advances our strategic growth ambitions. With this milestone, we now operate two of the most competitive, state-of-the-art paperboard machines in the United States, positioning us strongly for the future.”

Nkululeko Sowazi, *Chairman*

FY2025 operating review

The group delivered Adjusted EBITDA of US\$501 million for FY2025. Following a strong start to the financial year, market conditions deteriorated substantially from the second quarter, driven by heightened uncertainty stemming from persistent global trade tensions which precipitated a broad-based economic slowdown and weakening of consumer confidence. The deteriorating macroeconomic environment placed downward pressure on selling prices across all our market segments. In addition, a significant weakening of the US Dollar negatively impacted earnings in South Africa and translation of our Euro-denominated debt. Global paper markets remained heavily oversupplied, creating headwinds for our paper businesses. Despite these challenges, dissolving wood pulp (DWP) and packaging and specialty papers sales volumes increased year-on-year, and market share gains were achieved in the graphic papers segment.

A key highlight for the year was the completion of the Somerset Mill PM2 conversion and expansion project in North America. Although the start-up was delayed, the technical ramp-up is exceeding expectations with excellent initial market feedback of product quality. Our two state-of-the-art paperboard machines at the Somerset Mill position the business competitively in the North American paperboard market. Operationally, the group faced a challenging year. Scheduled maintenance shuts in South Africa extended beyond planned timelines in the second quarter, and the Somerset Mill PM2 shut and subsequent start-up disrupted production and impacted efficiencies in North America. In Europe, we made further progress towards our strategic rationalisation objectives, announcing consultation processes across four sites to improve capacity utilisation. Amid these operational and macroeconomic headwinds, the group remained committed to optimising asset utilisation, advancing cost-efficiency initiatives, and upholding financial discipline.

The principles of our **Thrive** strategy remained a priority with our focus on sustaining our financial health, enhancing trust and driving operational excellence. In addition, we achieved our objective of growing the business with the successful conversion and expansion of Somerset Mill PM2 from graphic papers to paperboard, with the project starting up in May 2025.

Safety

Safety remains fundamental to Sappi’s purpose and values, underpinning our commitment to protecting the lives and wellbeing of our employees, contractors, and communities. Safety performance during the year was challenging and remains an area of critical focus for the group. Tragically, two fatalities occurred in South Africa; one involving a contractor and one an employee. On behalf of the entire company, we extend our deepest condolences to the families, friends, and colleagues. The loss of life deeply impacts our organisation; nothing is more important than the safety and wellbeing of our people. The board has taken a direct role in overseeing the implementation of rigorous reviews of our safety measures and improvement initiatives. Our ambition of zero injuries remains firm, supported by ongoing investment in behavioural safety, leadership accountability, and continuous improvement, ensuring that everyone returns home safely each day.

Markets

Market conditions for DWP were challenging as uncertainty in the textile and apparel sector, driven by ongoing US-China trade tensions and tariff fluctuations, disrupted global supply chains. A narrowing price gap between DWP and bleached hardwood kraft (BHK) pulp prompted Chinese swing mills to increase output beyond typical levels, while some non-integrated viscose-staple fibre (VSF) producers substituted DWP with BHK pulp. This combination of weaker textile fibre prices and low paper pulp prices drove a substantial decline in the hardwood DWP market price.



“FY2025 marks the conclusion of our current five-year **Thrive** strategic cycle. Through structural transformation we have repositioned Sappi for resilience by shifting toward growth segments, enhanced operational excellence, and deepened stakeholder trust – setting the stage for the next phase of our journey.”

Steve Binnie, CEO

As trade concerns eased and VSF operating rates improved in the latter half of the year, demand stabilised, allowing for a modest price recovery. Despite these headwinds, demand for Sappi's DWP remained firm, with sales volumes rising by 2% on the back of stronger production in South Africa. However, higher costs and unfavourable exchange rate movements weighed on segment profitability.

Global demand for packaging and speciality papers remained muted, constrained by persistent macroeconomic uncertainty and restrained consumer spending. Intense competition across product categories, compounded by market oversupply, continued to exert significant downward pressure on prices. In Europe, demand remained particularly weak, with several product categories still lagging behind pre-Covid-19 levels. In North America, performance reflected intentional product mix adjustments aimed at positioning the business for future growth ahead of the Somerset Mill PM2 start-up, alongside discounted sales linked to initial start-up volumes. In South Africa, containerboard demand strengthened in the second half of the year, supported by a strong citrus season, though sales were limited by low inventory levels following an extended maintenance shutdown at Ngodwana Mill earlier in the year. Overall, segment sales volumes grew by 8% year-on-year, driven by improved containerboard demand in South Africa and additional paperboard output from Somerset Mill PM2, but lower pricing and higher costs resulted in a decline in segment margins.

The graphic papers segment continued to face structural decline, with persistent global oversupply intensifying competitive pricing pressures. Ongoing uncertainty around US tariff policies further complicated trade dynamics and added to market volatility. In North America, the delayed start-up of Somerset Mill PM2 resulted in operational challenges, reduced production, and higher costs for the remaining graphic papers operations. Despite softening

demand, regional paper prices held steady, supported by tighter local supply following the PM2 conversion and higher tariffs on imported grades. In contrast, Europe experienced pronounced pricing pressure due to oversupply and increased Asian imports redirected by shifting trade flows. In South Africa, demand for newsprint and office paper remained subdued, with import competition weighing heavily on profitability. Despite these headwinds, Sappi's graphic papers sales volumes exceeded broader market trends, demonstrating the effectiveness of ongoing strategic actions to protect and selectively grow market share.

Strategic review

FY2025 marks the conclusion of our current five-year **Thrive** strategic cycle. The **Thrive** strategy has guided us in embedding sustainability, innovation and transparency across our business, positioning Sappi as a trusted partner in shaping a circular, biobased economy. It has also underlined our responsibility to manage resources wisely, nurture the wellbeing of our people and communities, and pursue long-term growth with purpose. This five-year cycle has been defined by profound global turbulence including supply chain and logistics upheavals, geopolitical conflict, energy shocks, trade tensions, inflationary pressures and shifts in consumer behaviour. At the same time, the growing urgency of the climate crisis has underscored the importance of resilience and adaptability. Through structural transformation and a steadfast commitment to long-term growth, responsible resource management and the wellbeing of our people and communities, we have not only weathered these challenges but built a stronger foundation for the future. Over the period, we have successfully repositioned Sappi for long-term resilience by shifting our portfolio toward growth segments, enhanced operational excellence and deepened the trust of our stakeholders. As we bring this cycle to a close, we reflect on the progress achieved and look ahead with confidence to the next phase of our journey, where we will continue to build on these foundations.

Letter to stakeholders from the Chairman and CEO continued

The **Thrive** strategy is built on four main objectives:

-  **Grow our business** – We are committed to our core business segments, investing in innovation and growth opportunities, and fostering strong customer relationships.
-  **Sustain our financial health** – We are focused on reducing debt, growing EBITDA, maximising product value, optimising global processes, and selectively divesting non-core assets.
-  **Drive operational excellence** – We are focused on enhancing our safety-first culture, reducing resource use, improving efficiency, and making smart digital investments.
-  **Enhance trust** – By building stronger relationships with clients and communities, driving sustainable solutions, and meeting the evolving needs of our workforce, we aim to earn and maintain the trust of all our stakeholders.

A summary of the strategic actions and outcomes for the five-year strategic period 2021 to 2025 is outlined below.

Grow our business



Growing the business is essential to Sappi's long-term success and resilience. By expanding in our growth segments and investing in new opportunities, we not only strengthen our competitive edge but also enhance our ability to adapt to changing market demands. This growth fuels innovation, supports job creation, and provides a solid foundation for further advancements in sustainable operational practices and product development. Ultimately, a focus on growth ensures Sappi can continue delivering value to its customers, employees, and communities, while driving positive environmental and social impact in line with our **Thrive** mission statement. Over the course of the five-year **Thrive** strategic cycle, this has meant reshaping our portfolio towards growth markets while steadily reducing our exposure to declining graphic papers grades. Guided by our commitments to grow in dissolving wood pulp and packaging and speciality papers, we have consistently invested in projects that enhance our competitiveness, broaden our product offering, and open new opportunities in sustainable biomaterials.

In 2022, we successfully completed the Saiccor Mill dissolving wood pulp expansion and environmental upgrade, reinforcing our global leadership position. 2023 saw targeted investments in our packaging and specialties portfolio. At Ngodwana Mill, we upgraded our containerboard machine PM1 to improve quality and extend grade capabilities, strengthening our ability to serve growing South African containerboard demand. In Europe, we invested in Alfeld Mill to expand our capabilities in barrier papers, directly addressing customer needs for more sustainable woodfibre-based packaging alternatives.

In 2024, we built further momentum in Europe with the completion of the Gratkorn Mill PM9 upgrade to expand into label papers and add wet strength capability, enabling us to compete in a premium, growing market segment. At the same time, we made tough but necessary decisions to reshape our European footprint, closing graphic papers capacity at Stockstadt and Lanaken Mills, to focus resources on our most competitive and efficient operations and supporting stronger asset utilisation across the region.

The highlight of 2025 was the successful completion of the Somerset Mill PM2 conversion and expansion project in May 2025, a landmark investment that establishes Sappi as a leader in the solid bleached paperboard market. Alongside this milestone, we continued to strengthen our European competitiveness through further rationalisation in 2025, including consultation processes for capacity reductions at Alfeld and Kirkniemi Mills which were finalised shortly after year-end, building on the earlier closures in 2024, and fixed cost reductions at Ehingen and Gratkorn Mills which will strengthen our competitive position and maximise efficiency in the region.

Together, these actions demonstrate the consistent delivery of our **Thrive** (2025) growth agenda. As a result, our portfolio today is more resilient, more innovative, and better positioned to serve customers in a circular, biobased economy.

Sustain our financial health



Through the period 2021 to 2023, we remained steadfast in our focus on strengthening the balance sheet and reducing debt. This disciplined approach, underpinned by improved cash generation and tight capital management, enabled us to reduce debt to a 30-year low by the end of FY2023. With our financial position restored, we entered an investment phase aimed at driving long-term growth, most notably through the US\$500 million conversion and expansion of Somerset Mill PM2 in North America. During this period, we also resumed dividend payments and executed a small share buyback.

While this investment phase marked an important step in repositioning our business for future growth, it coincided with several external and operational headwinds. Closure costs associated with the restructuring of our European mills, a cyclical downturn in market conditions, and adverse currency movements placed pressure on cash generation. As a result, net debt at the end of FY2025 increased to US\$1,920 million (FY2024: US\$1,422 million), reflecting higher cash utilisation by operations, elevated capital expenditure for the Somerset Mill PM2 project, and a notional increase of US\$73 million due to the stronger Euro. Liquidity, however, remained healthy, with cash on hand of US\$219 million and US\$602 million available through unutilised committed revolving credit facilities (RCFs) in South Africa and Europe.

The increase in net debt, combined with lower earnings over the past three quarters of FY2025, has resulted in leverage temporarily rising close to our debt covenant of 4x. Our banking group unanimously supported a temporary increase in covenant headroom for the next 12 months, reflecting continued confidence in Sappi's financial management and recovery outlook. Looking ahead, our primary focus in FY2026 will be on deleveraging and strengthening our balance sheet. We have committed to reduce capital expenditure to below US\$300 million per year for the next two years with no expansionary projects planned. To preserve cash, the board made the decision to suspend the dividend.

We remain fully committed to reducing debt levels to our target of <US\$1 billion. Our recent strategic investments in packaging and speciality papers, along with our leadership position in DWP, have strengthened our portfolio and positioned us well to benefit from an eventual market recovery. The challenge ahead lies in balancing the ongoing structural decline in graphic papers with sustainable, profitable growth; all while maintaining a healthy balance sheet and the financial flexibility necessary to support our long-term ambitions.

Drive operational excellence



Operational excellence continues to be a cornerstone of our competitive advantage, driving efficiency, quality, and sustainability across our global operations. It enables us to consistently deliver fit-for-purpose products to our customers, enhance reliability, and maintain resilience in a dynamic market environment. Between 2020 and 2025, we made a series of strategic investments to strengthen productivity, reduce costs, and support our transition to a lower-carbon future.

Key among these was the expansion and environmental upgrade for the Saiccor Mill which included the conversion of calcium bisulphite digesters to a closed-loop magnesium process. This led to a significant improvement in chemical recovery efficiency, an increase in renewable energy usage that reduced our carbon footprint, and a decrease in effluent discharge. In Europe, our advanced automation and process control investment at Gratkorn Mill has improved productivity, energy efficiency, and product quality monitoring, reinforcing its role as one of the most advanced coated woodfree paper mills globally. In South Africa, the Ngodwana Mill PM1 upgrade enhanced reliability, operating efficiency, and product flexibility, while contributing to improved energy performance.

We also advanced our decarbonisation agenda through a series of targeted projects designed to reduce our carbon footprint and improve energy security. These included fuel-switching initiatives to biomass and gas, boiler efficiency upgrades, and increased investment in renewable energy across multiple sites. Collectively, these operational excellence and sustainability investments have strengthened our cost competitiveness, reduced environmental impact, and ensured that Sappi is well-positioned to deliver long-term value in a rapidly changing global landscape.

We also have several information technology (IT) initiatives underway that are critical to harnessing the opportunities and managing the risks associated with Industry 4.0. A key component of this journey is the implementation of a new manufacturing execution system (MES), which will enhance operational excellence by improving real-time visibility, data accuracy, and decision-making across our manufacturing sites. The first implementation took place at our Ehingen Mill in 2025, marking an important milestone in our digital transformation, with rollout at Ngodwana Mill scheduled for 2026. This system will also serve as a foundation for our advanced analytics projects, enabling further improvements in efficiency, quality, and sustainability performance across the group.

As supply chain challenges persist, our agility in seeking alternative suppliers and chemicals is vital for maintaining procurement flexibility, which is a cornerstone of our operational excellence strategy. Reducing both variable and fixed costs throughout the business is integral both to maintaining or improving margins and to the sustainability of our operations. We set ourselves a target of a US\$56 million reduction in third-party expenditure through efficiency and raw material usage improvements as well as delivering savings through various procurement initiatives. We are pleased to report that savings of US\$114 million were realised. In 2026 we are targeting approximately US\$70 million in variable cost savings.

Together, these initiatives position Sappi not only to navigate current market challenges but also to thrive long term. By investing in best available technology, fostering flexibility across our product lines, and embracing sustainability-driven innovation, Sappi is well-equipped to adapt to industry shifts, maximise asset utilisation, and sustain a strong, competitive position across the pulp, graphic and packaging papers sectors. As we reduce capex, bed down recent projects, and begin to realise the benefits of our investments, the operational excellence pillar of our **Thrive** strategy will become our primary focus over the next two years.

Enhance trust



Building and maintaining trust remains central to Sappi's strategy and culture. Over the past five years, we have deepened our commitment to ethical conduct, inclusive engagement, and social impact thereby ensuring that our operations reflect our values and create shared benefit for all stakeholders. Upholding the highest standards of integrity is fundamental to how we do business. Our Code of Ethics, supported by ongoing training and refreshed governance policies, including updates to the whistle-blowing and anti-retaliation policies, reinforces transparency, accountability, and protection for those who speak up. Oversight by the Social, Ethics, Transformation and Sustainability (SETS) Committee ensures consistent ethical performance across all regions.

Letter to stakeholders from the Chairman and CEO continued

Our people remain at the core of our success. Following the 2023 employee engagement survey, we made strong progress in addressing identified issues, achieving close-out rates of 93% in Sappi Southern Africa, 95% in Sappi North America, 94% in Sappi Europe, and 100% in Sappi Trading. Our 2025 engagement survey, conducted between February and April 2025, achieved an exceptional 95% participation rate, exceeding the target of 85%, with 10,708 employees sharing their views. Results showed notable improvements across South Africa and Europe, reflecting the progress we are making in strengthening engagement and fostering a supportive workplace culture. While results in North America were less positive, they provided valuable insights to guide focused actions for improvement. We also met our 2025 gender diversity targets across all regions, maintained a Level 1 BBBEE rating in Southern Africa, and were again recognised by *Forbes Magazine* as one of the *World's Best Employers* and *Top Companies for Women*. These achievements reflect our focus on inclusion, transformation, and empowerment, supported by training and initiatives that foster belonging and respect.

Trust also extends beyond our operations. In South Africa, our social impact programmes build long-term partnerships that promote education, enterprise development, and environmental sustainability. Initiatives such as Khulisa Ulwazi, our artisan development programme, and investments in youth and early childhood education create lasting opportunities and livelihoods. Through global volunteering and local partnerships, our employees actively contribute to community wellbeing, strengthening trust and social cohesion.

Our commitment to ethical and sustainable sourcing further enhances stakeholder confidence. Guided by our Supplier Code of Conduct, we exceeded supplier engagement goals in 2025 with 82% of eligible spend aligned with the code. In addition, 60% of global spend was with suppliers rated by EcoVadis, and 23% with those committing to science-based emissions reduction targets. These partnerships promote transparency, reduce environmental impact, and advance shared sustainability objectives.

Together, these strategic actions underscore that for Sappi, trust is not a standalone initiative, but a defining principle embedded in every aspect of how we build a thriving and sustainable future for our people, communities, and stakeholders.

Sustainability

We remain steadfast in our commitment to sustainability as the foundation of long-term success and responsible growth. We are acutely aware of the impact our operations have on both the environment and the communities in which

we operate. By placing sustainability at the forefront of our strategy, we continue to reduce our environmental footprint, manage resources responsibly, and uphold the highest ethical standards. Collaboration remains key to our progress: as co-chair of the World Business Council for Sustainable Development (WBCSD) Forest Solutions Group (FSG) for 2025 to 2026, we are helping to shape a shared industry agenda that advances action on climate, nature, and equity. Our sustainability performance is measured not only against internal targets but also in alignment with the United Nations Sustainable Development Goals (UN SDGs), ensuring our efforts contribute meaningfully to global priorities.

As 2025 marks the conclusion of our current five-year strategic period, we reflect on the meaningful progress made and the lessons that will shape the next phase of Sappi's sustainability strategy to 2030. At a group level, we achieved strong results across several priority areas, particularly in sustainable forestry, where our plantations are now dual certified under the Forest Stewardship Council™ (FSC™) and the Programme for the Endorsement of Forest Certification (PEFC). We also exceeded our 10% biodiversity improvement target, achieving a 25% cumulative improvement from the 2020 baseline within our own forest operations. Our global share of certified woodfibre reached 78%, surpassing our target of 75%, reaffirming our commitment to responsible forest management and *SDG 15: Life on land*.

While global targets for specific total energy and GHG emissions were not met, we continued to advance our decarbonisation journey. The FY2025 Scope 1 and 2 emission intensity was above our Science Based Targets initiative (SBTi) trajectory; however, we achieved a 5% reduction compared with the previous year and a 15% reduction from the 2019 baseline. This progress reflects the positive impact of key abatement projects across our global operations, including major boiler conversions from coal to natural gas/ biomass and the installation of new energy-efficient systems. Collectively, these investments have driven substantial emission reductions and improved energy performance, supporting our long-term climate goals and *SDG 13: Climate action*. We also achieved our renewable and clean energy target, driven by fuel-switching initiatives and renewable energy procurement, and exceeded our waste-to-landfill reduction goal, demonstrating continued progress toward *SDG 7: Affordable and clean energy* and *SDG 12: Responsible consumption and Production*. Looking ahead, we remain confident that Sappi has the right strategy to address the risks and opportunities of climate change. We will continue to enhance our scenario modelling to ensure the resilience of our transition plan, while balancing abatement investments with capital availability and social considerations to enable a just and sustainable transition.

Operational excellence, innovation, and partnership will remain at the heart of our approach as we continue to decarbonise our value chain, promote circular solutions, and build a more resilient and sustainable future for our people, communities, and planet.

Looking forward

Challenging global macroeconomic conditions and persistent geopolitical tensions continue to disrupt market stability, creating ongoing supply and demand imbalances across our industry. In addition, heightened trade tensions and the resulting realignment of supply chains are introducing additional costs and uncertainty. While these conditions have created a more complex operating environment, we remain confident in the underlying strength of our business and the resilience of our operations. Sappi's immediate focus remains on internal levers within the company's control. Our 'Back to Basics' focus is to reduce debt and strengthening the balance sheet through targeted cost savings initiatives and operational efficiency improvements.

To support our commitment to reducing debt, we have adjusted our capital expenditure downward to below US\$300 million per annum for the next two years, with no expansionary capex anticipated during this period and FY2026 capex expected to be in the region of US\$290 million. In addition, the board of directors made the decision in FQ3 to suspend the dividend for fiscal 2025 to preserve cash.

We anticipate that DWP market conditions will remain stable through the first quarter of FY2026, supported by high VSF operating rates and relatively low inventory levels across the value chain. Demand for Sappi's DWP is expected to remain robust but the significant differential between DWP and paper pulp prices, together with subdued textile fibre pricing, could slow the recovery of DWP prices. Additionally, the continued weakness of the US Dollar against the South African Rand could negatively impact profitability in South Africa.

Our long-term outlook for our sustainably produced packaging and speciality papers products remains positive. Sales volumes in this segment are expected to increase steadily through FY2026 as the Somerset Mill PM2 ramp-up progresses in North America. However, underlying margins are likely to remain below historical levels as global markets continue to face subdued demand driven by macroeconomic challenges and persistent oversupply. We maintain a strong competitive position in both South Africa and North America and continue to actively manage capacity utilisation in Europe. In South Africa, containerboard demand typically softens in the first quarter due to seasonal factors, but strong agricultural forecasts for 2026 are expected to support demand through the year. Nonetheless, the continued

weakness in global packaging markets presents a risk to pricing dynamics in the South African region. In the short term, our North American strategy focuses on balancing trade-offs between price and volume as PM2 production ramps up. We will leverage the swing capability of the Somerset Mill PM1 and favourable graphic papers pricing to optimise the product mix and maximise profitability in the region.

We expect global graphic papers demand to continue declining by approximately 6% to 8% per annum. Our strategic focus in this segment remains to proactively manage capacity utilisation. Following the successful conversion of Somerset Mill PM2 in North America and the anticipated capacity reductions at the Kirknämi and Ehingen Mills in Europe, we are well positioned to meet our customers' needs while fully utilising our assets to maximise cash generation. The conclusion of restructuring initiatives in Europe is anticipated to occur in the second quarter.

Prices for certain of our key raw materials remain relatively low at present, and we will actively pursue opportunities for further cost savings. However, ongoing trade tensions continue to pose a risk due to their potential impact on global inflation.

Sappi is a well-capitalised business with a proven ability to adapt and respond to market cycles. Our recent strategic growth investments in packaging and speciality papers and DWP have strengthened our portfolio and position us well to benefit from a market recovery. We remain committed to navigating the current operating environment with discipline and transparency, prioritising cash generation to reinforce our balance sheet and further enhance our financial resilience.

Appreciation

We extend our sincere appreciation to all our stakeholders for their continued trust and partnership throughout the **Thrive** journey. Your support, whether as customers, employees, shareholders, suppliers, or community partners, has been vital in helping us navigate a rapidly changing world and achieve the progress we can now look back on with pride. Together we have faced global challenges and embraced opportunities, and it is this spirit of collaboration that strengthens our resolve to continue building a more sustainable, inclusive, and prosperous future.

We thank our board of directors for their stewardship and guidance, and our shareholders for their ongoing confidence in Sappi's long-term strategy; we warmly invite you to join us at our annual general meeting, to be held on 04 February 2026, where we will reflect on our **Thrive** progress and share our vision for the next strategic cycle.

Q&A with the CEO



What is your key strategic focus for FY2026?

Sappi's **Thrive** strategy, anchored in our four strategic pillars – drive operational excellence, enhance trust, grow the business, and sustain our financial health – continues to serve as our guiding framework. Between 2021 and 2025, our focus was on growth, underpinned by investments to expand our packaging and speciality papers and DWP businesses. These included the expansion of the Saiccor Mill for DWP, the investment at Gratkorn Mill PM9 to produce label papers, and the conversion and expansion of Somerset Mill PM2 to paperboard. The Gratkorn and Somerset Mills projects have also reduced our exposure to the declining graphic papers markets.

Having completed these key growth investments, our strategic focus is now shifting to what we refer to as a 'Back to Basics' phase. This next stage emphasises driving operational excellence which focuses on improving production efficiencies, ramping up Somerset Mill PM2, and achieving cost savings across our operations. We continue to optimise capacity utilisation in Europe and expect to realise the benefits of our recent rationalisation initiatives during 2026.

In parallel, we are maintaining a disciplined approach to capital allocation. There are no expansionary capital expenditure projects planned for at least the next two years. With debt levels having increased amid a challenging global macroeconomic environment and weak market conditions, our sustain our financial health pillar has become even more critical. We are prioritising cash generation and debt reduction, supported by targeted fixed and variable cost savings, reduced capital expenditure and the suspension of dividends. Strengthening our balance sheet is essential to enhancing Sappi's financial resilience and ensuring we are well-positioned to navigate the current market challenges and capture future opportunities.



What are your capital allocation priorities and how are you approaching balance sheet management in the current environment?

Our number one capital allocation priority is to de-lever the balance sheet. In the short term, our focus is on actively managing both our short- and long-term debt facilities and optimising our maturity profile to ensure maximum financial flexibility. As previously communicated, we will be renegotiating our revolving credit facility in early 2026, and we plan to extend the terms of approximately US\$200 million to US\$300 million of short-term debt to further strengthen our financial position. We have longstanding, trusted relationships with our banking group and have successfully secured additional leverage

covenant headroom for the next 12 months, providing the flexibility we need as we navigate 2026 amid continued global macroeconomic headwinds.

We have set a target net debt level below US\$1 billion, which serves as the key guardrail guiding all capital allocation decisions. Consistent with our 'Back to Basics' strategic focus, every effort is directed towards maximising cash generation and reducing debt. Our overarching goal remains to enhance shareholder value. Once our leverage is within the targeted range, we will reassess our capital returns strategy, including the potential reinstatement of dividends and consideration of share buybacks as key levers to reward our shareholders.



Can you talk us through the Somerset Mill PM2 investment strategic rationale and commercial ramp up?

The investment in the Somerset Mill Paper Machine 2 (PM2) represents the culmination of our strategic capital investment phase spanning 2021 to 2025 and is an important milestone under our **Thrive** growth pillar. The Somerset Mill project is particularly significant as it simultaneously substantially expands our solid bleached sulphite (SBS) paperboard capacity whilst reducing our exposure to the structurally declining graphic papers market; positioning Sappi for long-term success in a higher-growth, more resilient product segment.

The Somerset Mill project was completed in May 2025, and we are currently ramping up production on the new machine. Technical qualifications with our customers are progressing well, with excellent market feedback received on product quality and performance. We are approaching the commercial ramp-up with a disciplined and strategic focus, mindful that our new capacity is entering the market at a time when the US paperboard sector is experiencing weak conditions. While demand has been softer than initially anticipated when the project was approved in 2022, which has placed downward pressure on pricing, we are making solid progress in securing new customers and building long-term relationships. Additionally, recent tariffs on imports present an important opportunity for us to strengthen our competitive position as a reliable domestic supplier, particularly against the approximately 500,000 tpa of imported folding boxboard currently serving the US market.

Despite these near-term headwinds, we remain confident in our strategic direction and value proposition. As an independent, domestic supplier to the SBS market, we have a differentiated position. Somerset Mill now hosts two of the best paperboard machines in the US, featuring state-of-the-art technology and scale efficiencies that provide us with a strong competitive advantage. We believe that the US market will continue to grow over the long term, and this investment underscores our confidence in the region as a core growth platform for Sappi.

In the short term, we are optimising our production flexibility by leveraging the hybrid capability of our Somerset Mill PM1 machine to produce graphic papers, which helps buffer the commercial ramp-up of PM2. We will continue to manage the trade-off between volume and pricing in a disciplined and responsible manner, ensuring we protect value as markets recover.

Looking ahead, as we transition from a period of significant capital investment into the next strategic phase focused on 'Back to Basics', our priority will be on realising the full value of this investment, maximising cash generation, and delivering sustainable returns to our shareholders.



Q4 What impact have external global factors had on Sappi's performance in 2025?

Global external factors have had a notable impact on Sappi's performance during 2025, largely through indirect channels rather than direct exposure. The re-emergence of global trade tensions and, in particular, the introduction of new US tariffs created heightened uncertainty in international markets. While the direct impact of these tariffs on Sappi's operations has not been material, the broader macroeconomic consequences have affected our business environment. The resulting global slowdown and more cautious consumer spending patterns have softened demand across all our product segments.

Our DWP business has been particularly impacted. Uncertainty in global trade, especially around Chinese import and export activity, has affected sentiment across the textile value chain. Since DWP pricing in China serves as the reference point for much of the global market, this volatility has exerted downward pressure on prices and sentiment throughout the sector.

In addition, shifts in global trade flows have led to the redirection of graphic papers and packaging and speciality papers supply chains, adding further pressure in our local markets. As a cyclical sector, pulp and paper naturally experience demand fluctuations, but these additional external trade-related dynamics have exacerbated the current downturn. Most of our markets are currently in a state of oversupply, driven by both excess global capacity and weak downstream demand.

Currency movements have also added to the challenges. Traditionally, cyclical downturns coincide with a stronger US Dollar, but in this instance, the Dollar has weakened significantly. This has placed additional pressure on the profitability of our South African operations, given the translation effects and export exposure.

In response, our focus remains firmly on the levers within our control. We continue to drive operational efficiency, reduce costs, and manage capacity utilisation across our assets to ensure resilience. Our strong South African and US operations position us well to benefit when market conditions improve. In Europe, our focus remains on proactive capacity management, maximising cash generation and ensuring we continue to meet the evolving needs of our customers despite the challenging environment.



Q5 What does the 'Back to Basics' focus mean for Sappi's sustainability journey?

Sustainability is deeply embedded in our values and at the core of our value proposition as a woodfibre-based company producing biobased products for a more circular economy. Our actions are guided by our 4Ps framework – Principles, Prosperity, People, and Planet – which ensures that sustainability considerations are integrated into every aspect of our decision-making and operations. We have recently set new targets through to 2030 that encompass all 4Ps, broadening our ambition in key areas such as gender equality, social impact in South Africa, water stewardship, and biodiversity protection.

Sustainability is important to us and to all of our stakeholders, and it is fully integrated into our **Thrive** pillar to enhance trust. Our commitment and ambition remain unwavering, but we recognise that sustainability is a journey of continuous progress, requiring balance, discipline, and long-term focus as we work towards our goals. While progress in areas such as environmental impact often demands capital investment, these investments must be both value-enhancing and aligned with our financial guardrails. In line with our 'Back to Basics' focus, we do not plan to undertake large-scale sustainability capital projects in the short term. However, we expect that our emphasis on operational efficiency will deliver meaningful improvements in our performance against our Planet-related targets. We remain committed to continuous improvement, recognising that true long-term success depends on advancing our People and Planet priorities in a responsible and balanced manner – underpinned by our Principles – that ultimately supports Prosperity for all our stakeholders.

Channel

A channel is more than a passage – it is a chosen course, shaped by intention and skill. As we begin the next phase of our **Thrive** strategy, we reflect on a journey steered with stamina, precision, and responsiveness. Like a gondolier navigating shifting waters, we have moved through capacity expansion, product realignment, and strategic repositioning – attuned to our environment and guided by purpose.

At Sappi, prosperity is not defined by profit alone. It is the ability to create enduring value – financial, social, and environmental. For shareholders, it means disciplined stewardship and operational excellence. For communities, it means investing in renewable resources and partnering for shared progress. For the planet, it means embracing sustainable solutions with eco-effective ingenuity.

Looking ahead, for the immediate future we return to our basics: sustaining our financial health, optimising asset utilisation, cash generation and managing costs. While demand for graphic papers continues its structural decline, our focus on market-share growth is delivering results and reinforcing our competitive position. In the dissolving wood pulp (DWP) segment, we remain cautiously optimistic. Despite global headwinds, the long-term outlook is positive, and we are well-positioned to respond with agility and clarity.

In a resource-constrained world, prosperity flows through the channels we choose – those defined by resilience, ethical resolve, and collective strength. As we navigate toward our next horizon, we do so with quiet confidence and a steady hand, steering toward value that endures.





Our sustainable value proposition

Where we operate

Europe

Employees¹
4,208

Sales offices **12**

Production facilities **8**



North America

Employees¹
2,056

Sales offices **6**

Production facilities **4**



Southern Africa

Employees¹
3,997

Sales offices **3**

Production facilities **4**



¹ Permanent employees.

Sappi Trading

Sappi Trading operates a network for the sale and distribution of our products outside our core operating regions of North America, Europe and South Africa.

Sales offices

Hong Kong
México City
Johannesburg
Sydney
Nairobi
Shanghai

Sappi Europe		Capacity ¹ ('000 tons)			
Mills	Products produced	Paper ²			Pulp
		Packaging and speciality papers	Graphic papers	Total	
Alfeld Mill	Bleached chemical pulp for own consumption				120
	Speciality paper; flexible packaging paper, paperboard, containerboard, release liner, label paper, functional papers, uncoated woodfree paper	260	15	275	
Carmignano Mill	Speciality paper; dye sublimation paper, flexible packaging paper, inkjet paper and label paper	90		90	
Condino Mill	Speciality paper; dye sublimation paper, flexible packaging paper, inkjet paper and silicone-base paper	60		60	
Ehingen Mill	Bleached chemical pulp for own consumption and market pulp				150
	Coated woodfree paper, uncoated woodfree paper and containerboard	115	185	300	
Gratkorn Mill	Bleached chemical pulp for own consumption				250
	Coated woodfree paper and label paper	100	780	880	
Kirkniemi Mill	Bleached mechanical pulp for own consumption				300
	Coated mechanical paper, thinprint	10	740	750	
Maastricht Mill	Coated woodfree paper and paperboard	70	190	260	
Total Sappi Europe		705	1,910	2,615	820
Other operation			Capacity ¹ (million m ²)		
Rockwell Solutions	Coated barrier film and paper				147

Sappi North America		Capacity ¹ ('000 tons)			
Mills	Products produced	Paper ²			Pulp
		Packaging and speciality papers	Graphic papers	Total	
Cloquet Mill	Dissolving wood pulp, bleached chemical pulp for own consumption and market pulp ³				370
	Coated woodfree paper and label paper	70	270	340	
Matane Mill	High-yield hardwood pulp for own consumption and market pulp				285
Somerset Mill	Bleached chemical pulp for own consumption and market pulp				525
	Coated woodfree paper, paperboard and label papers ⁴	960	190	1,150	
Westbrook Mill	Converting for speciality casting and release paper	23		23	
Total Sappi North America		1,053	460	1,513	1,180

Sappi Southern Africa		Capacity ¹ ('000)	
Plantations*	Products produced	Hectares	Standing tons
KwaZulu-Natal	Plantations (pulpwood and sawlogs)**	171	11,714
Mpumalanga	Plantations (pulpwood and sawlogs)**	234	17,573
Total Sappi Forests (owned and leased supply)		405	29,287

		Capacity ¹ ('000 tons)			
Mills	Products produced	Paper ²			Pulp
		Packaging and speciality papers	Graphic papers	Total	
Ngodwana Mill	Unbleached chemical pulp for own consumption				230
	Mechanical pulp for own consumption				110
	Kraft linerboard	240		240	
	Newsprint		85	85	
	Kraft papers	25		25	
Stanger Mill	Bleached bagasse pulp for own consumption				60
	Office paper and tissue paper	28	82	110	
Tugela Mill	Neutral sulphite semi-chemical pulp for own consumption				170
	Corrugating medium	200		200	
Sappi ReFibre***	Waste paper collection and recycling for own consumption				66
Total Sappi Paper and Paper Packaging		493	167	660	636
Ngodwana Mill	Dissolving wood pulp				255
Saiccor Mill	Dissolving wood pulp				890
Total dissolving wood pulp					1,145
Total Sappi Southern Africa		493	167	660	1,781

¹ Capacity at maximum continuous run rate per annum.

² The split between graphic papers and packaging and speciality papers is what we believe is technically and commercially possible. Some mills have the capacity to swing between products.

³ The stated capacity is for dissolving wood pulp, the capacity for kraft pulp is 17% higher.

⁴ The stated capacity includes the full ramped up end-state capacity for PM2 post the conversion and expansion project.

* Approximately 139,500 hectares of our land is set aside and maintained by Sappi Forests to conserve the natural habitat and biodiversity found there.

** Plantations include owned and leased areas.

*** Sappi ReFibre collects waste paper in the South African market which is used to produce packaging paper.

Our value creation is grounded in our purpose and values

An integrated, double materiality approach to long-term value creation

Our values, purpose, strategy, operating context and key material issues form an interconnected framework that guides how we create value for all stakeholders. Together, they shape our decisions, focus our actions and reflect the realities of the world in which we operate. By understanding how these elements influence one another – our context and material issues informing our priorities, our purpose anchoring our intent, our values shaping our behaviour, and our strategy directing our response – we ensure an intentional and resilient approach to delivering sustainable impact across society and the environment whilst growing our enterprise value.

Double materiality

Enterprise value
(Market value of equity and net debt)

Environment
(Climate, nature, forests, water and waste)

Society

Impact on Sappi
(can be financially material)

Sappi's impact
(can be positive and/or negative)



Primary stakeholders:
shareholders, bondholders and banks

Primary stakeholders:
employees, unions, customers, communities, industry bodies and organised business, suppliers and contractors, government and regulatory bodies, civil society and media

Our key material issues

Our key material issues are those that we believe underpin our strategic risks and opportunities and have the highest potential impact – negative and positive – on stakeholder value.

Principles

- Ethical behaviour and compliance
- Responsible procurement

Prosperity

- Competitive position
- Sustainable solutions for a circular bioeconomy

People

- Health, safety and wellbeing of our employees and contractors
- Sappi talent
- Labour relations
- Social impact

Planet

- Sustainable forestry
- Biodiversity
- Climate change
- Water stewardship
- Resource efficiency and minimising waste

Our operating context

Social, political, economic, environmental trends and developments, societal expectations, business needs, stakeholder issues. Associated risks and opportunities.

Our purpose

Sappi exists to build a thriving world by unlocking the power of renewable resources to benefit people, communities and the planet.

Our values

As OneSappi, we do business safely, with integrity and courage, making smart decisions that we execute with speed.

Our Thrive strategy



Grow our business



Sustain our financial health



Drive operational excellence



Enhance trust



How we create value

We take an integrated approach to value creation. Guided by our values, our six value streams enable the delivery of our purpose and our **Thrive** strategy.



Forests

Our Forest Stewardship Council™ (FSC™ N003159) and Programme for the Endorsement of Forest Certification (PEFC/01-44-43) certified tree plantations in South Africa provide a high-quality woodfibre base and enhance our competitive advantage.



Manufacturing excellence

We focus on enhancing machine efficiencies, digitising our processes to make the smart factory a reality, reducing variable costs through new practices in logistics and procurement, as well as implementing go-to-market strategies, which lower the cost of serving our customers and increase customer satisfaction.



Biomaterials

We are unlocking the chemistry of trees and aligning with the circular economy by establishing a strong position in adjacent businesses including: fibrillated cellulose, lignosulphonates and bioenergy. Extracting more value from each tree is at the core of our core business model.

Our leading-edge tree improvement programmes ensure this advantage is maintained and enhanced

Successful conversion and expansion of Somerset Mill PM2 from graphic papers to paperboard

Launched Viscowell, a renewable lignosulphonate drilling thinner replacing toxic chrome and oil products

Our purpose

Sappi exists to build a thriving world by unlocking the power of renewable resources to benefit people, communities and the planet.



1. Our values

How we do business

As OneSappi, we do business safely, with integrity and courage, making smart decisions that we execute with speed.

2. Our key relationships

How we remain relevant

Ongoing engagement with our stakeholders, conducted in a spirit of trust and mutual respect, based on an understanding of their operating context, enables more tangible business value creation.



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3. Our inputs

What we need – the resources and relationships on which we rely

Our integrated approach to sustainable development acknowledges that we depend on striking a balance between Principles, Prosperity, People and the Planet – the 4Ps – in order to thrive. We rely on certain inputs to create value.



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4. Our value streams

Our business activities

The value streams set out above reflect our belief that it is our responsibility to make the most out of every tree harvested.



See above

Pulp

Our dissolving wood pulp brand, Verve, creates renewable alternatives for raw material feedstock to textiles, pharmaceuticals, foodstuffs, and more – products that meet the needs of people around the globe every day.

Sappi Verve joined the Zero Discharge of Hazardous Chemicals foundation to advance best-practice air and wastewater emissions

Packaging and speciality papers

Our customers use our speciality papers to add value to niche markets and enable product differentiation. Our focus on innovation helps our customers to meet and anticipate the challenges of changing market dynamics.

Our packaging solutions offer environmentally conscious consumers an alternative to fossil fuel-based packaging.

Converted a paper machine from graphic paper to paperboard, more than doubling annual capacity

Graphic papers

Our market-leading range of coated and uncoated graphic paper products is used in magazines, corporate reports and accounts, direct mail, high-quality brochures, catalogues, calendars and books.

We optimise production flexibility by using Somerset PM1s hybrid capability to produce graphic papers

Our products are manufactured from woodfibre sourced from sustainably managed forests and plantations, in production facilities which, in many cases use internally generated bioenergy. Many of our operations are energy self-sufficient.

5. Our outputs

Our products, services and waste products

Our diverse product range is aligned with our focus on using our expertise to help create a sustainable future while meeting the needs of a growing, evolving society.



See page 39

6. Our outcomes

What we create, preserve or erode – the broader impacts of our business activities

While we acknowledge that our business activities have positive and negative outcomes, we strive to maximise the positive consequences of our value streams in terms of the 4Ps.



See page 40

7. Our global sustainability goals

What we are striving for – our long-term, broader outcomes

Monitoring and reporting transparently on our ambitious 4P targets aligns with our **Thrive** strategy of being a trusted partner to all our stakeholders.



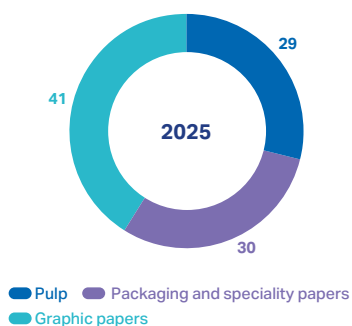
See our 2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR

Our products

Our diverse product portfolio includes three main categories: pulp, packaging and speciality papers, and graphic papers.

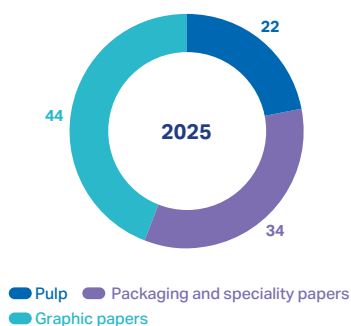


Sales volumes* (%)



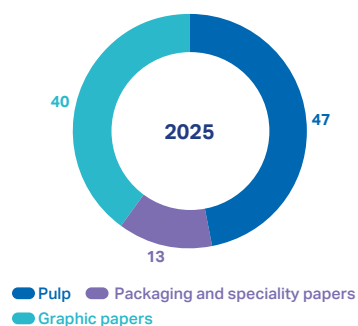
* Excluding Sappi Forestry operations.

Sales revenue* (%)



* Excluding Sappi Forestry operations.

Adjusted EBITDA* (%)



* Excluding the unallocated and eliminations (the group's treasury and insurance captive).



Our products continued



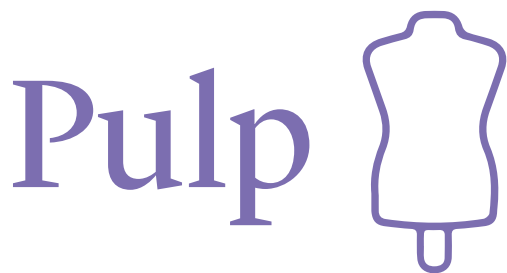
Pulp

Our renowned dissolving wood pulp, high-yield and kraft pulps provide a sustainable, versatile approach to creating a better tomorrow.

Our dissolving wood pulp brand, Verve, creates renewable alternatives for raw material feedstock from textiles to pharmaceuticals, foodstuffs, and so much more.



Our products continued



“We continue to invest in all three of our world-class dissolving wood pulp (DWP) production sites – further entrenching our leadership position as a trusted source for responsible and sustainable DWP.”

Our pulp segment: a foundation of sustainable value

Our pulp segment is a cornerstone of our business, predominantly comprised of two key product categories: DWP and high-yield pulp (HYP). To maximise efficiency and value, any excess kraft pulp produced at our Somerset and Ngodwana Mills is sold externally and incorporated into this segment's results.

DWP: the sustainable choice

Sappi is a significant player in the global DWP market, where our Verve brand holds a 15% market share with an annual capacity of 1.5 million tons. Verve is a truly sustainable brand, and we have the expertise and technology to meet the diverse challenges of its market segments, from textiles and pharmaceuticals to food applications.

From forest to fabric: a journey of innovation

Sappi's DWP is a highly purified cellulose pulp derived from sustainably managed forests using advanced pulping and bleaching technology to extract cellulose from wood. The majority of our DWP is used to create naturally soft, breathable, and vibrant textile fabrics.

The fibre process: DWP is converted into viscose staple fibre (VSF) and lyocell fibre, which are then spun into yarns and woven into fabrics. The resulting textiles are smooth, hold colour beautifully, and drape well. While they blend effectively with cotton and polyester, their key differentiator is superior sustainability, meeting the growing consumer demand for renewable and biobased products.

VSF: VSF drives approximately 67% of the global demand for DWP. It is commonly used in fashion, home textiles, and non-woven applications like face masks, wet wipes and hygiene products. Our Verve brand delivers the essential quality and sustainability assurance for this major market.

Lyocell fibre: As the next generation of textile fibres, lyocell offers superior sustainability through reduced chemical use and closed-loop manufacturing. Our commitment is clear: approximately 50% of the world's lyocell fibre is manufactured from DWP originating from a Sappi mill, cementing our role as a key supplier for the most sustainable wood-based cellulosic fibre on the market.

Beyond textiles: essential for everyday life

From the food we eat to the medicines we take, DWP is a hidden ingredient in countless products that shape our daily lives. Its applications extend into health and hygiene, innovative packaging, and many other familiar items.

Market outlook

We expect long-term demand for DWP to grow at approximately 3% to 4% annually, fuelled by global trends like population growth, urbanisation, and a consumer shift toward comfortable, environmentally friendly natural fibres. Market prices are primarily influenced by VSF and textile market dynamics, paper pulp pricing (which affects swing mills), and fluctuations in the US Dollar/RMB exchange rate.

High-yield pulp (HYP): strength and strategic integration

Our Matane Mill in Quebec, Canada, has an annual capacity of 285,000 tons of HYP. To increase our vertical integration, approximately 48% of the mill's HYP production in FY2025 was consumed internally by our packaging and paper businesses. This strategy significantly lowers our costs, ensures supply certainty, and reduces earnings volatility.

The mill produces two distinct, high-quality hardwood HYP:

Sappi Matane Aspen: Delivers good bulk, excellent brightness, and exceptional drainage, making it ideal for printing paper grades.

Sappi Matane Maple: Delivers superior bulk, opacity and formation, making it an outstanding fibre for paperboard, linerboard, and speciality papers.

Our commitment

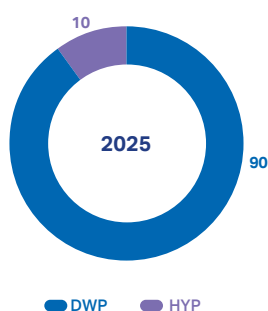
Our focus is on consistently meeting and exceeding our customers' needs. We will leverage our key competitive advantages – our world-class, sustainably managed plantations, strategic geographic positioning, and reputation as a reliable partner – to deliver sustainable products that create shared value for all.

In FY2025, the
pulp segment
made up
21%
of group
sales revenue

Our performance in 2025

Pulp sales volumes by product category

Sales volumes (%)



	2025
Sales volumes (metric tons)	1,425
Revenue (US\$ million)	1,162
Adjusted EBITDA margin (%)	19.6

Our products continued



Packaging and speciality papers

Developing and delivering innovative, sustainable solutions are at the heart of our philosophy.

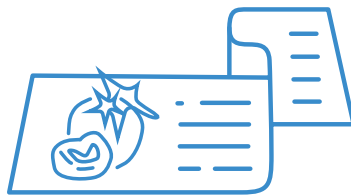
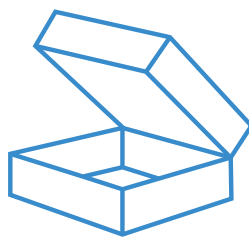
We offer a broad range of paper-based sustainable solutions as an alternative to non-renewable, fossil fuel-based packaging in many of our product segments.





Our products continued

Packaging and speciality papers



“We manufacture innovative packaging and speciality papers products and services with a commitment to sustainability and a circular bioeconomy. Working closely with brand owners, converters, printers, designers and communications agencies, we pride ourselves in being a reliable and global business partner.”

Our customer commitment: partnership, performance, and reliability

Our growth is driven by a compelling value proposition, continuous innovation, and an outstanding service record. We create solutions that address our customers' most critical challenges, empowering them to grow sales, lower costs, enhance sustainability, and minimise risk.

We believe strong partnerships are built on trust and respect, which begins with reliability. Our customers' success depends on our unwavering commitment to maintaining our assets, ensuring financial stability, providing global availability, and delivering consistent, premium-quality products.

Packaging and speciality papers: leading the sustainable transition

A major market shift is underway as legislative changes and consumer demands drive brands toward sustainable packaging. Retailers, brand owners and consumers are actively seeking paper-based solutions that are biodegradable, recyclable, and functional. We see this as a significant opportunity and estimate it will drive 3% to 6% annual growth in global demand for our relevant products.

Our strategic advantage

Sappi is strategically positioned to lead this paper-for-plastic movement. Our progress is supported by technically advanced and efficient paper machines, which are ideally suited for conversion to demanding packaging grades. We meticulously analyse market growth and technical requirements, ensuring we only invest in projects where our assets, production capabilities, and cost structures give us a significant competitive edge.

Our manufacturing presence across Europe, North America, and South Africa provides significant scale efficiencies and ensures a secure supply chain. With regional R&D centres and a collaborative approach to innovation, our customers gain a reliable partner with a truly global reach.

Our extensive product portfolio

Flexible packaging

Innovative paper-based solutions with integrated functionalities such as barrier technology from water, oxygen and grease as well as sealing properties are suitable for various applications, notably in packaging for food as well as non-food markets. Flexible packaging is manufactured at our Alfeld Mill in Germany, at our Italian mills, Carmignano and Condino, Ngodwana Mill in South Africa, Somerset Mill in North America and Rockwell Solutions in Scotland.

Paperboard

High-quality coated boards for use in luxury packaging applications that require functionality and superior graphics across a range of market segments, including health and beauty, confectionery, premium beverages and food packaging. Paperboard is manufactured at our Somerset Mill in North America, and our Maastricht Mill in the Netherlands.

Containerboard

Includes liners and fluting, for corrugated boxes. Sappi's products are found in applications like consumer packaging, shelf-ready packaging and transport packaging for agricultural and industrial uses. Containerboard is manufactured at our South African mills, Ngodwana and Tugela and Ehingen Mill in Germany.

Label papers and release liners

Our label paper offering includes non-wet strength (cut and stack) and wet-strength label products, which are used in beverage, food and packaging applications. Our clay-coated kraft (CCK) and glassine release liners provide solutions not only for labels but applications such as self-adhesive tapes, medical and industrial applications. Label papers and self-adhesives are manufactured at our Gratkorn Mill in Austria, Somerset and Cloquet Mills in North America, Alfeld Mills in Germany, and our Carmignano and Condino Mills in Italy.

Casting and release papers

Used by suppliers in the fashion, textile, automobile and laminate industries. Our papers serve as moulds to impart textures on other surfaces, ranging from decorative laminates and synthetic leather to engineered films and rubber. Casting and release papers are manufactured at our Westbrook Mill in North America.

Dye sublimation papers

For digital transfer printing with water-based dye sublimation inks. Designed for the transfer of an image onto various materials, such as apparel, outdoor advertising and home textiles. Dye sublimation papers are manufactured at our Italian mills, Carmignano and Condino.

Tissue paper

Used for bathroom tissue, kitchen towels, serviettes and medical and industrial wipes. Tissue paper is manufactured at our Stanger Mill in South Africa.

Strategy in action

The Somerset Mill transformation

A prime example of our **Thrive** strategy is the recent investment at our Somerset Mill. The Somerset Mill PM2 conversion and expansion project was completed in May 2025. We converted a paper machine from graphic paper to solid bleached sulphate (SBS) board, more than doubling its capacity from 235,000 to 470,000 tons per year.

The technical ramp-up is exceeding expectations, with excellent market feedback on quality. This state-of-the-art machine positions our business competitively in the North American paperboard market, perfectly illustrating our commitment to reducing exposure to declining markets while decisively increasing our capacity in growing ones.

Label investment at Gratkorn Mill

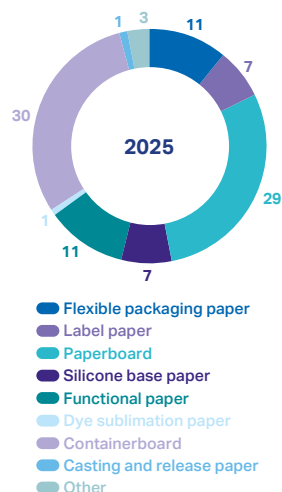
In September 2024, we completed an investment to expand label production at our Gratkorn Mill. This strategic move aims to establish Sappi as a leader in the label sector while reducing its reliance on the declining graphic papers market.



Our performance in 2025

Packaging and speciality papers sales volumes by product category

Sales volumes (%)



	2025
Sales volumes (metric tons)	1,458
Revenue (US\$ million)	1,814
Adjusted EBITDA margin (%)	3.6

Our products continued



Graphic papers

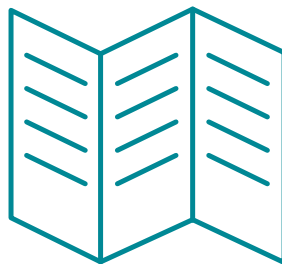
Our wide range of brilliant, high-performing graphic papers is engineered to create truly impactful brand experiences.

We understand that selecting the right paper can elevate a brand message from average to unforgettable.



Our products continued

Graphic papers



“At Sappi, we leverage our expertise to develop a diverse portfolio of graphic papers, meticulously designed to meet specific needs – whether it’s a premium product for an exclusive brand message, a versatile solution for broad requirements, or a more budget-friendly option. With Sappi, brands achieve a more memorable and lasting impression.”

This diverse portfolio is structured across the following four major grades of graphic paper, each engineered for distinct applications:

Coated woodfree paper

Printers and publishers use coated woodfree paper for a variety of marketing promotions, including brochures, catalogues, calendars, corporate reports, direct mail, books and magazines. Coated woodfree paper provides a smooth and uniform surface for optimal print fidelity. We manufacture coated woodfree paper in our North American and European businesses, but sell to customers all over the world. Coated woodfree paper products are sold through paper merchants, as well as directly to commercial printers.

Coated mechanical paper

Coated mechanical paper is primarily used in magazines, catalogues, newspaper inserts and other advertising materials. Sappi’s coated mechanical paper sales all come from our European business. Customers for this paper are typically web printers, publishers, retailers and cataloguers.

Uncoated woodfree paper

Uncoated woodfree paper is used for letterheads, business stationery, photocopy paper, books, brochures, envelopes, pamphlets and magazines. Sappi manufactures and sells uncoated woodfree paper in our European and South African businesses. Our main customers in this sector are paper merchants, commercial printers and retailers.

Newsprint paper

Newsprint is manufactured from mechanical and bleached chemical pulp, with uses including the printing of newspapers and advertising inserts. We manufacture and sell newsprint from our South African business.

Market outlook

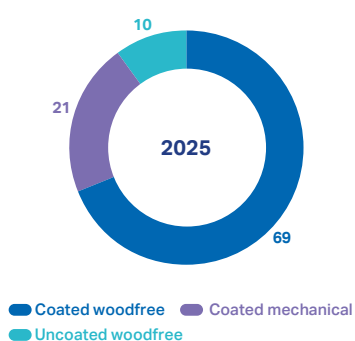
We expect global graphic papers demand to continue declining by approximately 6% to 8% per annum. Our strategic focus in this segment remains to proactively manage capacity utilisation.

In FY2025,
the graphic papers
segment made up
44%
of group
sales revenue

Our performance in 2025

Graphic papers sales volumes by product category

Sales volumes (%)



	2025
Sales volumes (metric tons)	2,045
Revenue (US\$ million)	2,372
Adjusted EBITDA margin (%)	8.1

Our business model

Sappi's business model is underpinned by our purpose: we exist to build a thriving world by unlocking the power of renewable resources to benefit people, communities and the planet.

We transform woodfibre from responsibly managed forests into a broad portfolio of dissolving wood pulp, paper, packaging papers and innovative biomaterials, delivering sustainable solutions that meet the needs of a low-carbon, circular economy.

Our six capital inputs are the basis of our value streams ...



SDGs

8
12
17



Financial capital

- Total assets: **US\$6,072 million**.



Intellectual capital

- Technology centres around the world
- R&D investment: **US\$44 million**
- Leading-edge tree improvement programmes
- World-class digital transformation strategy.



Social and relationship capital

- The forestry, pulp and paper sector makes a significant contribution to economic growth and job creation in the regions where we operate.



Manufactured capital

- **16** production facilities
- **26** paper/packaging machines.



SDGs

1
4
8
17



Human capital

- **10,655** per HFM permanent employees
- **34,981,297** contractor hours
- Strong safety culture.



Social and relationship capital

- Ongoing stakeholder engagement
- Corporate social investment:
Sappi Europe (SEU) **EUR100,000**
Sappi North America (SNA) **US\$190,000**
Sappi Southern Africa (SSA) **ZAR61 million**.



SDGs

6
7
12
13
15
17



Natural capital

- **405,103 ha** owned and leased plantations. Approximately one third is unplanted and managed for biodiversity conservation
- Energy purchased: **69,170,115 GJ/annum**
- Energy generated on-site: **62,315,033 GJ/annum**
- Renewable energy: **65%**, of which **62.8%** own black liquor
- Process water extracted: **206 million m³** (absolute), **40.1 m³/adt** (specific)
- Certified fibre used: **78%**.



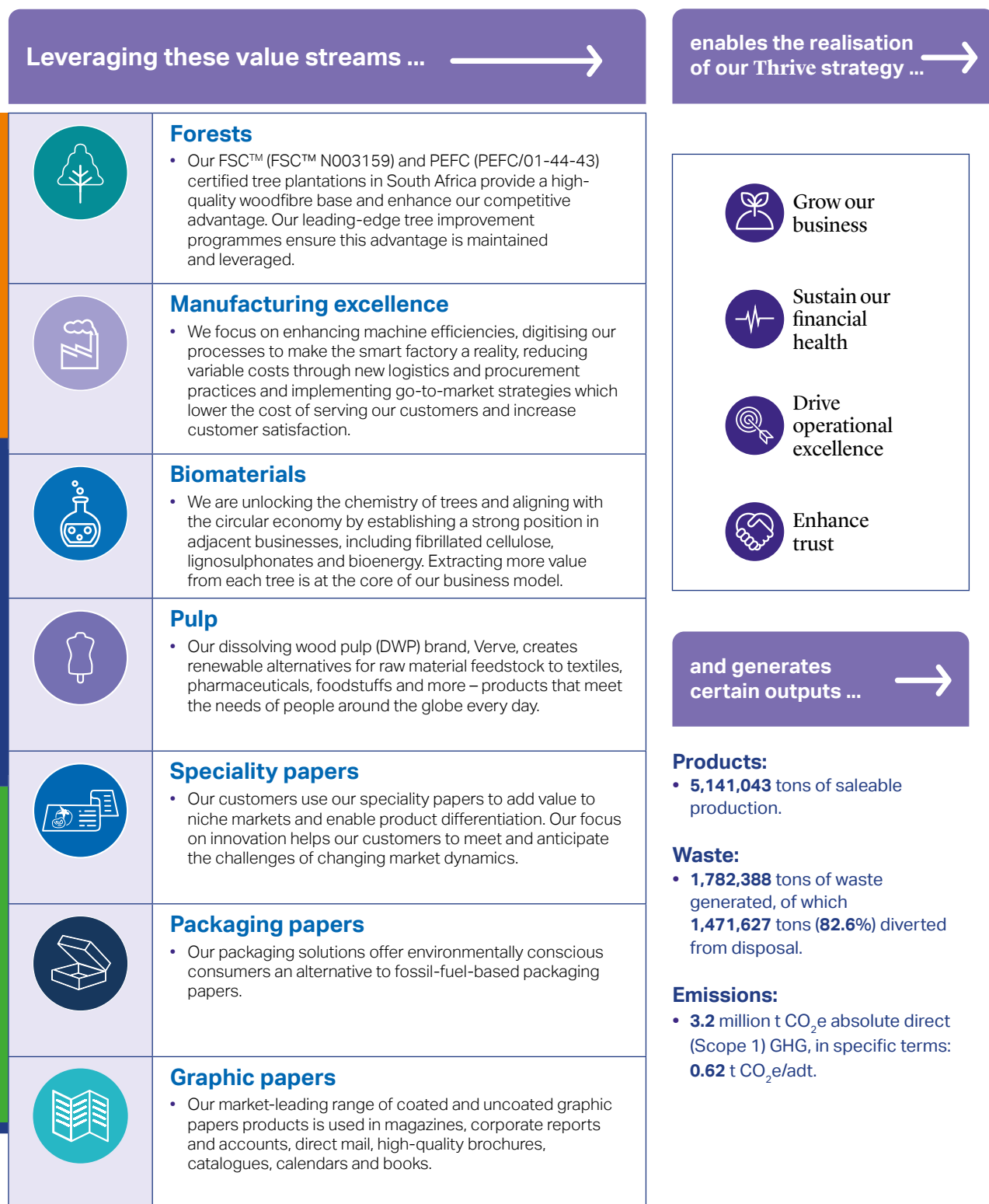
Our values: As OneSappi, we do business safely with integrity and courage, making smart decisions which we execute with speed.

Our SDGs



This model is reinforced by ongoing engagement with our stakeholders (pages 62 to 71) and an in-depth understanding of our operating context (pages 48 to 51), both of which enable more tangible value creation and informed decision-making. Anchored in our **Thrive** strategy, we integrate **Principles, Prosperity, People and Planet (the 4Ps)** to ensure

that climate action, nature stewardship and social impact are embedded in how we create, deliver and capture value. Our integrated operations and global sales network allow us to meet customer demand for low-carbon, circular and nature-positive products while driving efficiencies and innovation.



Monitoring and reporting on our ambitious SDG-related 2025 goals aligns with our Thrive strategy of being a trusted partner to all our stakeholders. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR

In South Africa, where our plantation forestry operations play a pivotal role in rural economies, our activities create significant social value through employment, small-grower programmes and community partnerships, reinforcing our

commitment to a just transition. By aligning financial performance with environmental and social responsibility, Sappi positions itself as a trusted partner in building a thriving, inclusive and nature-positive future.

Our business activities create, preserve and erode value, leading to certain key outcomes ...

which we work to enhance in the following ways:



- ✔ Adjusted EBITDA¹: **US\$501 million**
- ⚡ Net debt: **US\$1,920 million**
- ✔ **US\$992 million paid** to employees as salaries, wages and other benefits
- ✔ **US\$264 million reinvested** to grow the business
- ✔ **US\$71 million paid** to governments as taxation
- ⚡ **US\$104 million paid** to lenders of capital as interest
- ✔ **US\$85 million paid** to shareholders as dividends
- ✔ **17 new products with sustainability benefits launched over last five years** to meet evolving market demands.

¹ EBITDA excluding special items and the plantation fair value price adjustment.

- **Digital transformation strategy** is progressing well
- **Modernisation** of PM11 at Gratkorn Mill completed and will allow us to continue to serve the print market profitably
- **Investment** at Gratkorn Mill to convert PM9 to produce high-quality label expands the production capabilities of the machine so that it can produce a full range of high-quality label papers including self-adhesive and wet strength labels in addition to traditional coated woodfree graphic papers. Sales volumes growing according to plan
- **Investment** at Somerset Mill to convert PM2 to solid bleached sulphate (SBS) paperboard completed in May 2025 and ramp-up is in progress
- **Decarbonisation** investments at Kirknemi, Gratkorn, Maastricht and Saiccor Mills delivering not only significant CO₂ savings but also variable cost savings.



- ✔ The 2025 **Employee Engagement Survey** showed an increased participation rate and an increase in the percentage of engaged employees compared to 2023 survey
- ✖ **One employee and one contractor fatality**
- ⚡ **Improvement in the group LTIFR**
- ✔ **Global training average** (weighted) of **59.95** hours per employee (FY2024: 46.7 hours)
- ⚡ **Productivity 4.8** hours worked per ton of saleable production (FY2024: 4.4 hours)
- ⚡ **Maintained our Level 1 BBBEE contributor status.**

- Central **action tracker facilitates** the resolution of issues identified in the Employee Engagement Survey
- **Global safety performance** unsatisfactory with LTIFR of SNA and SEU deteriorating compared to last year and two fatalities in SSA
- **Global target to increase** proportion of women in management: All three regions achieved 2025 target
- **Code of Ethics training** to all employees in line with our strong governance culture.



- ⚡ **Decrease** in specific GHG Scope 1 and 2 emissions
- ✖ **Slight increase** in global specific energy usage
- ✖ Specific **process water usage** in SSA not achieved
- ⚡ At stand level, our plantations have a **negative impact on biodiversity**. At plantation level, we manage this impact by managing approximately one third of our landholdings for biodiversity
- ✔ Achieved a **25.3% biodiversity improvement** within our South African forestry conservation area landholdings
- ✔ **Lighter-weight packaging products** – lighter carbon footprint
- ✔ **78% certified fibre** supplied to mills enhances our competitive advantage.

- **Sappi Chair** in Climate Change and Plantation Sustainability at the University of the Witwatersrand **will provide more accurate climate models** and replicable, workable methodologies which will **benefit Sappi and the industry**
- **Collaborating with World Business Council for Sustainable Development (WBCSD) Forest Solutions Group (FSG)** to identify appropriate climate, nature and equity actions and develop appropriate metrics for our sector
- **Our World Wide Fund for Nature (WWF) Water Stewardship** project in the uMkhomazi catchment near Saiccor Mill advancing water security for the region
- **Sappi Rare, Threatened and Endangered Species Stewardship Programme** continues to deliver value. Due to Sappi's efforts *Warburgia salutaris*, commonly known as the Pepper-bark tree, was reclassified in 2025 from endangered to vulnerable.



Value created



Value preserved



Value eroded

Our business model continued

Our trade-offs

These are detailed throughout this report, with the key trade-offs detailed below.



Debt reduction remains our top capital allocation priority over the next two years. To balance the trade-off between capital-intensive carbon abatement initiatives and sustaining our financial health, we will focus in the short-term on operational efficiency improvements and Scope 2 emission reductions in South Africa through a renewable power purchase agreement, while phasing larger investments responsibly.

Risks

- Risk 5: Evolving technologies and consumer preferences
- Risk 7: Liquidity.



In response to market overcapacity and in line with our strategy of reducing exposure to graphic papers markets, in 2025 we initiated consultation processes at Kirkniemi and Alfeld Mills to close three paper machines and reduce shifts at Ehingen Mill from five to three. Consultations were completed shortly after financial year-end.

Risks

- Risk 10: Employee relations.



Market-driven production curtailments continued to impede our operational efficiency, causing us to fall short of some of our intensity-based planet-related targets for the year. For example, energy intensity and Scope 1 (direct) and Scope 2 (indirect) GHG emissions intensity did not reach our targets.

Risks

- Risk 4: Sustainability expectations
- Risk 6: Climate change.



Course

Every course we chart is shaped by our relationship with the natural world. At Sappi, we are custodians of land and forests, committed to using woodfibre responsibly – not only to drive business success, but to contribute to long-term environmental and social value across generations.

Our environmental strategy is rooted in certification, traceability, and continuous improvement in sourcing and land management. Through precision forestry practices, we optimise plantation health and productivity while advancing biodiversity protection. These efforts ensure that our raw materials are sourced from responsibly managed plantations that meet rigorous sustainability standards.

We take proactive steps to reduce our environmental footprint. Our operations are guided by robust environmental management systems that help us lower emissions, conserve water, and improve energy efficiency – often with internally generated bioenergy. As part of our climate action strategy, we are accelerating decarbonisation across our value chain, aligning with science-based targets and global climate frameworks.

Stewardship at Sappi means moving beyond compliance. We integrate circular design principles, regenerative land-use practices, and climate resilience into our operations, balancing business needs with ecological integrity. Our approach is intentional, adaptive, and informed by the evolving expectations of our stakeholders and the realities of a changing climate.

As we adjust our sails to meet the shifting tides of climate change and global expectations, our direction remains clear: to protect, restore, and regenerate the natural systems that sustain us, through measurable action, transparent reporting, and continuous innovation.



Our Thrive strategy

As we bring the 2020 – 2025 **Thrive** strategic cycle to a close, we reflect on a period dominated by the impact of COVID-19 that tested our resilience, sharpened our strategic focus, and strengthened the foundations of our business. Over the past five years, Sappi has navigated an increasingly complex external environment characterised by geopolitical uncertainty, supply chain disruptions, volatile market conditions and shifting consumer dynamics. Despite these challenges, the **Thrive** strategy has provided a clear and consistent framework, enabling us to strengthen our competitive position, advance our sustainability commitments and create long-term value for our stakeholders.

Our commitment to operational excellence, financial discipline and responsible resource management has remained steadfast. We continued to invest in technology and efficiency, progressed key decarbonisation initiatives, deepened stakeholder engagement and strengthened our focus on safety and people development. Through turbulent macroeconomic cycles, we remained committed to strengthening our balance sheet, optimising our asset base, and fostering trusted relationships across our global value chain.

The **Thrive** strategy has served as a compass during a transformative era, enabling us to adapt, grow, and build resilience in a rapidly changing world. As we now turn the page, the achievements of the past five years provide a strong platform for the next phase of our journey. The following section reflects on our 2020 – 2025 strategy and introduces the path forward – a strategy designed to consolidate our gains, reinforce our financial health, and unlock new opportunities beyond 2025.



Our Thrive strategy continued

As we embark on the next phase of our strategic journey to 2030, the guiding principles of our **Thrive** strategy remains relevant, however, in the current environment our focus is 'Back to Basics'.

Thrive strategy



Grow our business

- Grow dissolving wood pulp capacity to match market demand
- Continue to grow packaging and speciality papers in all regions
- Further commercialisation of biotech opportunities
- Reduce exposure to declining graphic papers business.



Sustain our financial health

- Target absolute net debt <US\$1 billion
- Reduce absolute debt level and improve EBITDA*
- Optimise capital management
- Optimise debt maturity profile and finance charges.



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.

* Earnings before interest, tax, depreciation and amortisation.
Note: EBITDA = EBITDA excluding special items.

Our business strategy – next phase is 'Back to Basics'

Thrive investment phase 2020 – 2025

- Major investments
 - Saiccor Mill expansion
 - Gratkorn Mill PM9 (labels)
 - Somerset Mill PM2 (SBS)
- Graphic capacity closures
 - Stockstadt Mill closure
 - Lanaken Mill closure
- Various cost improvement projects.

For a summary of our **Thrive** investment phase see strategic review in our **Letter to stakeholders** pages 9 to 12.

Thrive consolidation phase (Back to Basics) 2026 – 2027/8

- Sustaining our financial health
 - Net debt reduction
 - Working capital optimisation
 - 11% of net revenue
- Cost savings
 - Fixed and variable cost savings
 - European rationalisation US\$60 million* (FY2026)
 - Group-wide cost savings
 - Capex management
 - <US\$300 million for next two years
- Driving operational excellence
 - Ramp-up of production
 - Achieve production efficiency.

Thrive advance phase 2028 and beyond

- When our stated targets are managed at sustained levels
 - Dividend payments will resume
 - Share buy-back opportunities revisited
 - Growth opportunities explored.

* Savings are run-rate per annum savings.

See how we performed against our **Thrive** strategic targets in 2025 on pages 119 to 127.

Four key messages to shareholders

Focus on reducing leverage

- Target <US\$1 billion net debt
- Reduce capex to <US\$300 million for at least the next two years.

Maximise earnings growth

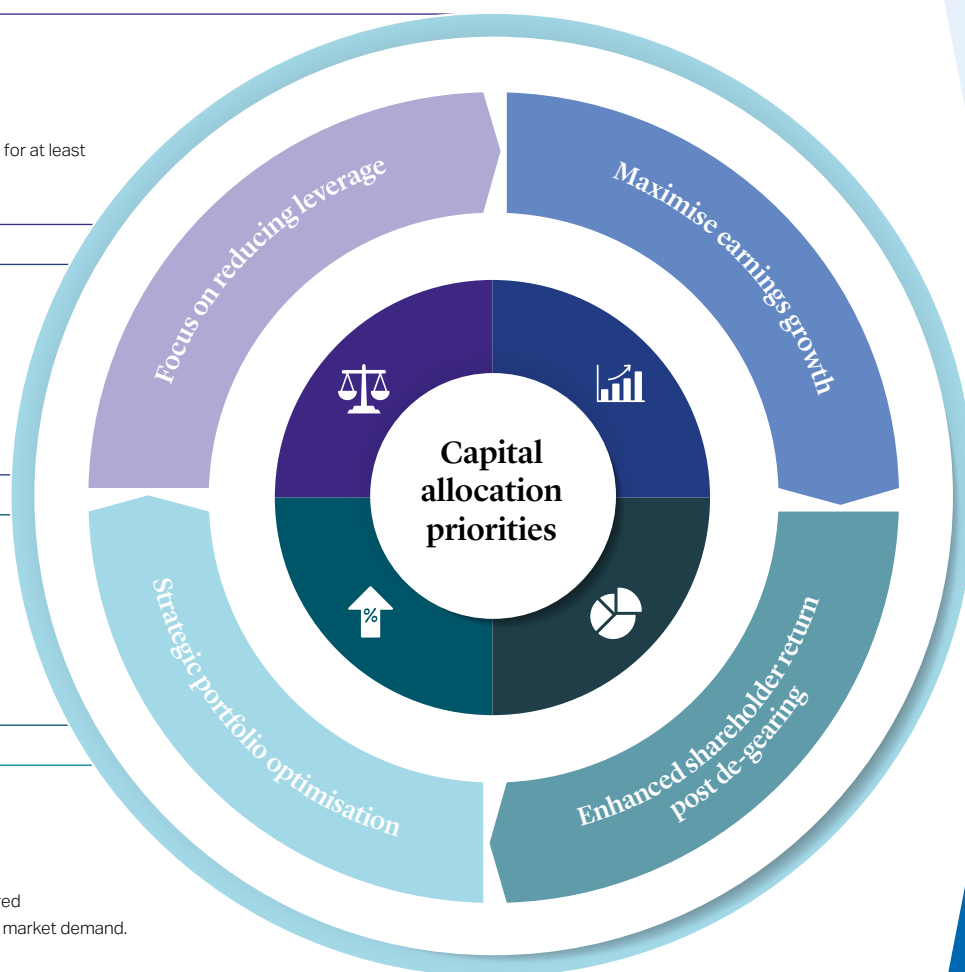
- EBITDA growth as we ramp-up Somerset Mill PM2
- ROCE target of WACC +2% consistently.

Enhanced shareholder return post de-gearing

- Re-evaluate dividend once debt target met
- Consider share buy-backs as a return mechanism dependent on share price.

Strategic portfolio optimisation

- Portfolio optimisation
- Sustainability opportunities explored
- Match graphic papers capacity to market demand.



Our operating context

Our external operating environment presents us with both risks and opportunities, impacts our ability to generate social and enterprise value and informs our approach to our stakeholders, as well as our approach to material matters.

Slow global macroeconomic growth

Context

Global macroeconomic growth in 2025 remained muted, shaped by the cumulative effects of prolonged inflation, elevated interest rates, and increased geopolitical instability. Central banks maintained restrictive monetary policies to curb inflation, dampening consumer confidence and reducing discretionary spending – particularly in advanced economies reliant on consumption-led growth. The introduction of new US tariffs in 2025 added further strain on global trade flows, increasing costs and disrupting supply chains. Persistent geopolitical tensions, including the ongoing conflict in Ukraine and renewed US-China trade frictions, have compounded uncertainty and constrained investment sentiment. Sappi, whose business segments include packaging and speciality papers for consumer goods, dissolving wood pulp (DWP) for the textile value chain, and graphic papers for commercial print, is directly impacted by these consumer-driven economic challenges.

Our response

Sappi is proactively addressing weak demand dynamics within our markets by carefully managing capacity utilisation to align with current demand levels, optimising production efficiency, and controlling costs. This approach is complemented by a strong focus on cost-saving initiatives, strengthening customer relationships, and practising disciplined capital allocation, all aimed at sustaining our financial health during this challenging period. By maintaining flexibility and prioritising financial resilience, Sappi is well-positioned to capitalise on future economic recovery, ensuring we are prepared to support growing demand as market conditions improve.

Evolving sustainability expectations

Context

Global sustainability expectations are evolving rapidly, driven by growing awareness of the environmental impact of fossil-based products and an urgent desire for greener alternatives. Consumers, businesses, and regulators increasingly recognise the role of traditional materials in contributing to climate change, pollution and resource depletion, leading to stronger demand for sustainable products.

This shift is particularly pronounced in sectors where fossil-based products are prevalent, such as packaging and textiles. Many are now seeking biobased, renewable and recyclable options that offer reduced carbon footprints and minimal environmental harm, pushing companies to innovate and transition toward materials that support a circular economy and long-term environmental health.

Our response

Aligned with our **Thrive** strategy, Sappi is ideally positioned to respond to these evolving expectations as we focus on creating responsibly sourced, eco-friendly alternatives to fossil-based materials such as sustainable packaging solutions and dissolving wood pulp for wood-based textile fibres. The sustainability benefits of wood-based textile fibres, being renewable, biodegradable, and offering a lower environmental impact than synthetic alternatives, have been a key driver for Sappi's ongoing strategic focus on dissolving wood pulp. By prioritising dissolving wood pulp, we are not only meeting the growing demand for sustainable, wood-based textile fibres but also advancing our commitment to reducing reliance on fossil fuels and promoting a circular economy in the textile industry. Similarly, the global shift away from plastic packaging driven by both consumer demand and new environmental regulations presents substantial growth opportunities for us. In line with this vision, we have invested US\$500 million in our Somerset Mill to convert PM2 from producing coated woodfree graphic papers to solid bleached sulphate paperboard (SBS), a versatile material that supports environmentally sustainable packaging. We are also broadening our portfolio of compostable and recyclable packaging options, including innovative products like bagasse-based, compostable, thermomoulded food-grade bowls and plates and paper-based label paper solutions for all consumer goods applications. These initiatives reflect our commitment to leading the way in sustainable packaging, providing viable, plastic-free options that benefit consumers and the environment alike.

Transitional climate developments

Context

Transitional climate impacts – such as the shift toward a low-carbon economy – are driving significant regulatory changes in our operating regions which represent risks to our licence to operate. In Europe, ambitious emissions reduction targets under the European Green Deal are prompting stricter climate policies, including carbon pricing and renewable energy mandates. North America, particularly the United States and Canada, is advancing climate regulations focused on clean energy incentives, emissions reporting, and supply chain transparency as part of broader sustainability goals. South Africa, meanwhile, is implementing carbon taxes and developing climate adaptation policies to align with global standards and address its unique vulnerabilities to climate change. These regulatory shifts aim to curb emissions, increase resilience and accelerate a just transition to more sustainable economies across these regions.



Our response

Sappi mitigates transitional risk by actively monitoring regulatory developments and engaging with policymakers to help shape climate-related policies that recognise the critical role of forests and forest products in addressing climate change. Our advocacy emphasises the unique benefits of sustainable forestry and renewable products in supporting a low-carbon future. To reinforce our commitment, we have set science-based 2030 decarbonisation targets and established a comprehensive climate transition plan to meet our climate action goals. This proactive approach not only secures our licence to operate but also strengthens our competitive edge as a leading provider of renewable, low-carbon solutions for a circular bioeconomy. Through these actions, Sappi continues to create long-term value aligned with global climate action priorities.

Nature-positive developments

Context

The 'nature-positive' movement is transforming how we interact with and value the natural world, emphasising the restoration and sustainable management of ecosystems rather than mere conservation. This global shift recognises that reversing biodiversity loss and addressing ecosystem degradation are essential not only for environmental health but also for economic resilience and human wellbeing. By integrating nature-positive principles into decision-making, businesses, governments, and communities are rethinking how they assess impacts, risks and opportunities, viewing biodiversity as a core asset. This approach is reshaping industries, promoting regenerative practices, and driving policies that prioritise ecological balance, ultimately aiming for a future where human progress and nature thrive together.



Our response

Given our high dependency on sustainable woodfibre for our raw material, Sappi is actively integrating nature-positive actions into our sustainability strategy to protect and enhance the natural ecosystems upon which we rely. Through our membership in the WBCSD Forest Solutions Group, we are collaborating with industry peers to define nature-positive actions specifically for our sector and to identify meaningful metrics that can be used to set appropriate targets and track progress. In line with our commitment to transparency and stakeholder trust, Sappi is aligning with the TNFD disclosure framework to better understand and communicate our nature-related impacts, risks and opportunities. Additionally, aligned with the goals of the Global Biodiversity Framework (GBF), we have designated 30% of our forestry landholdings for conservation and have set biodiversity improvement targets within these areas to help drive positive outcomes for nature.

Our operating context continued

Global supply chain disruptions

Context

Global supply chains have endured over a decade of major disruptions – from the US-China trade war and the Covid-19 pandemic to the Russia-Ukraine conflict – leaving lasting effects on the flow of goods and resources worldwide. Economic pressures, including persistent inflation and recessionary risks, have continued to threaten demand and pricing stability. Geopolitical flashpoints such as the Red Sea crisis and tensions around Taiwan have amplified risks across key shipping routes, while extreme weather events – hurricanes, floods, fires, droughts, and freezing conditions – have increasingly disrupted production and transport continuity. Rising cyber threats, labour shortages, and infrastructure vulnerabilities, exemplified by the Baltimore bridge collapse, have further exposed weaknesses in global logistics systems. Capacity constraints across maritime, air and land transport persist, and in 2025, the frequency of disruptions stemming from labour unrest, geopolitical conflict, cyber attacks, and climate-related events has underscored the need for greater strategic supply chain flexibility and resilience amid unpredictable global conditions.

In South Africa, deep-rooted inefficiencies within state-owned ports and rail operations have compounded these global challenges. Chronic shortages of freight trains, deteriorating rail infrastructure, and congested port operations have significantly constrained logistics efficiency. It is estimated that poor port and rail performance reduces South Africa's GDP by 5% to 6%, undermining national competitiveness within global supply networks. Sappi Southern Africa, which exports the majority of its dissolving wood pulp (DWP) through the Durban port and relies heavily on rail for the movement of raw materials and finished goods, continues to be directly impacted by these infrastructure and logistics challenges.



Our response

To mitigate the risks from supply chain disruptions, we have taken a proactive approach across all of our regions, strengthening partnerships with suppliers and logistics providers and revisiting our best practices and contractual guidelines to enhance agility and resilience. Recognising the need for flexibility, we have also prioritised innovation in product formulation, exploring recipe modifications to manage raw material shortages while adapting to new, qualified chemicals and additives that enable us to diversify our supplier network effectively. By establishing relationships with multiple vendors and prioritising domestic suppliers where feasible, we are positioning ourselves to better navigate the macroeconomic volatility, geopolitical tensions, and extreme weather patterns shaping the global landscape. This flexible strategy allows us to make swift adjustments to our supply chain as conditions change, ensuring our operational continuity and supply stability amid uncertainty.

In South Africa we have adjusted to the rail and port challenges by increasing road transport routes, working with our logistics partners to contain costs and developed an alternate shipping route from the port of Maputo in Mozambique, rather than the port of Durban. In addition, Sappi is an active participant in the National Logistics Crisis Committee (NLCC) reporting directly to President Ramaphosa, which is focused on immediate operational improvements in the national logistics system as well as longer-term reforms to improve efficiency and competitiveness.

The rise of artificial intelligence

Context

The rapid advancements in artificial intelligence (AI) are fundamentally transforming the way companies operate, enabling them to analyse vast amounts of data from diverse sources to streamline processes and improve decision-making. AI technologies are now seamlessly integrated into daily consumer experiences and are extensively used within organisations to automate repetitive tasks, interpret large datasets, and identify patterns and trends to enhance production, planning and auditing functions. However, the increased use of public AI tools, such as ChatGPT by Microsoft and OpenAI, and Bard by Google, introduces risks, especially around data security and confidentiality. When sensitive information is input into public AI systems, there is a risk that proprietary or confidential data could unintentionally enter the public domain, potentially compromising intellectual property or customer privacy. Additionally, the integration of AI in business operations increases the potential for cyber security vulnerabilities, as AI systems themselves can be targeted by cyber threats. This dual risk of data exposure and heightened cyber security concerns necessitates rigorous data governance and secure AI practices to protect corporate information and maintain customer trust in an increasingly AI-driven business environment.

Our response

We have adopted AI as part of our digital strategy and are using it within existing enterprise resource planning (ERP), security and infrastructure systems as well as machine learning across business functions.

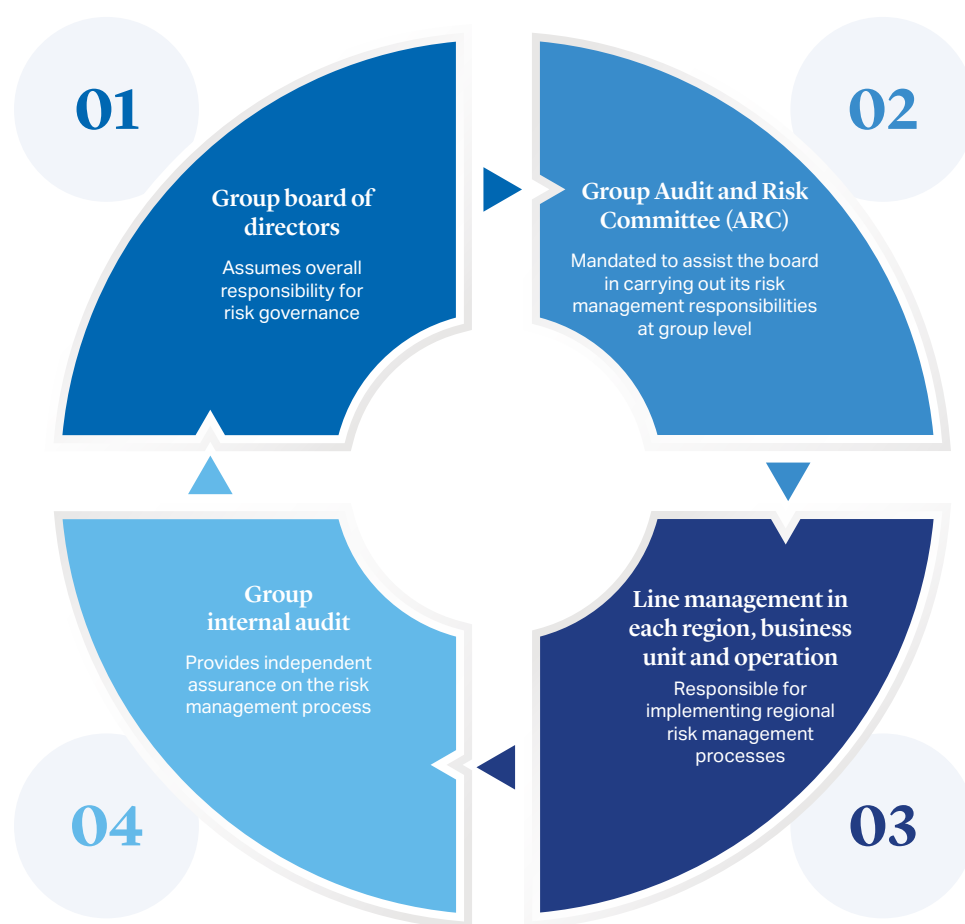
Some of our staff have tested these generative artificial intelligence (GenAI) tools and have asked to be allowed to explore how using GenAI could benefit their work. Our preference is to enable and allow the use of GenAI rather than to ban it as some other companies have done. Accordingly, we have published guidelines for the use of GenAI within Sappi to protect our confidential information. We are also working on a comprehensive enterprise GenAI strategy which will ensure that both risk and opportunities are appropriately addressed as GenAI capabilities are deployed.

Risk management

Our risk management philosophy

We have an established culture of managing key risks to our business. We believe effective risk management will safeguard the continuity of our operations and contribute to the achievement of our strategic objectives. Therefore, we ensure that our risk management processes are aligned and compatible with our strategy.

Over the years, we have implemented several processes, resources and structures to ensure our risks are managed adequately and efficiently. Among these, we have entrenched safety programmes, internal audit reviews, insurance, information technology (IT) security, compliance and governance processes throughout the group, along with quality management and a range of line management interventions. We are also following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



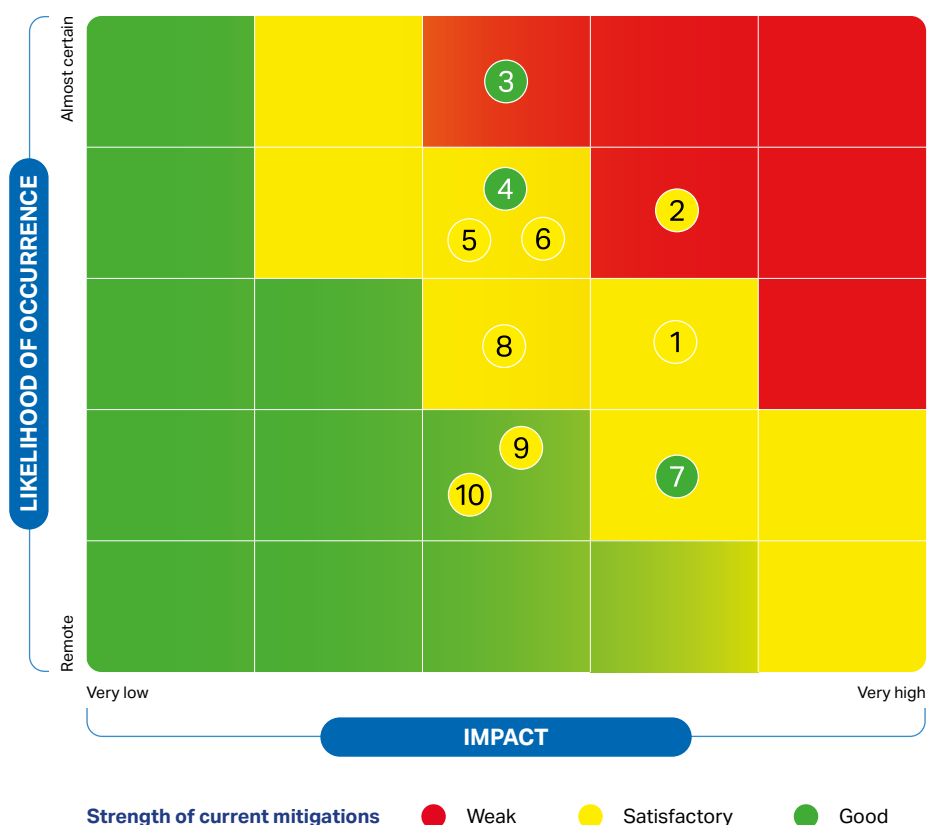
For an analysis of the principal financial risks we are exposed to, refer to note 32 of the group **2025 Sappi Annual Financial Statements** at www.sappi.com/annual-reports

Our **2025 Risk Report** provides a detailed discussion of the group's risk factors, and can be accessed at www.sappi.com/annual-reports

Risk appetite and tolerance

We have a board-approved framework for risk appetite and tolerance. Risk appetite is the total quantum that Sappi wishes to be exposed to on the basis of risk/return trade-offs for one or more desired and expected outcomes.

This is the quantum of risk that the board believes will provide an adequate margin of safety within the group's risk capacity while enabling the achievement of strategic objectives. Risk tolerance is the amount of uncertainty Sappi is prepared to accept. This is the maximum level of loss or reduced earnings that can be absorbed without compromising key objectives, eg return on investment.



Residual risk ranking

Top 10 risks

- | | |
|--|--|
| 1 Safety | 6 Climate change |
| 2 Cyclical macroeconomic factors | 7 Liquidity |
| 3 Cyber security | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 9 Supply chain disruptions |
| 5 Evolving technologies and consumer preferences | 10 Employee and community relations |

Risk management continued

01 Safety

(2024: 1)

Thrive strategy objectives impacted



4Ps impacted



Capital impacted



Root cause

Due to the nature of our manufacturing facilities and forestry operations, our employees and contractors operate in hazardous environments at times. We continue to prioritise their health and safety to ensure the continuity of our business.

Mitigating actions

- Conduct root cause analyses of all major incidents and fatalities
- Drive continuous improvement in safety performance
- Ensure compliance with behaviour-based safety principles
- Host regular training sessions
- Approach all transgressions of our safety policies with discipline
- Encourage reporting of near-miss incidents
- External safety reviews.

Related material issues

- Ensuring the safety of our employees and contractors
- Attracting, developing and retaining Sappi talent
- Supporting sound labour relations.

02 Cyclical macroeconomic factors

(2024: 2)

Thrive strategy objectives impacted



4Ps impacted



Capital impacted



Root cause

Our business is impacted by cyclical changes in global economic conditions, including fluctuations in exchange rates, periodic supply and demand imbalances, industry capacity and output levels. Global economic turmoil can lead to significant decreases in sales volumes, as well as pressure on our prices in the markets where we operate. We continue to operate in a highly competitive environment. Consolidation in the pulp and paper industry – leading to larger, more focused companies – has become more prevalent.

Mitigating actions

- Monitor the balance between supply and demand
- Monitor potential impairment of operating assets
- Monitor potential effects of trade barriers and tariffs
- Implement capacity closures as required
- Improve efficiencies and reduce costs across the business
- Enhance customer service, innovation, and efficient manufacturing and logistics processes
- Drive performance to set our businesses apart from competitors
- Increase pulp integration.

Related material issues

- Maintaining and strengthening our competitive position through agility and operational efficiency
- Responding to evolving customer needs through innovation and collaboration
- Providing sustainable solutions for a low-carbon circular bioeconomy.

03 Cyber security

(2024: 3)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

During the normal course of our business, we make use of our digital platforms to access and transact on confidential customer, employee, financial and commercial information, through our transactional and production systems. We also store, access and share our trade and proprietary information in our databases. These could be vulnerable/susceptible to cyber attacks.

Mitigating actions

- Mitigate against cyber attacks and information security breaches through our multi-layered IT security programme
- Adhere to relevant data protection laws in the jurisdictions where we operate
- Provide relevant cyber security training to all our employees
- Identify the employees susceptible to social engineering and phishing attacks.

Related material issues

- Maintaining ethical behaviour and compliance
- Attracting, developing and retaining Sappi talent.

04 Sustainability expectations

(2024: 4)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

The requirements from stakeholders are changing rapidly, challenging Sappi's ability to keep up to date, exceed or even lead with regard to regulatory, social, product and environmental demands. Our operational impact and environmental footprint need to support and demonstrate our sustainability commitments and actions.

Mitigating actions

- Utilise third-party certification systems to demonstrate sustainability leadership
- Enhanced health and safety specifications
- Promote recyclability
- Drive product innovation (including R&D)
- Move fast to secure benefit from the high-value niche opportunities created by the 'paper-for-plastics' movement
- Build on our strong position and commitment to fibre certification
- Communicate our social and environmental credentials through all media channels
- Sustainability-linked financial instruments.

Related material issues

- Procuring responsibly
- Providing sustainable solutions for a low-carbon circular bioeconomy
- Responding to evolving customer needs through innovation and collaboration
- Sourcing sustainable woodfibre
- Prioritising clean and renewable energy and responding to climate change
- Focusing on water stewardship
- Focusing on resource efficiency and minimising waste
- Safeguarding and restoring biodiversity.

Risk management continued

05 Evolving technologies and consumer preferences

(2024: 6)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

The implementation and spread of new technologies has an unavoidable impact on the way we operate. Similarly, changes in consumer preferences driven by emerging trends in advertising and packaging, electronic data transmission and storage, the internet and mobile devices, as well as digital alternatives to traditional paper applications, could materially affect the sustainability of our business.

Mitigating actions

- Improve profitability by implementing restructuring and other cost-saving projects
- Enhance productivity
- Drive growth in our strategic packaging and speciality papers business
- Leverage our leadership position in the market to capture growth in the dissolving wood pulp market.

Related material issues

- Procuring responsibly
- Maintaining and strengthening our competitive position through agility, and operational efficiency
- Responding to evolving customer needs through innovation and collaboration
- Sourcing sustainable woodfibre
- Prioritising clean and renewable energy and responding to climate change
- Providing sustainable solutions for a low-carbon circular bioeconomy.

06 Climate change

(2024: 7)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

Climate change will have an unavoidable effect on our business in the form of transitional, reputational and physical impacts. The latter includes the frequency and intensity of forest disturbances such as wildfires and extreme storms. This, in turn, could reduce forest productivity and change the distribution of tree species. The impact of climate change on our supply chain and operations, including the availability of water, raw materials and the wood supply, may adversely impact our business.

Regarding transitional risk, governments around the world are focusing on carbon trading and taxes as a response to climate change and such taxes could impact profitability to an increasing extent in future.

Mitigating actions

- Source pulp and woodfibre from a variety of sources and regions
- Invest in fire, pests and disease prevention protocols in South Africa, as well as site species matching to withstand abnormal weather events and reduce our water footprint in this region
- Sappi Southern Africa has engaged National Treasury via Paper Manufacturers' Association of South Africa (PAMSA) to motivate taking into account carbon sequestration by companies that own their own forests when calculating carbon tax
- Group-wide decarbonisation initiatives aligned with our 2030 validated science based target.

Related material issues

- Providing sustainable solutions for a low-carbon circular bioeconomy
- Sourcing sustainable woodfibre
- Prioritising clean and renewable energy and responding to climate change
- Focusing on water stewardship
- Focusing on resource efficiency and minimising waste
- Safeguarding and restoring biodiversity.

07 Liquidity

(2024: 10)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

Our principal sources of liquidity are cash generated from operations and available under our credit facilities, and other debt arrangements. Our ability to generate cash depends mainly on general economic, financial, competitive, market and regulatory factors. Our cash flow from operations may be adversely impacted by a downturn in worldwide economic conditions, which could result in a decline in global demand for our products.

Mitigating actions

- Cost-saving initiatives
- Re-prioritising various strategic initiatives
- Commercial downtime taken to match supply to demand
- Deferral of non-critical capex projects.

Related material issues

- Maintaining and strengthening our competitive position through agility and operational efficiency.

08 Uncertain and evolving regulatory and public landscape

(2024: 8)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

Our business is subject to various regulatory requirements across the regions where we operate, including requirements relating to environmental stewardship, health and safety. Significant changes to applicable laws and regulations – along with instabilities in political, financial and social spheres – could impact our competitiveness and profitability.

Mitigating actions

- Remain up to date on changes to applicable legislation
- Group-wide legal compliance programmes
- Ensure compliance with all relevant laws and legislation
- Report regularly on compliance to the group Audit and Risk Committee
- Reduce the impact of our operations on the environment, as guided by relevant and recognised programmes
- Invest in initiatives aimed at reducing our air emissions, wastewater discharges and waste generation
- Monitor potential changes in pollution control laws, including GHG emission requirements, and take action accordingly
- Cooperate across regions to apply best practices in sustainability.

Related material issues

- Maintaining ethical behaviour and compliance
- Procuring responsibly
- Prioritising clean and renewable energy and responding to climate change
- Focus on resource efficiency and minimising waste
- Focus on water stewardship
- Maintaining and strengthening our competitive position through agility and operational efficiency
- Safeguarding and restoring biodiversity
- Ensuring the safety of our employees and contractors.

Risk management continued

09 Supply chain disruptions

(2024: 5)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

We depend on a reliable and efficient supply chain to procure raw materials from suppliers and deliver products to our customers, within a timeframe that meets their expectations. A number of factors, many of which are beyond our control, could disrupt the operation of our supply chain. These factors include inclement weather, natural disasters, transportation interruptions or inefficiencies, port blockage or traffic congestion, labour shortages or disruptions and oil price increases, as well as unrest and pandemics. These could impair our ability to supply our customers or maintain an appropriate logistics chain and levels of production and inventory, all of which could adversely affect our reputation, business, results of operations and financial condition.

Mitigating actions

- Documented business continuity plans
- Ability to operate via multiple transportation modes
- Operational plans to utilise multiple ports for shipments
- Multi-sourcing of raw materials
- Ongoing communication with key stakeholders, including government
- Alternate modes of shipping
- Fine-tuning internal processes to enhance coordination between departments
- Negotiating longer lead times.

Related material issues

- Maintaining and strengthening our competitive position through agility and operational efficiency
- Prioritising clean and renewable energy and responding to climate change
- Procuring responsibly.

10 Employee and community relations

(2024: 9)

Thrive strategy objectives impacted



4Ps impacted



Capitals impacted



Root cause

The majority of our employees are represented by labour unions and are subject to collective bargaining agreements. These agreements are negotiated and renewed periodically, and any corresponding wage increases or work stoppages could impact our business. The risk of workforce reductions, closures or restructuring remains a reality given the current economic climate.

Mitigating actions

- Interact and engage with union representatives and organised labour regularly
- Build constructive work relationships
- Engage with communities continuously to develop proactive collaboration and to manage expectations
- Follow all local regulations and interact with union and community representatives to mitigate social impact of any workforce reductions.

Related material issues

- Ensuring the safety of our employees and contractors
- Creating a positive social impact in our communities
- Supporting sound labour relations
- Attracting, developing and retaining Sappi talent.

Integrating sustainability to create and preserve value

At Sappi, integrated thinking lies at the heart of how we create and preserve value. It connects our purpose, strategy, governance, and operations and ensures that sustainability considerations are embedded in every decision we make. Our approach is guided by the **Thrive** strategy, which sets out our ambition to be a sustainable, diversified, and resilient company that delivers long-term value for all stakeholders.

The **Thrive** strategy is underpinned by our core values – safety, integrity, courage, making smart decisions and executing with speed. These values shape our culture and guide how we operate responsibly, collaborate with stakeholders, and deliver on our purpose.

Our sustainability framework is built around the 4Ps – Principles, Prosperity, People and Planet – reflecting our belief that lasting success depends on achieving a balanced integration of economic, social, and environmental performance. Through a double materiality lens, we identify our material matters by engaging regularly with stakeholders across our value chain, understanding their expectations, and aligning them with our strategic priorities and risk management processes.

By assessing both the financial and non-financial impacts of these material matters, we ensure that sustainability is fully integrated into our enterprise risk management and capital allocation processes. Dedicated capital is assigned to projects that advance our sustainability goals and reduce our exposure to environmental, social, and governance (ESG) risks. We also consider the interdependencies between climate, nature, and social impacts, recognising that our future success depends on the health of the ecosystems and communities in which we operate.

Sappi is entirely reliant on natural resources, particularly sustainably managed woodfibre, to produce our renewable and innovative products. With our large manufacturing footprint, we are committed to minimising our environmental impact through responsible energy and water management, waste reduction, and continuous efficiency improvements. Equally, we recognise our social impact, especially in regions like South Africa where we are often a major employer and play a critical role in supporting rural economies through our forestry operations and community initiatives.

Sustainability at Sappi is a journey, one that requires balance between ambition and practicality. Our policies and time-bound targets, which are directly linked to our material issues and **Thrive** strategy, guide our progress and accountability. To reinforce alignment, our remuneration and incentive schemes incorporate key sustainability KPIs, ensuring that our commitments translate into action and performance across all levels of the business.

We maintain strong governance structures, with clear accountability embedded throughout the organisation. Recognising the geographical and contextual differences across our regions, we integrate sustainability action plans into regional strategies and business plans to ensure relevance and impact. Collaboration across the group, with our stakeholders, partners, and industry peers, strengthens our collective ability to drive progress and advocate for sustainable transformation in line with our global commitments and policy frameworks.

Through continuous monitoring and transparent reporting, Sappi remains committed to open dialogue, integrity, and improvement. Our integrated approach ensures that sustainability is not a separate initiative but a core part of who we are and how we thrive – today and into the future.

Global forces impacting our business

Sappi operates in a rapidly evolving global landscape shaped by powerful economic, environmental, technological, and social forces. These global megatrends, ranging from the transition to a circular, low-carbon economy and accelerating climate change to growing resource scarcity, social inequality, and geopolitical uncertainty, are transforming the way businesses create and preserve value.

Shifting consumer and employee expectations, persistent supply chain pressures, and the fast pace of digital innovation further influence our operating environment, presenting both risks and opportunities. We continuously assess these external dynamics through our enterprise risk management processes to ensure that our material issues and key actions are addressed in an integrated way that supports long-term value creation for all stakeholders.

- **Move towards a circular economy**
- **Climate change and climate transition**
- **Resource scarcity and growing concern for natural capital**
- **Rising social inequality and growing social activism with increased expectations of business**
- **Persistent supply chain challenges**
- **Changing consumer and employee behaviour**
- **Deglobalisation, polarisation, increased geopolitical and trade tensions**
- **Rapid pace of technological innovation and threats including cyber risks**
- **Growing populations with increasing rates of urbanisation**
- **Human rights and modern slavery**

Our key relationships

Our overarching aim is to partner proactively with our stakeholders as we unlock the power of trees and their limitless potential to accelerate the solutions a thriving world requires.

› Employees

› Unions

› Customers

› Communities and neighbours

› Industry bodies and NGOs

› Investors

› Government and regulatory bodies

› Suppliers

› Media

› Research institutes and academia

Highlights in FY2025

- Sappi was again named on Forbes magazine and Statista World's Best Employers 2025 (ranked number 289 globally and number 5 in South Africa) and Top Companies for Women 2025 (ranked number 144 globally and number two in South Africa) lists
- Sappi again achieved highest platinum rating from EcoVadis in Europe and North America (seventh consecutive year for both operating regions) and a gold rating in Southern Africa. Though external country risk factors have evolved, Sappi's commitment and performance in sustainability have remained unwavering
- SEU brought its arsenal of label papers and packaging solutions to two major industry events in September 2025: Drinktec in Munich and Labelexpo Europe in Barcelona, enabling visitors to discover Sappi's innovations
- SNA's Community Connection donated over US\$2.1 million and supported over 3,800 initiatives since its inauguration in 1998
- SNA employees collaborated on community-oriented campaigns (eg fundraiser benefiting Barbara Bush Children's Hospital, volunteering at Westbrook Community Centre)
- SSA opened Sappi Forests Skills Centre in Richmond, KwaZulu-Natal; and its Ngodwana Skills Centre supports a community aquaponics farm at Ngodwana Nursery. Such initiatives aim to provide a pathway to meaningful employment
- SSA established three vocational skills centres in rural and underserved areas. These centres provide basic hand skills training to local unemployed youth. Good candidates from these programmes are progressed into pre-apprenticeship maths/science bridging tuition and formal apprenticeships in the mechanical, electrical and boilermaker trades
- Sappi joined the GMI (Groupement des métiers de l'Impression et de la Communication), a national campaign in Italy to highlight the value of paper and address key misconceptions about the industry. The 'OrigAMA la carta' campaign was an educational initiative, reaching over 1,000 students across 15 schools and universities
- Building on the Antwerp Declaration in 2024, Marco Eikelenboom, Cepi Chair, discussed the Clean Industrial Deal with the European Commission President Ursula von der Leyen, Vice-President Stephane Sejourne, and European Commissioner Wopke Hoekstra at the European Industry Summit, February 2025
- Sappi launched the global 'Verve Quest' product competition (adopting a gamification approach) to engage and educate staff about dissolving wood pulp through an interactive augmented reality platform; final participation exceeded the global benchmark target by more than double
- Kirknämi Mill has been collaborating with universities, vocational institutions and student organisations for decades, focused on forest industry education. For instance, with Tampere University of Applied Sciences (TAMK) on the degree programme in bioproduct and process engineering. Students work on the mill's project assignments and participate in site visits to learn about its operations. Programme alumni who now work at the mill regularly return to the school to give guest lectures and share experiences
- Ongoing investment in climate research, including extension of support for Wits Chair in Climate Change and Plantation Sustainability (at the University of the Witwatersrand), led by Professor Mary Scholes, until 2028. Sappi's collaborative research project with Wits began in 2020.

Our stakeholder engagement is focused on building trust and delivering impact on what our stakeholders value the most. We proactively collaborate with stakeholders to better inform our decision-making amid today's dynamic external landscape. We particularly focus on the impact of our activities on people and the planet, in addition to enterprise value and in line with double materiality.

Our approach comprises informal and formal channels of mutual dialogue, ranging from regular employee engagement and customer surveys to community forums and Greenlight Movement community surveys in South Africa. Our stakeholder engagement is aligned to the governance framework of King IV namely performance and value creation, adequate and effective controls and trust, as well as reputation, legitimacy and ethics.

A thriving world is not possible without an ethical culture underpinning our everyday activities. Accordingly, we train our employees, customers and suppliers on our Code of Ethics and promote awareness of the Sappi hotlines in each region which allows all stakeholders to report breaches of the code in full confidentiality.

We regularly review our activities in terms of the OECD Anti-Bribery Convention and the convention's 2021 Anti-Bribery Recommendation, particularly section VII of the OECD Guidelines for Multinational Enterprises dealing with Combatting Bribery, Bribe Solicitation and Extortion. No issues have been raised in Sappi with regards to compliance with the convention and guidelines either externally or internally. In FY2025, we also assessed the countries in which we operate according to the Corruption Perception Index 2024 which ranks 180 countries and territories by their perceived

levels of public sector corruption. The index is calculated using 13 different data sources from 12 different institutions that capture perceptions of corruption within the past two years.

Our stakeholder engagement is also guided by our work towards realisation of the United Nations Sustainable Development Goals (UN SDGs), in particular our priority SDGs. We have a longstanding membership of the United Nations Global Compact (UNGC), which we joined in 2008, and which is now a global movement with over 20,000 participating companies and over 3,800 non-business participants in over 160 countries.

Our key relationships continued

Employees



Self-assessment of quality of relationships: **Satisfactory**

Why we engage

As we position Sappi to be future-fit, our task is to meet the changing needs of every Sappi employee within a diverse, inclusive, safe workplace where they can develop their full personal and career potential. We recognise that our wellbeing and financial prosperity are inextricably linked to our employees and the communities in which we operate.

Important topics for stakeholder

- A safe workplace
- Fair working conditions and respect for human rights
- Recognition
- Inclusive culture
- Open communications
- Opportunities for growth, training, development
- Grievance mechanisms
- Comprehensive health and wellbeing service.

Opportunities for value creation

- Open, regular communications on Sappi's strategic direction enables our people to contribute more positively to the business as well as their personal and career development
- A diverse workforce enhances our ability to service global markets and promotes a culture of inclusivity
- An increased commitment to safety delivers benefits at personal, team and operational levels
- By living up to our purpose, we become a more attractive employer, particularly to Millennials and Gen-Zs
- By establishing an ethical culture in which corporate citizenship is promoted, we ensure the ongoing viability of our business, enhance reputation and become an employer of choice
- SSA's employee wellbeing programme focuses on financial wellness, aiming to foster savings, offer financial management training, and promote continuous engagement with independent financial advisers and with the retirement benefits team. Behavioural change typically takes an average of five years, so the programme is continuously monitored, adapted and refined to support every employee's personal development.

Challenges for value creation

- Difficult geoeconomic environment potentially impacting employee morale
- Recruitment and retention of key skills
- Reluctance of younger generations to take up employment in the industry
- Loss of institutional memory as older employees retire.

Unions



Self-assessment of quality of relationships: **Satisfactory**

Why we engage

A workplace where people feel they have been heard and in which they can make a meaningful contribution enhances trust, helps to drive our safety-first culture and enhances overall efficiency, productivity and stability. Our constructive relationships with our employees and their representatives are based on mutual respect and understanding.

Important topics for stakeholder

- Freedom of association, collective bargaining and disciplined behaviour
- Safety and wellness initiatives
- Remuneration, working hours and other conditions of employment
- Grievance mechanisms
- Engagement on company's strategy and long-term growth.

Opportunities for value creation

- Constructive employee/management relations enable us to resolve new and difficult labour issues as they develop
- When employees understand strategic direction and operating context, they are more likely to be more engaged with Sappi, leading to positive benefits all round
- Idea generation as a collective to enhance productivity and safety performance building a sustainable and resilient organisation.

Challenges for value creation

- Multi-union landscapes add to complexities in the labour environment
- Lack of employee understanding relative to appropriate practices regarding wages and benefits
- Lack of real-time visibility or performance against key performance indicators.

Customers



Self-assessment of quality of relationships: Satisfactory

Why we engage

The more closely we engage and collaborate with our customers, the more likely we are to understand and respond to their evolving needs by offering relevant solutions in the form of sustainable and practical products and services. This partnership approach builds the loyalty and long-term relationships that enable us to thrive.

Important topics for stakeholder

- Product quality, quality consistency, high runnability for maximised productivity, affordability while maintaining other necessary qualities
- Product innovation tailored to customer requirements
- Open, two-way dialogue with customers
- Flexibility in operations to quickly adapt to and anticipate customer needs
- Relevant proactive communications and updates (eg via supplier newsletters, websites, trade magazines)
- Competent service and support, including responsiveness, proper consideration of customer concerns, access to direct contact person
- Sustainable products that meet changing consumer and regulatory demands (including avoidance of harmful chemicals, responsible management of mills, renewable energy, waste reduction, recycling promotion)
- Environmental certification, compliance, sustainable wood sourcing and responsible, ethical suppliers
- Carbon footprint.

Opportunities for value creation

- There is upward momentum and significant opportunities for value creation in the dissolving wood pulp value chain. Suppliers and brand owners are open to new solutions to improve traceability, to design for circularity and to collaborate more closely
- AI and state-of-the-art technologies continue to play an increasingly important role in delivering data-driven customer centricity, driving positive sustainable outcomes, and enabling Sappi to minimise its environmental impact in areas where it matters most.

Challenges for value creation

- Fluctuating consumer sentiment and legislative changes continue to impact the production and market dynamics of packaging and speciality papers, as well as structural shifts in demand for graphic papers
- Depressed economic conditions and trade tensions and tariffs which disrupt traditional trade flows.

Communities and neighbours



Self-assessment of quality of relationships: Satisfactory

Why we engage

Recognising that we are part of the communities beyond our fence lines and that their prosperity and wellbeing are linked to our own, we strive to make a purpose-driven, meaningful contribution towards the wellbeing and development of our neighbouring communities. We work to create positive social impact by jointly identifying and leveraging opportunities, thereby demonstrating our commitment to transparency and collaboration.

Community engagement meetings take various formats in our mills in the regions where they are situated. These range from broad liaison forums for business, local government and communities to legally mandated environmental forums that form part of the licensing conditions of mills. In South Africa, there are local farmer and community forums related to our forestry communities.

Important topics for stakeholder

- Addressing fundamental community needs in South Africa eg literacy, numeracy, digital skills for individuals' future competitiveness
- Practical solutions that address socioeconomic issues whilst being environmentally sustainable
- Sound and air emissions management around mills
- Job creation, skills and enterprise development (especially in South Africa)
- Environmental and climate protection, so communities can continue enjoying nature
- Long-term, holistic, locally driven growth of communities
- Fostering diversity, inclusion and women empowerment across communities.

Opportunities for value creation

- Strengthen collaboration with authorities' local development plans to tackle most pressing community needs (including job creation, and income generation that fosters local economic development in South Africa)
- Scale up and broaden impact of projects, and continue to enhance the tracking and feedback mechanisms
- Empower communities and employees to capitalise on opportunities that ensure the long-term growth and resilience of local communities
- 61% of South Africans believe partnerships between business and government can lead to more trustworthy management of technology-led changes, ultimately propelling South Africa's progress and growth
- Active participation in industry bodies and communities helps strengthen delivery of Forestry Sector Master Plan and collaboration with SA government in the Public Private Growth Initiative
- SSA's enterprise and supplier development programme already demonstrated impact on-the-ground and can be springboard for stronger strategic partnerships with diverse stakeholders who provide financial and non-financial support to SMEs.

Challenges for value creation

- Economic pressures on business investments
- Dynamic geopolitical external risks can be destabilising to communities and shift focus away from local and environmental projects.

Our key relationships continued

Industry bodies and NGOs



Self-assessment of quality of relationships: **Satisfactory**

Why we engage

We partner with industry and business bodies to provide input on issues and regulations that affect, and are relevant to our businesses and industries. We also support and partner with industry initiatives aimed at promoting the use of our products and the overall sustainability of our industry.

An important element of our strategy for achieving our business objectives is to enhance and support collaboration across the forest-based sector to enhance responsible forestry and promote forest certification. Our aim is to be present in multi-stakeholder conversations, support effective advocacy with policymakers and government leaders, and support supply chain initiatives. Close engagement is maintained through the industry organisations CEPI (Confederation of European Paper Industries) AF&PA (American Forest and Paper Association), PAMSA (Paper Manufacturers Association of South Africa) and FSA (Forestry South Africa).

Important topics for stakeholder

- Accountability and governance
- Decarbonisation and net zero
- Tangible progress and funding for biodiversity conservation and regeneration
- Open dialogue, knowledge sharing and collaboration with public and private sector for nature positive outcomes
- Legislative and regulatory certainty
- Robust forestry management that improves long-term resilience of trees amid climate change
- Critical cross-industry action on deforestation, and water management.

Opportunities for value creation

- There is ample opportunity for Sappi to continue strengthening its voice and demonstrating its sustainable leadership.

Challenges for value creation

- It is important to foster robust platforms for nuanced, transparent discussions to encourage value-driven collaboration and innovation across business and NGO communities towards unified, nature-positive goals.

Investors



Self-assessment of quality of relationships: **Satisfactory**

Why we engage

Our aim is to provide investors (shareholders and bondholders) and analysts with transparent, timely, relevant communication that provides them with an understanding of our industry and our performance, as well as our plans to achieve our growth ambitions, thereby facilitating informed decisions.

Important topics for stakeholder

- Strategy, vision, financial performance and measures to address future market dynamics
- Governance, remuneration
- ESG disclosure
- Financial impact of pertinent risks and opportunities
- Anti-corruption and ethical business conduct
- Future-oriented measures, investments, and innovations in response to changing market demands and regulations
- Measures to strengthen diversity and inclusion.

Opportunities for value creation

- Understanding of and commitment to our strategic direction
- Enhanced reputation
- Greater investment confidence
- Easier financing.

Challenges for value creation

- Uncertainties stemming from legislative and regulatory ambiguity.

Government and regulatory bodies



Self-assessment of quality of relationships: Satisfactory

Why we engage

Dialogue with members of governments and regulatory authorities is an opportunity for all stakeholders involved to better understand all aspects of the issues at hand. We work to ensure that our position on a broad range of priority issues is understood by politicians, decision-makers, opinion formers and other role-players in the regions where we operate. This approach supports a policy and legislative environment that helps us achieve our business objectives, as well as enhance our reputation and brand. In addition to direct contact, we also work through a variety of industry groups and associations as described on page 69.

Important topics for stakeholder

- Climate change and sustainability-related regulations
- Regulation of operations through licences and permits
- Implementation and support of government policies on local development, supplier development, employee and contract wellbeing.

Opportunities for value creation

- Active participation in oversight committees help build structures that assist in delivery of sector plans and helps focus governance structures to hold parties accountable for delivery.

Challenges for value creation

- Policies which take neither our high use of biobased energy into account nor recognise the important carbon sequestration role played by the sustainably managed forests and plantations from which we source woodfibre
- Legislative and regulatory uncertainties impact speed of decision-making and investment, as well as the way forward for industry and customers (in South Africa, this relates to carbon budgeting, carbon credit system, air quality and how climate change impacts are considered in environmental authorisations)
- Administrative and licensing delays.

Suppliers



Self-assessment of quality of relationships: Satisfactory

Why we engage

Our suppliers are a core aspect of our business. We aim to establish mutually respectful, value-based relationships with them and encourage them to share our approach to investing in and searching for innovative ways to leave the planet better than we found it and making a purpose-driven and meaningful contribution towards the wellbeing and development of employees and our communities.

Important topics for stakeholder

- Efficient, transparent tender process
- Flexible support for small, medium, local enterprises
- Local procurement
- Secure, long-term contracts
- Supplier diversity
- Capacity building and resource support
- Constructive engagement across the value chain.

Opportunities for value creation

- To support local economic development initiatives and emerging contractor development, SSA continues to leverage the enterprise and supplier development programme by focusing on local supplier development via direct/indirect contracting. To ensure the programme's success, local procurement and recruitment is built into the businesses' policies and are incorporated into the procurement contracting processes
- Ongoing appetite to continue co-developing products and optimising packaging and transportation alongside our suppliers.

Challenges for value creation

- For our engagement with enterprises and suppliers, it is critical to ensure local SMEs can overcome regulatory and operational challenges, so that they can continue to grow and scale up.

Our key relationships continued

Media



Self-assessment of quality of relationships:
Satisfactory

Why we engage

We maintain an open relationship with the media.

We continue to update the media on our belief that it is our responsibility to use the full potential of each tree we harvest. We engage with civil society organisations on issues of mutual interest and belong to key organisations relevant to our operations. We engage with various civil society groups on our societal and development impact.

Important topics for stakeholder

- Understanding of how Sappi's strategy and key initiatives contribute to its target stakeholders and communities
- Direct engagement with Sappi's leaders on their vision and perspectives on external developments.

Opportunities for value creation

- Deepen media relations and educate stakeholders on data-driven nuances behind complex topics
- More productive collaboration on advancing the debate on important topics, activating a wide variety of policy and industry-focused voices.

Challenges for value creation

- Misconceptions on the industry's sustainability progress, occasionally based on isolated cases, can detract from the willingness to better understand the support that Sappi and other companies need to continue investing and innovating towards more positive, sustainable outcomes.

Research institutes and academia



Self-assessment of quality of relationships:
Satisfactory

Why we engage

Collaborating and engaging with research institutes and academia enables Sappi to contribute to broader scientific advancement, the industry's ability to drive future-oriented net positive sustainable outcomes, and Sappi's own innovative process as it continues exploring long-term and emerging opportunities.

Important topics for stakeholder

- Ongoing funding and support for research projects and programmes
- Enhanced visibility on how scientific, data-driven research drives positive business, socioeconomic and environmental outcomes
- Partnerships and best practices sharing.

Opportunities for value creation

- There is ample opportunity, when it comes to topics of common interest that could form the basis of constructive programmes and focus areas of credible research.

Challenges for value creation

- Budget constraints to fund programmes to be able to direct the work; expert capacity to provide oversight.

Our key memberships and commitments

Sappi Limited

Name of organisation	Focus
African Business Leaders Coalition	In the build-up to COP27 in Egypt, the UNGC launched the African Business Leaders Coalition, to advance Africa's sustainable growth, prosperity and development by mobilising a coalition of Africa's business leaders to engage on the continent's most pressing issues as an organised, innovative, forward-looking principles based and unified voice. Our group CEO joined 56 other business leaders from African companies and signed The Africa Business Leaders' Climate statement, ensuring that African business had a collective voice to contribute to a positive outcome.
Business for Nature #MakeitMandatory	We signed up to this campaign, which calls on all large businesses and financial institutions to assess and disclose their impacts and dependencies on biodiversity.
Business Leadership South Africa (BLSA)	BLSA promotes engagement between South Africa's business leaders and key players in South African society, including government, civil society and labour, to exchange ideas in our national interest and to create effective dialogue.
EcoVadis	We assess the sustainability performance of our suppliers through proactive ratings and evaluations using EcoVadis methodology – under the EcoVadis banner, we have been submitting our own sustainability performance to our customers for many years now. In FY2025, Sappi again achieved highest platinum rating in Europe and North America (seventh consecutive year for both operating regions) and a gold rating in Southern Africa.
Ethics Institute of SA	As we are headquartered and listed in South Africa, we belong to this institute.
Forest Stewardship Council™ (FSC™)	Both SNA and SSA belong to this international, non-governmental organisation dedicated to promoting responsible management of the world's forests.
National Economic Development and Labour Council (Nedlac)	Sappi is an active participant in the Nedlac Companies Amendment Bill Task Team where representatives of labour, government and business meet to discuss and seek consensus on the major amendments proposed to the current South African Companies Act and governance codes as well as changes related to social and ethics board committees.
Paris Pledge for Action	We signed this pledge in 2015 to add our voice to global calls to limit global temperature rise to well below 2°C – and pursue efforts to limit the increase to 1.5°C.
Programme for the Endorsement of Forest Certification (PEFC)	Sappi is an International Stakeholder Member of PEFC, an independent, global, non-profit, non-governmental organisation, which promotes sustainably managed forests through independent third-party certification.
Cascale (formerly Sustainable Apparel Coalition)	A global, non-profit alliance of over 300 leading consumer goods brands, retailers, manufacturers, sourcing agents, service providers, trade associations, NGOs and academic institutions. Our members represent every link of the global value chain for apparel, footwear, and textiles; home furnishings; sporting and outdoor goods; bags and luggage. We use their sustainability measurement suite of tools, the Higg Index, to evaluate materials, products, facilities, and processes based on environmental performance, social labour practices, and product design choices).
Technical Association of the Pulp and Paper Industry	An international NGO of about 14,000 member engineers, scientists, managers, academics and others involved in the areas of pulp and paper.
The Textile Exchange (TE) and TE man-made cellulosic fibre roundtable and climate sub-committee	The TE launched their Climate+ Strategy in 2019, with a goal to reduce GHG emissions in the textile value chain by 45% by 2030, while addressing other climate-related impact areas, like water, biodiversity and soil health. Sappi was an advisory partner in the development of the TE's biodiversity benchmarking module and participated in the pilot launch of the tool. We also participate in the cellulosic roundtable and climate sub-committee.
World Business Council for Sustainable Development (WBCSD)	The organisation has three imperatives; climate, nature and equity. The Forest Solutions Group (FSG) is a sector-specific working group under the WBCSD umbrella. Sappi is an active participant in the FSG, has contributed to the development of the net-zero and nature-positive roadmaps for the forest sector and is one of the co-leads for the equity roadmap which is in progress.

Our key relationships continued

Sappi Europe

Name of organisation	Focus
Biobased Industries Consortium	Covers the entire biobased ecosystem and brings together players from different industrial sectors and disciplines. One of the consortium's aims is to improve access to finance and the investment climate in Europe.
CELAB (Circular Economy for Labels) coalition	Aims to create a sustainable circular economy for self-adhesive labels throughout the entire supply chain. The initiative aims to develop a sustainable and circular business model for more than 75% of the matrices and release liners used in Europe by 2025.
Confederation of European Paper Industries (CEPI)	The European association representing the pulp and paper industry.
4evergreen Alliance	A cross-industry alliance dedicated to perfecting the circularity of fibre-based packaging.
Intergraf	A trade association promoting and protecting the interests of the graphic industry at European level.
The Alliance of Energy Intensive Industries	Represents a broad grouping of industries who participate in policy discussions such as the EU Green Deal.
The Forests Dialogue	Provides international leaders in the forest sector with an ongoing, multi-stakeholder dialogue (MSD) platform and process focused on developing mutual trust, a shared understanding, and collaborative solutions to challenges in achieving sustainable forest management and forest conservation around the world.

Other memberships include BioChem Europe, Eurograph, European Joint Undertaking on Biobased Industries, Print Power.

Sappi North America

Name of organisation	Focus
Alliance for Pulp and Paper Technology Innovation	APPTI is an industry-led consortium that promotes development of advanced manufacturing technologies for the pulp and paper industry.
American Forests and Paper Association (AF&PA)	The national trade association of the paper and wood products industry.
Federal Forest Resource Coalition	Comprises companies and regional trade associations whose members harvest and manufacture wood products, paper and renewable energy from federal timber resources.
Sustainable Forestry Initiative® (SFI®) Implementation Committees (Maine, Minnesota, Wisconsin and Michigan)	Committees work with local, forestry, and professional associations, universities, government agencies, landowner groups, conservation groups and many others to promote SFI® standards to broaden the practice of responsible forestry and achieve on-the-ground progress.
Maine Forest Products Council	The Maine Forest Products Council has been the voice of Maine's forest economy since 1961, uniting landowners, loggers, truckers, mills, foresters, and allied professionals to keep the Maine woods a viable, sustainable resource. Through convening, education, and strong representation at the Maine Legislature and in Washington DC, MFPC advances policies and collaboration that support responsible forestry and the communities it sustains.
Minnesota Forest Resources Council	Develops policy recommendations and encourages the adoption of sustainable forest management policies and practices. Council members represent a wide range of forest resource interests and hold public meetings every second month to discuss key issues.
University of Maine Pulp and Paper Foundation	Active internship programme and industry advocacy.
University of Minnesota Sustainable Forests Education Cooperative	A forestry education cooperative offering continuing education opportunities for natural resource professionals.

Other memberships include American BioFuels Association, American Forest Foundation, Biorenewable Deployment Consortium, Forest Products Working Group, Forest Resources Association, Forest Stewardship Council™ (FSC™), FRA Lakes States Policy Committee, Great Lakes Timber Professionals Association, Maine Forest Products Council, Maine Cooperative Forest Research Unit, Maine Tree Foundation, Maine SFI® Implementation Committee (ME SIC), Maine Tree Foundation, ME American Tree Farm System (ATFS) Chapter, Maine Woodland Owners, Michigan Forest Products Council, Minnesota Forest Industries, Minnesota Timber Producers Association, MN SFI® Implementation Committee (MN SIC), MN ATFS, New Hampshire SFI® Implementation Committee (NH SIC), NH Timberland Owners Association, Paper and Packing Board, Paperboard Packaging Council, Pulp and Paper Products Council, Quebec SFI® Implementation Committee (QC SIC), Sustainable Packaging Coalition, University of Maine Paper Surface Science Consortia, VT SIC, Federal Forest Resources Coalition (FFRC), Federal Timber Purchasers Committee (FTPC), Wood Fiber Employee Joint Legislative Council, Great Lakes Timber Professionals, Minnesota Logger Education Program (MLEP), MI SFI® Implementation Committee (MI SIC), MI ATFS, WI SFI® Implementation Committee (WI SIC), FSC™-US Membership.

Sappi Southern Africa

Name of organisation	Focus
Business for South Africa (B4SA)	B4SA is an alliance of business leaders working with the SA government and other social partners focused on mobilising business resources and capacity to work alongside and in support of government to address bottlenecks impacting the country's socioeconomic development.
Business Unity South Africa (BUSA)	BUSA structures its work through two policy committees – a Social Policy Committee and an Economic and Trade Policy Committee. All deliberation on policy is considered through the policy committees. Sappi contributes through various committees influencing government policymaking.
Forestry South Africa	Forestry South Africa represents 13 corporate forestry companies, approximately 1,100 commercial timber farmers and some 20,000 small-scale growers. Collectively, these growers own or control no less than 93% of the country's total plantation area of 1.2 million hectares.
National Business Initiative (NBI)	An independent, business movement of nearly 100 South African and multinational companies committed to the vision of a thriving society and working with members to build their capacity for change and to create investment opportunities for them.
Paper Manufacturers Association of South Africa (PAMSA)	Responsible for the pre-competitive legislative, education, environment, research and recycling interests of the pulp, paper, board and tissue sector in South Africa.
South African National Biodiversity Institute (SANBI)	Tasked with research and dissemination of information on biodiversity, and legally mandated to contribute to the management of SA's biodiversity resources.
WWF-SA	Works with business to generate collective action, stimulate innovation and mobilise resources for shared value and systems change (See page 96 for details of our Water Stewardship partnership with WWF-SA).

Other memberships include Birdlife SA, Fibre Circle, Fibre Processing and Manufacturing Skills Education and Training Authority, FSC™, Manufacturing Circle, Packaging SA, Recycle Paper ZA, South African Chamber of Commerce and Industry and local chambers of commerce and industry.

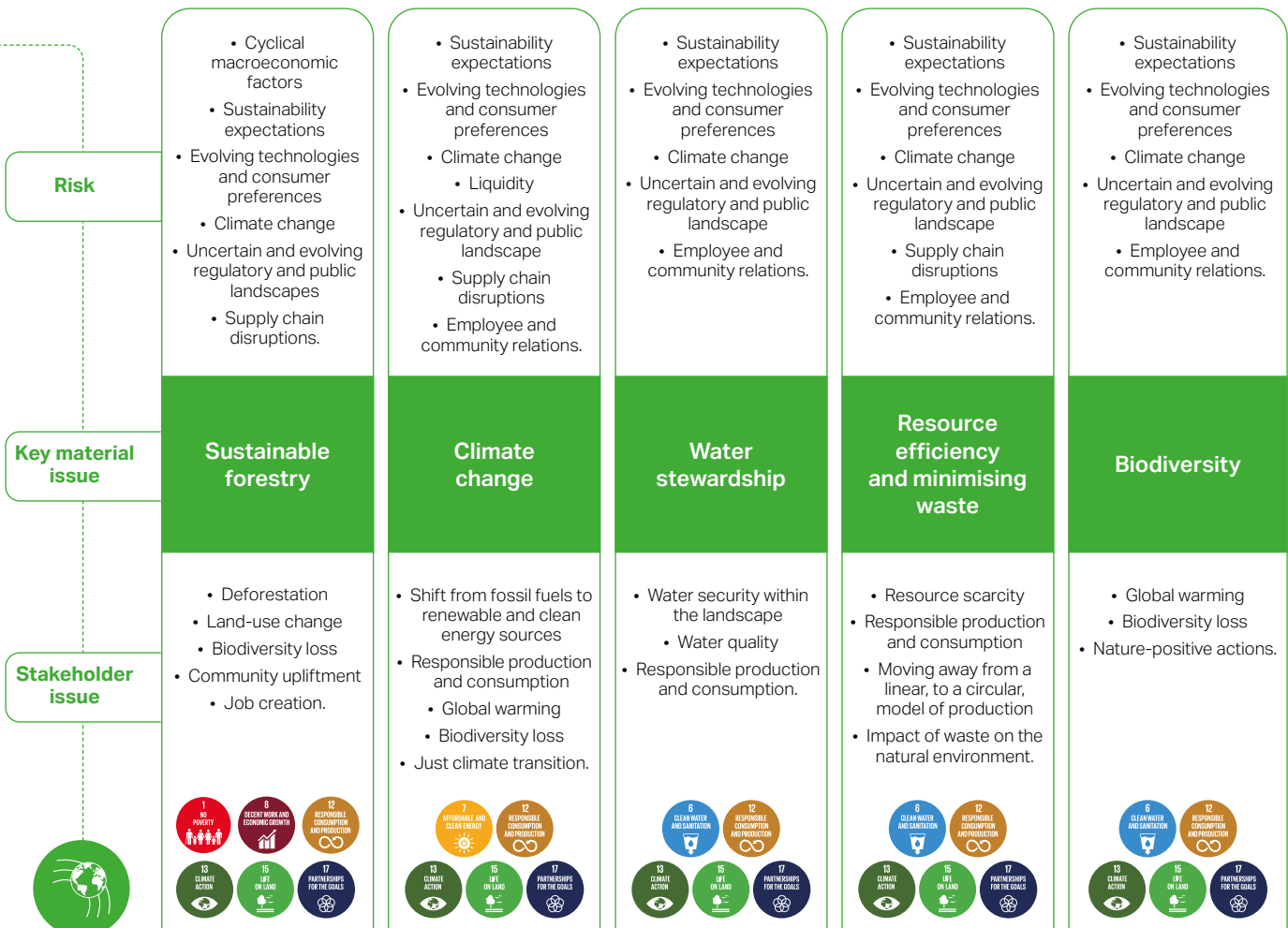
Sappi Forests (SF)

Sappi Forests' memberships are focused on mitigating pests and disease and promoting sustainability of our plantations:

- Forestry and Agricultural Biotechnology Institute (FABI)
- The Tree Protection Co-operative Programme (TPCP) – founding member
- Eucalypt Pest and Pathogen Working Group (EPPWG)
- Biological Control of Eucalypt Pests (BiCEP)
- Forest Molecular Genetic (FMG) Programme
- Forests Genomics Programme (SU)
- Institute for Commercial Forestry Research (ICFR)
- South African Institute of Forestry (SAIF)
- CAMCORE
- Seedling Growers Association of South Africa (SGASA).

Integrating our key material issues





Our key material issues

Our key material issues are those that we believe underpin our strategic risks and opportunities and have the highest potential impact – negative and positive – on stakeholder value.

The following pages set out a summary of why we believe these issues are material to Sappi, both in financial and impact terms, as well as their links to other aspects of our business, FY2025 highlights and how we create and preserve value.

Principles

- Ethical behaviour and compliance
- Responsible procurement

Prosperity

- Competitive position
- Sustainable solutions for a circular bioeconomy

People

- Health, safety and wellbeing of our employees and contractors
- Sappi talent
- Labour relations
- Social impact

Planet

- Sustainable forestry
- Biodiversity
- Climate change
- Water stewardship
- Resource efficiency and minimising waste

A comprehensive background to each material issue, together with key developments in FY2025 can be found in our **2025 Sappi Group Sustainability Report** www.sappi.com/2025GSDR .



Principles

Ethical behaviour and compliance

Financial materiality

Ethical behaviour and compliance are essential to safeguarding Sappi's long-term value creation and resilience, as lapses in governance or ethical conduct can lead to legal penalties, operational disruptions, reputational harm, and diminished investor confidence – each with material consequences for earnings and capital access. By maintaining robust compliance systems, embedding ethical decision-making throughout our operations, and fostering a culture of integrity, we mitigate financial risk, preserves stakeholder trust and strengthen our ability to attract investment, secure customer loyalty, and sustain profitability in a competitive global market.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Rapid pace of technological innovation and threats, including cyber threats
- Changing consumer and employee behaviour
- Deglobalisation, polarisation and increased geopolitical and trade tensions
- Human rights and modern slavery.

Our top 10 risks

3

Cyber security

8

Uncertain and evolving regulatory and public landscape

4

Sustainability expectations

10

Employee and community relations

Impact materiality

Our actions and decisions influence a broad network of stakeholders including employees, customers, suppliers, regulators and communities. Any lapse in ethics can have far-reaching social consequences. Upholding integrity and transparency help to promote fair business practices, strengthen human rights, and combat corruption across our value chain. Through rigorous governance, training, and monitoring systems, Sappi seeks to ensure that our operations contribute positively to ethical business conduct within the regions where we operate. By consistently acting with integrity, we not only reinforce our social licence to operate but also help to build more accountable, transparent and sustainable markets that benefit society at large.

Our highlights

- Comprehensive ethics training
- Ethics-related indicators rated highly in the 2025 employee engagement survey
- Reinforced ethics awareness through global events Global Ethics Day and World Whistleblower Day.



How we create and preserve value

At Sappi, we believe that how we do business is just as important as what we achieve. Acting with integrity, transparency and respect is fundamental to who we are and how we create lasting value. Our Code of Ethics guides our decisions and behaviour across every region and level of the organisation, helping us do the right thing – even when no one is watching. Over the past year, we strengthened this commitment through expanded ethics training, more accessible reporting channels, and continued partnerships that promote integrity across our supply chain. It is encouraging to see this reflected in our latest employee engagement results, where confidence in how ethical concerns are addressed has risen significantly. These outcomes reaffirm that a culture of trust and accountability is not only good for our people and partners, but also essential to sustaining long-term success for Sappi and all who depend on us.

Our key material issues continued



Principles continued

Ethical behaviour and compliance continued

Case study



Promoting ethics beyond our business – Building integrity in our supply chain

At Sappi, we recognise that ethical behaviour and integrity must extend beyond our own operations into every aspect of our value chain. In South Africa, this commitment drives our collaboration with regional partners to strengthen governance and build ethical capacity within our enterprise supplier development (ESD) network.

In 2025, our SSA Regional Procurement Head of Department participated in the inaugural Ethical Supplier and Integrity Talks, launched in partnership with the National Business Initiative (NBI). The event served as a platform for industry leaders to share best practices on promoting integrity across supply chains. During the session, our representative highlighted Sappi's proactive approach to equipping ESD partners with practical tools to navigate ethical dilemmas, address compliance risks, and uphold transparency in their operations. This initiative aligns with our broader commitment to ensure that all suppliers, especially emerging enterprises, understand and live by the same values that guide our business. This focus is particularly critical in the Southern Africa region, where



particularly critical in the Southern Africa region, where new and developing businesses often face systemic corruption and other unethical pressures. By fostering awareness, providing targeted training, and building resilience against unethical practices, Sappi is helping create a more transparent, trustworthy, and sustainable business ecosystem – one supplier at a time.



Principles continued

Responsible procurement

Financial materiality

With a network of over 17,000 suppliers, responsible procurement is financially material to Sappi's performance and long-term sustainability. An ethical, transparent, and well-managed supply chain directly supports our strategic pillars of growth, financial resilience, and operational excellence. By partnering with suppliers who share our commitment to integrity, quality, and sustainability, we reduce exposure to operational, legal, and reputational risks that could materially impact profitability and cash flow. It also ensures supply continuity, strengthens cost efficiency, and safeguards value creation, preserving our licence to operate and sustaining stakeholder confidence globally.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Changing consumer and employee behaviour
- Persistent supply chain challenges
- Resource scarcity and growing concern for natural capital
- Move towards the circular economy
- Climate change and climate transition
- Deglobalisation, polarisation and increased geopolitical and trade tensions
- Human rights and modern slavery.

Our top 10 risks

- | | |
|----------------------------------|--|
| 2 Cyclical macroeconomic factors | 6 Climate change |
| 3 Cyber security | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 9 Supply chain disruption |

Impact materiality

Responsible procurement is materially significant to Sappi's impact on people, communities, and the environment. In an increasingly socially and environmentally conscious world, maintaining ethical and transparent supply chains is essential to our strategic pillar of building trust and advancing our vision of a thriving world. Through responsible sourcing, we help prevent negative social and environmental impacts, safeguard human rights, and promote fair labour and sustainable forestry practices across our global value chain. By providing customers and consumers with visibility into our sourcing processes and collaborating with suppliers to strengthen their capacity for ethical and sustainable business, we drive shared value creation and contribute to more inclusive, resilient, and environmentally responsible supply networks.

Our highlights

- 82% of our global eligible¹ spend is with declared compliance to our Supplier Code of Conduct
- 60% of our global eligible² spend is with suppliers that disclose and have a corporate social responsibility (CSR) performance rating with EcoVadis
- 23% of our global eligible² spend is with suppliers that commit to science-based emissions reduction targets.

How we create and preserve value

Sappi creates and preserves value through a responsible procurement approach that embeds ethics, sustainability, and transparency across a global network of more than 17,000 suppliers. Guided by our Group Supplier Code of Conduct and underpinned by our Code of Ethics, human rights, and whistle-blowing policies, we work in partnership with suppliers to identify risk, assess social and environmental performance, and promote alignment with the UN Sustainable Development Goals. In 2025, 82% of our global procurement spend was covered by suppliers who declared compliance with our code, exceeding our **Thrive** target, while 60% of spend was assessed through EcoVadis, providing detailed insights into supplier sustainability performance. Through our Science Based Targets initiative, we engage suppliers to set and pursue emissions reduction goals, supporting our Scope 3 decarbonisation objectives and strengthening resilience across our value chain. Our due diligence and sanctions screening systems ensure that human rights and ethical business standards are upheld, while regional initiatives such as supplier risk assessments in Europe and enterprise supplier development in Southern Africa enable inclusion and shared prosperity. By empowering emerging enterprises, rewarding sustainability leadership, and fostering collaboration on climate action, Sappi ensures that responsible procurement not only protects value but also generates lasting impact which drives operational excellence, inclusive growth, and progress toward a thriving, low-carbon future.

¹ Eligible spend excludes internal spend categories, taxes, rebates and in North America payments to union pension funds.

² Eligible spend excludes internal spend categories, taxes, rebates and in North America purchases from private wood landowners and payments to union pension funds, as well as spend with government organisations and enterprise and supplier development (ESD) suppliers in South Africa.

Our key material issues continued



Principles continued

Responsible procurement continued

Case study

Sappi North America celebrates supplier sustainability leadership

Sappi's success in sustainability is built on strong, values-driven partnerships. In 2025, Sappi North America celebrated supplier excellence through the **Sappi Supplier Sustainability Leadership Award**, recognising three outstanding partners: **Brenntag Corporation, Evonik Corporation, and Solenis**.

The annual award honours suppliers that demonstrate exceptional commitment to sustainability across environmental, social, and ethical dimensions. Each of the 2025 recipients achieved a platinum EcoVadis rating, placing them among the top tier of global sustainability performers.

- Brenntag Corporation was recognised for its leadership in workplace safety, renewable energy adoption, and a well-defined roadmap to achieve net-zero emissions by 2050. Its collaboration with Sappi continues to advance responsible sourcing and circularity across our supply chain



Through these partnerships, Sappi reinforces its commitment to responsible procurement by promoting transparency, innovation, and shared responsibility. These collaborations demonstrate how sustainability leadership within our supplier network contributes directly to Sappi's vision of a thriving world and strengthens the integrity of our entire value chain.



- Evonik Corporation, a global leader in speciality chemicals, earned the award for its commitment to science-based targets, ambitious carbon-reduction programmes, and the development of low-impact materials that enable sustainable innovation
- Solenis was honoured for its pioneering work in water stewardship, energy efficiency, and the development of fibre-based alternatives to plastic, helping drive sustainable manufacturing throughout the value chain.





Prosperity

Competitive position

Financial materiality

Maintaining cost leadership and sustainable profitability amid volatile market conditions is central to the financial materiality of our competitive position. Operational efficiency allows us to reduce waste and optimise resource use, directly enhancing margins and safeguarding our cost competitiveness which is a key determinant of financial resilience in a cyclical industry. Concurrently, sustained investment in technological innovation and R&D enable us to diversify revenue streams, meet evolving customer needs, and capture value in emerging high-growth biobased and packaging segments. This dual focus mitigates risks associated with fluctuating demand in traditional paper markets while also underpinning long-term value creation, strengthening our market position and financial performance.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Changing consumer and employee behaviour
- Rapid pace of technological innovation and threat, including cyber security
- Persistent supply chain challenges
- Move towards a circular economy
- Resource scarcity and growing concern for natural capital
- Climate change and climate transition.

Our top 10 risks

- | | | | |
|---|--|---|--|
| 2 | Cyclical macroeconomic factors | 6 | Climate change |
| 3 | Cyber security | 7 | Liquidity |
| 4 | Sustainability expectations | 8 | Uncertain and evolving regulatory and public landscape |
| 5 | Evolving technologies and consumer preferences | 9 | Supply chain disruption |

Impact materiality

Improving operational efficiencies and innovating in circular products reflect the impact materiality of our competitive position by generating environmental, social and economic value. By reducing energy consumption, increasing renewable energy use, and minimising waste, we lower our carbon footprint while also contributing to ecosystem health and resource conservation. Our circular innovations, including the development of biobased and recyclable products, extend product lifecycles and reduce dependence on fossil-based materials. These initiatives align with growing consumer and industry demand for sustainable solutions, strengthen stakeholder relationships, and foster a more resilient, low-carbon economy. In doing so, we create shared value while supporting the wellbeing of communities, advancing environmental stewardship, and reinforcing our long-term competitiveness.

Our highlights

- US\$114 million from our strategic procurement savings project vs a target of US\$56 million
- R&D spend for FY2025 of US\$44 million
- Released 17 new products with sustainability benefits over the last five years against our target of 25, including new packaging and speciality papers as well as biomaterial products.

How we create and preserve value

Sappi creates and preserves value through a competitive advantage built on operational excellence, agility, and innovation. By continually improving efficiency across our global operations, we optimise resource utilisation, minimise waste, and reduce costs. This strengthens our ability to deliver superior value to customers while maintaining profitability in challenging markets. Our focus on agility allows us to adapt swiftly to evolving customer needs, market dynamics, and regulatory expectations, ensuring business resilience and long-term relevance. Through sustained investment in R&D, data science, and process innovation, we develop advanced fibre-based, recyclable, and biobased products that not only replace fossil-derived materials but also open new market opportunities in sustainable packaging, speciality papers, and biomaterials. Collaborative innovation models, such as our technology scouting and corporate venture initiatives, accelerate development and integration of cutting-edge solutions. Across all regions, from the deployment of AI-driven energy analytics in Europe to Lean Six Sigma process optimisation in North America and Theory of Constraints implementation in Southern Africa, we are embedding continuous improvement and digital intelligence into every facet of our operations. These initiatives enhance reliability, flexibility, and sustainability which are key enablers of our competitive position. Ultimately, by combining operational efficiency with purposeful innovation, we create enduring value for our stakeholders, conserve natural and financial resources, and reinforce our role as a leader in the circular bioeconomy.

Our key material issues continued



Prosperity continued

Competitive position continued

Case study

Optimising fibre use at Somerset Mill

The expansion of PM2 at Sappi's Somerset Mill brought new capacity; and with it, a fresh operational challenge. The increased paperboard production creates a pulp deficit, requiring supplemental dry fibre to meet demand. However, dry fibre is both costlier and more resource-intensive than internally produced slush pulp. Without a reliable forecasting tool, decisions on dry fibre usage were often reactive, leading to overconsumption, higher costs, and unnecessary environmental impact. To address this, a cross-functional team developed a real-time pulp inventory forecasting model. Built in Python and integrated into our operational control systems, the model predicts pulp inventory 24 hours in advance and recommends fibre adjustments based on projected levels. Running every five minutes, it analyses production and consumption rates while dynamically accounting for broke usage and grade-specific pulp demand.

This innovation has delivered measurable results. By enabling precise control over dry fibre consumption, the model significantly reduces reliance on externally sourced pulp, lowering the mill's carbon footprint associated with transport and processing. Within just two months of implementation, the system generated US\$183,000 in savings, with projected annual savings exceeding US\$1 million and up to US\$6 million in scenarios where market pulp is used. Beyond cost and environmental benefits, the model also enhances operational stability. It prevents overproduction and underutilisation of pulp, minimises the risk of excess inventory and energy-intensive storage, and supports consistent production flows.



Now advancing to phase 2, the model will directly integrate with the mill's control systems to automate fibre adjustments, further improving efficiency and sustainability. This grassroots advanced process control initiative is the first of its kind at Somerset Mill and sets a benchmark for other integrated Sappi mills. It exemplifies how digital innovation, collaboration, and data-driven decision-making can reduce waste, conserve resources, and create competitive advantage through operational excellence.



Prosperity continued

Sustainable solutions for a circular bioeconomy

Financial materiality

Sustainable solutions for a circular bioeconomy drive growth, resilience, and long-term value creation. By designing renewable, recyclable, and biodegradable products that align with evolving consumer expectations and tightening environmental regulations, we unlock new revenue streams in high-growth, sustainability-driven markets. These circular innovations reduce our exposure to resource and regulatory risks while also enhancing operational efficiency through waste reduction and resource optimisation. Our leadership in sustainable product design strengthens brand equity and deepens customer partnerships, fostering loyalty and market differentiation. Collectively, these outcomes support stable cash flows, improved margins, and long-term profitability which demonstrates that embedding circularity into our business model is both a strategic and financially material driver of Sappi's success.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Changing consumer and employee behaviour
- Move towards a circular economy
- Resources scarcity and growing concern for natural capital
- Climate change and climate transition
- Growing populations with increasing rates of urbanisation.

Our top 10 risks

- | | |
|--|--|
| 4 Sustainability expectations | 6 Climate change |
| 5 Evolving technologies and consumer preferences | 8 Uncertain and evolving regulatory and public landscape |

Opportunities for value creation: Championing the relevance of paper in a digital world

Sappi Europe is actively demonstrating the enduring relevance of paper in today's digital age by promoting its role as a sustainable, innovative, and engaging medium. Through targeted campaigns across Europe, Sappi is helping reshape perceptions and highlight paper's contribution to a circular, low-carbon economy. In France, a national campaign featuring a 'paper superhero' challenges misconceptions about deforestation, recyclability, and the environmental value of print. In Italy, the 'OrigAMA la carta' initiative has inspired more than 1,000 students to creatively express paper's environmental story through origami animals symbolising forest protection. In Germany, Sappi supports the WE.LOVE.PRINT movement, which underscores the importance of print in omnichannel communication and its sustainable credentials, with Sappi contributing expertise, funding, and premium paper products.

By engaging consumers, educators, and businesses, these initiatives reinforce paper's relevance in a digital society – creating value through education, advocacy, and innovation. They demonstrate how Sappi's leadership extends beyond product excellence to promoting sustainable communication and strengthening the paper industry's role in the circular bioeconomy.

Impact materiality

Sustainable circular solutions create positive environmental and societal outcomes while advancing a regenerative, low-carbon economy. By harnessing the renewable potential of woodfibre, we enable industries to transition away from fossil-based materials toward more sustainable, circular alternatives. Our products reduce carbon footprints, enhance recyclability and biodegradability, and promote responsible resource use across value chains. Through integration into circular systems, we help minimise waste and pollution, support ecosystem restoration, and contribute to the conservation of natural resources. These efforts align with global sustainability goals and rising stakeholder demand for environmentally responsible products, reinforcing our role in shaping a more resilient, inclusive, and sustainable future.

Our highlights

- Launched Galerie Book, a new mechanical uncoated paper, offering publishers a 70% lower carbon footprint through renewable energy use and local fibre sourcing
- Progressing the ramp-up of the European wet-strength label papers portfolio, enhancing production stability and expanding supply to meet growing customer demand in the beverage and packaging sectors
- Strengthened our functional paper portfolio with the successful launch of three new high-barrier papers, expanding our range of biobased alternatives to plastic and multilayer laminates
- Promoted Sappi's dissolving wood pulp, Verve, and the role of working forests in the low-carbon transition through key industry events, including Challenge the Fabric (Milan) and the Karoo Wool Winter Festival (South Africa)
- Partnered with Birla Cellulose, the Foschini Group (TFG) and Woolworths, to advance the development of sustainable, circular wood-based fabrics made from Verve and waste cotton, achieving a key milestone with the production of recycled viscose fibre at Birla Cellulose's Fibre Research Centre in India
- Launched Viscowell, a renewable lignosulphonate-based drilling mud thinner that replaces toxic chrome and synthetic oil-based products with a high-performance, sustainable alternative.

How we create and preserve value

Sappi creates and preserves value through circular solutions by harnessing the full potential of renewable woodfibre and embedding sustainability into every stage of our innovation process. Guided by our **Thrive** strategy, we apply circular design principles that maximise the use of every tree by transforming woodfibre, residues, and byproducts into high-value products such as packaging papers, dissolving wood pulp, and biomaterials. This integrated approach enables us to reduce waste, lower carbon emissions, and replace fossil-based inputs with renewable, recyclable alternatives. Through continuous innovation and collaboration with partners across industries, we drive system-wide circularity by developing solutions that extend product lifecycles, improve recyclability, and promote resource efficiency. Our investments in decarbonisation, energy optimisation, and sustainable product innovation further enhance our operational resilience and cost efficiency, while enabling customers to achieve their own sustainability goals. From paper and packaging innovations that replace plastics to lignin and cellulose-based biomaterials that create new market opportunities, our circular solutions generate shared environmental, social, and financial value. In doing so, we not only advance the global transition toward a circular bioeconomy but also strengthen Sappi's long-term competitiveness, ensuring we continue to thrive in a resource-conscious, low-carbon world.

Our key material issues continued



People

Health, safety and wellbeing of our employees and contractors

Financial materiality

Ensuring the health, safety, and wellbeing of employees and contractors is not only a moral and social imperative but also has a significant financial impact by directly supporting stability and operational efficiency. Workplace incidents can result in costly consequences which include lost productivity, increased insurance and medical expenses, higher workers' compensation premiums, and potential legal liabilities. Proactive investment in safety training, risk prevention, and wellbeing initiatives, reduces the likelihood of accidents, minimises downtime, and enhances employee engagement and retention. A healthy, safe, and motivated workforce drives higher productivity, improved quality, and stronger business continuity. This commitment to health and safety safeguards our people and protects shareholder value by reducing operational and financial risk, reinforcing Sappi's reputation as a responsible and sustainable employer.

How this issue links to other aspects of our business

Our global priority SDG



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Rising social inequality and growing social activism with increased expectations of business
- Changing consumer and employee behaviour
- Growing populations with increasing rates of urbanisation
- Human rights and modern slavery.

Our top 10 risks

1

Safety

10

Employee and community relations

4

Sustainability expectations

Impact materiality

Health, safety, and wellbeing play a vital role not only within our workforce but across the wider operational ecosystem. Safe, healthy, and engaged employees and contractors are essential to maintaining operational stability, productivity, and trust. When workplaces are safe, people feel more connected and motivated, driving higher morale and performance. By using our influence to ensure that contractors uphold the same rigorous safety standards as our own teams, we strengthen the integrity and reliability of our operations across the value chain. Fewer disruptions, equipment failures, or process incidents also help prevent environmental harm, protecting surrounding communities and natural ecosystems. Promoting a 24/7 safety mindset, leading by example, and embedding safety into every decision and activity, allows us to safeguard people while also reducing the risk of operational and environmental incidents – reinforcing our commitment to sustainability, community wellbeing, and long-term business resilience.

Our highlights

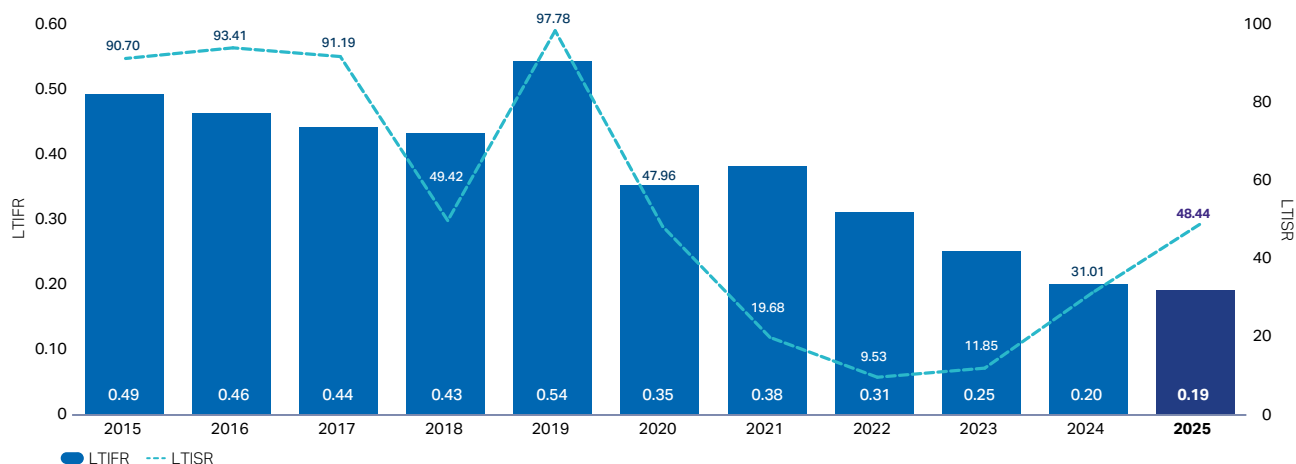
- Annual safety and environmental awards recognised as inspiring platforms among employees
- Ongoing collaboration and alignment among regional safety manager clusters and platforms in global safety workgroup
- Globally harmonised safety management system embedded across regions for close alignment.

How we create and preserve value

Sappi creates and preserves value by embedding a strong culture of safety, health, and wellbeing across all our operations which protects our people, strengthens operational resilience, and reinforces trust with our stakeholders. Safety is not only a moral and legal obligation but also a core business value that underpins our purpose of doing business safely, with integrity and courage. By engaging employees and contractors alike, sharing learnings, and managing risk proactively, we minimise workplace incidents and reduce downtime, ensuring consistent productivity and cost efficiency. Our 'Safety Starts with Me' philosophy and behaviour-based programmes cultivate personal accountability, empowering every individual to make safe choices every day. Through rigorous risk assessments, training, and leadership visibility, we continuously improve our safety performance and aim for our ultimate target of zero harm. In parallel, our investment in employee wellbeing which spans occupational health, mental wellness, and financial resilience, enhances engagement, retention, and morale, contributing to a more motivated and high-performing workforce. Safe and healthy operations also reduce the likelihood of environmental incidents, preventing potential harm to surrounding communities and ecosystems. Together, these actions preserve value by safeguarding lives, maintaining business continuity, strengthening our reputation, and ensuring that our operations remain resilient, efficient, and aligned with our long-term sustainability goals.

At Sappi, safety is a core value, and protecting our employees and contractors is paramount. We remain fully committed to creating a safe and caring workplace for all.

Sappi group – LTIFR and LTISR combined



Note: We calculate LTIFR by dividing the product of lost-time injuries and a group-wide standard for work hours by the unit's work hours, ie $LTIFR = LTI \times 200,000 / \text{units actual work hours}$. LTISR is the lost-time injury severity rating and in a similar manner to the frequency rate, is calculated by dividing the product of the number of days lost to the injury and the group-wide standard hours by the unit's man hours, ie $LTISR = \text{Number of days lost} \times 200,000 / \text{actual man hours}$.

Case study



Promoting health and wellbeing at Sappi Southern Africa

At Sappi Southern Africa (SSA), people are at the heart of everything we do. We believe that a healthy, supported, and resilient workforce is the foundation of sustainable success for our business, our communities, and our future.

That belief has shaped our health, wellbeing and social care programme, a holistic initiative designed to promote physical, mental, and financial wellbeing across all our operations. The programme brings together three core pillars – occupational health, primary healthcare, and employee wellbeing – to ensure every employee has access to the care, support, and resources they need to thrive.

In 2025, we made strong progress. Our occupational health team rolled out an updated alcohol policy and new medical evaluation protocols across safety-sensitive roles, reinforcing our commitment to a safe and responsible workplace. Through close collaboration with medical aid schemes and the Department of Health, we strengthened access to chronic medication and diagnostic services, helping employees manage long-term health conditions more effectively.

At the same time, our employee wellbeing programme expanded its reach. Confidential counselling and advisory services now provide critical support for employees facing addiction, trauma, mental health challenges, or financial

stress. Recognising that financial wellbeing is an essential part of overall health, we also introduced Summit Save; an initiative that helps employees build a culture of saving and plan for a more secure financial future.

Our care extends beyond the workplace. At Saiccor Mill, Sappi's corporate social investment efforts funded significant upgrades to a local clinic – from new facilities and modern equipment to improved ventilation and patient comfort. This partnership, with Supernati and Supergroup Transport, ensures that quality healthcare is more accessible not only to employees but to surrounding communities as well.

The impact of these initiatives is already being felt; earlier detection of illness, greater access to care, and stronger morale across our teams. Employees are more engaged, more resilient, and better supported to bring their best selves to work every day.

But for us, wellbeing is not a destination – it is an ongoing journey. Behavioural transformation takes time, and we are committed to continuously learning, listening, and improving. By promoting a culture that values both personal and collective wellbeing, Sappi Southern Africa continues to nurture a workplace where people can grow, feel safe, and thrive – now and for generations to come.

Our key material issues continued



People continued

Sappi talent

Financial materiality

Our talent strategy drives financial value through stronger productivity, innovation, and long-term performance. A diverse, equitable, and inclusive workplace attracts and retains top talent, strengthens decision-making through varied perspectives, and builds teams that are more agile and creative in responding to complex challenges. Investing in employee development and continuous learning improves individual capability and organisational competence, directly contributing to operational efficiency and innovation-driven growth. A strong culture of belonging and shared purpose enhances engagement and retention, reducing the significant costs associated with turnover, recruitment, and lost institutional knowledge. Moreover, a diverse and empowered workforce better understands and meets the needs of global customers, supporting market expansion and customer loyalty. Collectively, these outcomes translate into measurable financial value through improved performance, reduced costs, and sustained competitiveness – reinforcing talent as a strategic driver of Sappi's long-term growth and profitability.

How this issue links to other aspects of our business

Our global priority SDG



Our additional SSA priority SDG



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Deglobalisation, polarisation and increased geopolitical and trade tensions
- Rising social inequality and growing social activism with increased expectations of business
- Changing consumer and employee behaviour
- Growing populations with increasing rates of urbanisation.

Our top 10 risks

4

Sustainability expectations

10

Employee and community relations

Impact materiality

Talent development drives both organisational success and individual fulfilment, making it a key area of impact materiality. A diverse and inclusive workplace where every person feels valued, respected and empowered to reach their full potential, strengthens collaboration, innovation, and overall performance. Inclusive environments boost engagement and belonging, leading to higher morale, stronger teamwork, and lower turnover. When employees are supported in developing their skills and advancing their careers, they bring greater creativity, commitment, and purpose to their work benefiting both the individual and the organisation. This culture of growth and inclusion enhances productivity, adaptability and wellbeing, creating a sustainable foundation for long-term business success and positive social impact.

Our highlights

- Sappi ranked 289th globally in Forbes World's Best Employers 2025, and the fifth best employer in our home base, South Africa
- Sappi ranked 144th globally in Forbes Top Companies for Women 2025, and second best in our home base South Africa
- All global leadership programmes modernised and implemented with a fresh focus on supervisory and middle manager training. Updated training programmes equip supervisors and managers to improve relationships in their teams through building trust
- Strong execution on our succession and retirement planning, with 58% internal appointments into promotional positions and 6% internal lateral moves. Only 36% of appointments were external
- Comprehensive talent reviews implemented in all business units
- Overall good shareholder support for our 2024 Remuneration Report
- Inclusion of sustainability as a long-term measure in our remuneration incentives
- Achieved our gender diversity target (the proportion of women in management roles) for FY2025.

How we create and preserve value

We create and preserve value through our people by building a diverse, skilled, and engaged workforce that drives innovation, operational excellence, and long-term business success. Guided by our global HR Beyond strategy, we focus on developing leadership and technical capability, enhancing employee engagement, and promoting respect, diversity, equity, and inclusion across all operations. Through continuous learning, we equip employees and contractors with the skills needed to adapt to changing technologies and market dynamics as evidenced by over 680,000 training hours completed in FY2025, 91% of which focused on skills development. Programmes such as Learn2Lead, LeadSmart, and LeadX ensure strong leadership pipelines, while our apprenticeships, internships, and co-op initiatives build technical capacity and future-ready talent.

By fostering an inclusive culture where people feel valued and empowered to reach their full potential, we strengthen collaboration, engagement, and retention which reduces recruitment costs and enhances productivity. Our recognition programmes, including the new technical excellence awards, further reinforce performance and innovation, motivating employees to contribute meaningfully to Sappi's goals. Regular engagement surveys and platforms like SappiConnect ensure that every voice is heard, building trust and alignment across regions. Together, these initiatives not only enhance employee wellbeing and satisfaction but also translate into improved business performance, innovation, and resilience. In this way, we preserve value by investing in our people – the driving force behind our ability to thrive in a competitive and rapidly evolving global marketplace.

Case study

Advancing gender diversity – Sappi named among the world's top companies for women

In 2025, Sappi was once again recognised among the World's Top Companies for Women by Forbes and Statista, ranking number 144 globally and number 2 in South Africa. This marks the second consecutive year that Sappi has received this prestigious recognition; an achievement that underscores our ongoing commitment to gender diversity, inclusion, and equitable opportunity.

At Sappi, gender diversity is not just a metric, it is a strategic objective and one of our **Thrive** targets. We recognise the immense value that women's perspectives and leadership bring, particularly within manufacturing operations that have historically been male dominated. By creating pathways for women to grow and lead, Sappi is helping to reshape the landscape of industrial work, fostering innovation, balance, and broader thinking in decision-making.



Our key material issues continued



People continued

Labour relations

Financial materiality

Labour relations have a direct financial impact through the stability, efficiency, and continuity they bring to operations. By fostering constructive, trust-based relationships with employees, unions, and worker representatives, we reduce the risk of industrial action, work stoppages, and productivity losses, all of which can have significant financial and reputational costs. A stable, motivated workforce supports consistent production, quality delivery, and customer satisfaction, safeguarding revenue and investor confidence. Transparent engagement and early conflict resolution lower the administrative and legal costs associated with labour disputes, while strong, collaborative labour relations also enhance morale and retention, reducing turnover and training costs. Embedding mutual respect, open communication, and fairness into our labour relations approach, we secure both short-term efficiency and long-term financial resilience for Sappi and the communities in which we operate.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Rising social inequality and growing social activism with increased expectations of business
- Changing consumer and employee behaviour
- Growing populations with increasing rates of urbanisation
- Human rights and modern slavery.

Our top 10 risks

- | | |
|----------------------------------|-------------------------------------|
| 1 Safety | 4 Sustainability expectations |
| 2 Cyclical macroeconomic factors | 10 Employee and community relations |

Opportunities for value creation: Strengthening labour relations

Our commitment to **workers' rights** and fostering **constructive labour relations** creates meaningful opportunities for value creation across Sappi. By cultivating a supportive and equitable workplace where employees feel valued, respected, and empowered, we enhance both engagement and organisational performance. Open communication, fair treatment, and access to professional growth opportunities are central to this approach – helping us attract and retain top talent while maintaining a stable, motivated workforce. Strong labour relationships not only improve productivity and trust but also reinforce Sappi's reputation as an employer of choice, supporting long-term business success and resilience.

Impact materiality

Labour relations are materially significant for their role in fostering trust, collaboration, and organisational harmony. Open and transparent communication ensures that employees and their representatives understand and align with Sappi's strategic direction, strengthening mutual respect and accountability. Constructive dialogue helps identify and resolve challenges early, reducing conflict and promoting a stable, cooperative workplace culture. This trust-based environment enhances engagement, morale, and productivity while minimising operational disruptions. Strong labour relations support social cohesion, reinforce our reputation as a fair and responsible employer, and contribute to long-term business sustainability and community wellbeing.

Our highlight

- Good labour relations in all regions.

How we create and preserve value

We create and preserve value through constructive, trust-based labour relations that underpin operational stability, employee engagement, and long-term business resilience. Guided by the principles of the UN Global Compact and the Universal Declaration of Human Rights, we are committed to fair, transparent, and inclusive engagement with employees and trade unions across all regions where we operate. By upholding freedom of association and maintaining open dialogue, we build mutual respect and resolve challenges collaboratively, helping to prevent disputes, minimise operational disruptions, and ensure consistent productivity. Approximately 60% of our global workforce is unionised, reflecting the depth of our commitment to representation and meaningful consultation.

Through clear communication during operational changes and adherence to local labour laws, we ensure that transitions are handled with fairness and dignity, reinforcing trust and stability. Our approach to labour relations also extends to protecting human rights across our operations and supply chain, ensuring that no incidents of forced, child, or compulsory labour occur. This consistent and principled engagement supports a motivated workforce, safeguards our reputation, and strengthens community and investor confidence. In doing so, we create shared value by sustaining a cohesive, productive work environment that enhances Sappi's financial performance, operational continuity, and social impact.



People continued

Social impact

Financial materiality

Social impact initiatives directly support Sappi's long-term profitability, operational stability, and risk management. Investment in community development, education, and local enterprise, strengthens the socioeconomic foundations of the regions where we operate – reducing business disruptions, improving labour availability, and securing reliable supply chains. Strong community relationships enhance our social licence to operate, minimising delays, protests, or reputational risks that could result in financial loss. Importantly, visible social investment also improves stakeholder confidence and brand equity, which supports customer loyalty and investor appeal. These factors collectively contribute to improved business continuity, lower operational and compliance costs, and long-term value creation – demonstrating that strong financial performance and positive social impact are mutually reinforcing.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



Our additional SSA priority SDGs



The global forces shaping our Thrive strategy

- Deglobalisation, polarisation and increased geopolitical and trade tensions
- Rising social inequality and growing social activism with increased expectations of business
- Changing consumer and employee behaviour
- Growing populations with increasing rates of urbanisation.

Our top 10 risks

- | | |
|----------------------------------|-------------------------------------|
| 2 Cyclical macroeconomic factors | 6 Climate change |
| 4 Sustainability expectations | 10 Employee and community relations |

Impact materiality

What makes our social impact efforts materially significant is their ability to deliver long-term value to both the communities we serve and our business. By investing in education, skills development, and local enterprise, we help strengthen socioeconomic resilience and foster inclusive growth. These efforts build trust and partnership with the communities where we operate, enhancing our social licence to operate and reducing potential risks related to social unrest or inequality. Meaningful engagement grounded in respect and collaboration promotes shared prosperity, supports long-term sustainability, and reinforces Sappi's role as a responsible corporate citizen contributing to a thriving society and a stable operating environment.

Our highlights

- Exceeded our enterprise and supplier development (ESD) spend target in SSA creating 834 new jobs and sustaining 1,523 existing jobs
- Focused on education and skills development in SSA through the provision of educational resources, school support, and training initiatives that strengthen learning outcomes and build future employability
- Launched the 'Caring for our community' initiative in SEU
- Focus on 'Employee Ideas That Matter' in SNA.

How we create and preserve value

We create and preserve value through our social impact by aligning community wellbeing with business sustainability, ensuring that as our communities thrive, so does Sappi. Recognising that our success is intertwined with the prosperity of the regions where we operate, we invest in initiatives that promote education, skills development, environmental stewardship, and enterprise growth. Guided by the 4Ps of our Sustainability Charter (Principles, Prosperity, People and Planet) we focus on projects that create shared value and support the United Nations Sustainable Development Goals.

Our efforts are rooted in meaningful engagement with local stakeholders, allowing community insights to shape programmes that deliver tangible outcomes. In South Africa, this includes the Sappi Khulisa tree-farming programme, which has generated billions in income for small growers, as well as skills centres and partnerships that create pathways to employment and entrepreneurship. Across Europe and North America, employee-led initiatives and community investments foster education, inclusion, and environmental awareness, while programmes like Sappi Employee Ideas That Matter and the Sappi Trails Programme strengthen social cohesion and local economies.

By supporting communities where our employees and their families live and work, we build trust, enhance our social licence to operate, and mitigate operational risks. These relationships create long-term value by fostering stable, resilient communities and reinforcing Sappi's reputation as a purpose-driven business that contributes positively to society, the environment, and economic progress.

Our key material issues continued



People continued

Social impact continued

Case study

Indumiso AG Trading – a rural enterprise on the rise

Indumiso AG Trading, founded by Alpheus V. Zulu in Elandshoek, Mpumalanga, reflects the transformative potential of enterprise development in rural South Africa. From modest beginnings as an informal operation, this family-owned construction and prefabrication business has grown into a structured, high-impact enterprise, driven by a commitment to quality, community upliftment, and sustainable growth.

Before engaging with the Sappi's enterprise and supplier development (ESD) programme, Indumiso AG Trading faced significant barriers: limited access to capital, formal training, and market opportunities. With targeted support, including mentorship, structured incubation, and infrastructure assistance, the business formalised its operations, secured dedicated office space, and expanded its service offering to include guardrail installation and culvert prefabrication. A newly established safety department now ensures compliance and operational excellence.

The company's social impact is equally notable. Permanent staff has grown from just six in 2020 to 96 by 2025, with more than 26 additional opportunities created for temporary workers. By prioritising local employment, offering internships and holiday jobs to youth, and facilitating ongoing training, Indumiso AG Trading continues to build capacity within its community. Employees have earned industry-relevant certifications, strengthening both individual livelihoods and enterprise capability.



Indumiso AG Trading's journey underscores the ESG commitment to inclusive economic participation, skills development, and resilient local enterprise – demonstrating that with the right support, small businesses can drive lasting change.



Planet

Sustainable forestry

Financial materiality

Sustainable forestry is key to Sappi's long-term profitability, operational resilience, and market competitiveness. A reliable supply of responsibly sourced woodfibre, protects our business from the financial risks associated with deforestation, supply scarcity, and reputational damage. Sustainable forest management ensures resource continuity, supporting consistent production and cost efficiency. Certification and traceability practices strengthen customer confidence and access to premium, sustainability-conscious markets, driving revenue growth and brand differentiation. Supporting small growers and rural enterprises through inclusive forestry programmes builds resilient supply chains that distribute economic value and reduce dependency on high-risk sources. In this way, sustainable forestry underpins both the stability of our operations and the long-term financial value we deliver to shareholders, customers, and communities.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Climate change and climate transition
- Resource scarcity and growing concern for natural capital
- Move towards a circular economy
- Growing populations with increasing rates of urbanisation
- Persistent supply chain challenges.

Our top 10 risks

- | | |
|--|--|
| 2 Cyclical macroeconomic factors | 6 Climate change |
| 4 Sustainability expectations | 8 Uncertain and evolving regulatory and public landscape |
| 5 Evolving technologies and consumer preferences | |

Impact materiality

Sustainable forestry is materially significant for its role in protecting environmental integrity, supporting social wellbeing, and ensuring long-term economic resilience. We manage our forests and tree plantations sustainably, guided by scientific knowledge of silvicultural best practices and robust forest certification standards with a strong focus on traceability. To address challenges related to forest health, resilience, and the changing climate, we invest in and maintain advanced tree improvement programmes in South Africa, working closely with the scientific community to drive continuous innovation. These efforts support climate change mitigation and adaptation, safeguard biodiversity, and enhance the delivery of essential ecosystem services such as clean water, carbon storage, and soil conservation. Sustainable forest management also supports economic and social resilience across the landscapes where we operate by creating jobs, empowering rural communities, and ensuring a dependable, renewable fibre base that underpins both ecological balance and long-term business sustainability.

Our highlights

- Exceeded our performance against our global certified fibre targets of 75% achieving 78%
- Maintained 100% forest chain of custody certifications in our manufacturing operations
- Maintained 100% dual SFM certification against FSC™ and PEFC standards in our South African forestry operations
- Attained a high level of self-sufficiency (62% in FY2025) in South Africa from our own tree plantations
- Advanced small grower access to global certification systems in South Africa achieving an 89% year-on-year expansion of small grower hectares certified against the PEFC standard
- Ensured that all Sappi's mills in the EU will be in full EUDR compliance by December 2025, and EUDR-affected supply-chains in South Africa and North America are prepared to provide their customers with the necessary information upon request
- Implemented a new wood supply strategy for the Kirkniemi Mill with a multi-supplier model and upgraded management systems, maintaining strong supply chain integrity and a high share of certified wood.

How we create and preserve value

Sappi creates and preserves value through sustainable forestry by managing our woodfibre supply chains and tree plantations responsibly to ensure a secure, renewable, and traceable supply of woodfibre while safeguarding biodiversity and supporting climate resilience. Guided by internationally recognised certification systems such as FSC™ and PEFC (including SFI®), we promote credible forest management practices and full traceability throughout our supply chain, ensuring that our products are free from the risk of deforestation or forest degradation. Globally, 78% of all woodfibre supplied to our mills in FY2025 originated from certified forests, reinforcing supply chain integrity and customer confidence. In South Africa, where we manage over 405,000 hectares, including 140,000 hectares conserved for biodiversity, we also empower small and medium timber growers through group certification schemes, extending market access and inclusive economic participation. Our plantations in South Africa are dually certified under FSC™ and PEFC, reflecting our commitment to the highest international standards of forest management. Our investment in advanced tree improvement programmes, water-efficient breeding, and precision forestry technologies enhances forest productivity, optimises land use, and strengthens resilience to drought, pests, and climate change. Through these efforts, sustainable forestry not only secures the fibre critical to Sappi's operations but also contributes to environmental stewardship, rural livelihoods, and long-term business stability; demonstrating that when forests thrive, so does Sappi.

Our key material issues continued



Planet continued

Sustainable forestry continued

Case study



A new wood procurement model for the Kirkniemi Mill

In 2025, Sappi's Kirkniemi Mill transformed its wood supply operations by implementing a new procurement strategy and switching to a multi-supplier model to enhance reliability, traceability, and sustainability. A dedicated wood procurement organisation was established to manage the annual delivery of roughly half a million cubic metres of spruce pulpwood and chips: key raw materials for the mill's premium paper products. Beyond supplying wood for paper production, the procurement organisation also provides biomass such as bark, sawdust, and wood chips to the mill's multi-fuel boiler – integral to the success of Kirkniemi's transition away from coal in 2023, with energy now fully derived from renewable, wood-based biofuels. The mill's stringent wood quality requirements demand just-in-time deliveries, particularly during summer, when harvested spruce must be delivered within two weeks. Close coordination with around 20 contracted suppliers, including local forest management associations and sawmills, ensures both efficiency and quality.

Kirkniemi Mill maintains PEFC and FSC™ chain of custody certifications, with approximately 90% of its woodfibre certified. Most wood originates within 150 km of the mill, supporting local economies and reducing transport emissions. For longer distances, efficient round-trip transportation arrangements and rail are used.



All Kirkniemi Mill's wood suppliers are requested to submit an annual comprehensive supplier self-declaration on the origin and compliance of wood. In the case of non-FSC™ CoC certified suppliers, Kirkniemi Mill carries out a two-stage audit and risk-assessment to ensure that the wood meets the controlled-wood requirements related to the origin and supply chain integrity. A new IT infrastructure and the implementation of Forest Hub, a digital wood-supply platform used in Finland, now provide full procurement transparency and European Union Deforestation Regulation (EUDR)-ready traceability. Together, these developments strengthen Kirkniemi Mill's supply resilience and reinforce Sappi's commitment to responsible, certified, and locally sourced renewable fibre.

"Local wood makes sense not only environmentally, but socially."

– Jussi Joensuu,
Head of Wood Procurement, Sappi Kirkniemi Mill



Planet continued

Biodiversity

Financial materiality

Biodiversity has a direct financial impact on Sappi's long-term performance and operational resilience. Healthy, functioning ecosystems sustain the renewable woodfibre resources on which our business depends, ensuring consistent supply and productivity across our forestry operations. Protecting biodiversity reduces exposure to risks such as forest degradation, pests, disease, and climate-related disruptions that could increase operating costs or threaten fibre security. Conserving ecosystems also helps mitigate potential regulatory, reputational, and community-related risks, all of which can affect market access and investor confidence. Integrating biodiversity into our strategic risk management approach strengthens the resilience of our value chain, supports continuity of operations, and enhances our long-term profitability; demonstrating that protecting nature is both a business imperative and a source of sustainable competitive advantage.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Move towards a circular economy
- Resource scarcity and growing concern for natural capital
- Climate change and climate transition.

Our top 10 risks

4	Sustainability expectations	8	Uncertain and evolving regulatory and public landscape
5	Evolving technologies and consumer preferences	10	Employee and community relations
6	Climate change		

Impact materiality

Biodiversity is materially significant for sustaining life, livelihoods, and long-term resilience. Healthy ecosystems provide critical services, such as pollination, carbon sequestration, water purification, soil formation, and climate regulation, which directly support both environmental stability and economic activity. For Sappi, protecting biodiversity ensures the continued availability of renewable woodfibre and the resilience of the landscapes on which our operations depend. Conserving natural habitats and maintaining ecosystem integrity helps preserve the balance of ecological processes that sustain communities, agriculture, and industry. Safeguarding these natural systems is not only an environmental responsibility but also a socioeconomic necessity that strengthens our capacity to adapt to climate change, supports sustainable livelihoods, and contributes to a thriving, resilient planet.

Our highlights

- Achieved a 25.3% biodiversity improvement within conservation areas within our South African forestry landholdings
- On track for gazetting of our eighth nature reserve on Sappi Southern Africa forest land, the Karkloof Blue Butterfly Nature Reserve
- Played an active role in updating the lake states forests with exceptional conservation value (FECV) assessment in North America
- Continued to expand the Sappi rare, threatened and endangered species stewardship programme.

How we create and preserve value

Sappi creates and preserves value through biodiversity by recognising that healthy ecosystems are fundamental to the long-term success of our business and the wellbeing of the communities around us. As a company rooted in renewable resources, we actively promote ecosystem health through sustainable land management, adherence to internationally recognised certification systems such as FSC™ and PEFC, and the integration of biodiversity conservation into our operational practices. Specifically in our own forestry landscapes (comprising plantations, grasslands, wetlands, and natural forests) we proactively conserve habitats, protect threatened species, and maintain ecosystem services such as water purification, carbon sequestration, and soil regeneration. We currently have seven proclaimed nature reserves within our landholdings, with an eighth dedicated to protecting the endangered Karkloof Blue Butterfly on track for formal proclamation in 2026, underscoring our long-term commitment to conservation. Through conservation efforts in our important conservation areas (ICAs), rare, threatened and endangered species programme, and partnerships that promote research and habitat restoration, we strengthen the ecological resilience of the areas where we operate. These efforts not only safeguard natural capital but also enhance supply chain stability, mitigate environmental and regulatory risks, and reinforce our reputation as a responsible and trusted fibre producer. By embedding biodiversity stewardship across our value chain, we create shared value for nature, people, and our business ensuring that thriving ecosystems continue to underpin our sustainable growth and resilience.

Sappi's long-term ambitions are aligned in principle with the Kunming-Montreal Global Biodiversity Framework, reflecting our commitment to implementing nature-positive actions that halt and reverse biodiversity loss. We aim to enhance ecosystem integrity across our operations by restoring habitats, protecting species, and promoting sustainable land use – ensuring our business contributes meaningfully to the global goal of living in harmony with nature by 2050.

Our key material issues continued



Planet continued

Biodiversity continued

Case study

Restoring the Charles River Ecosystem

Once again, Sappi North America employees partnered with the **Charles River Watershed Association (CRWA)** for the annual Invasive Water Chestnut Harvest in Needham, Massachusetts; an initiative focused on protecting one of New England's most vital waterways.

During the event, Sappi volunteers joined community members to remove 72 baskets of invasive European water chestnuts from the Charles River's lakes district.

This species, if left unchecked, can form dense mats on the water's surface that block sunlight, reduce oxygen levels, and disrupt the balance of native aquatic plants and wildlife. The invasive growth also limits recreational use of the river, diminishing its ecological and community value.



Through this collaborative, hands-on restoration effort, Sappi employees helped to significantly improve water quality and habitat conditions in just a few hours. The project exemplifies Sappi's commitment to biodiversity conservation and community engagement – demonstrating how volunteer action can make a tangible difference in the health of local ecosystems.

Sappi's smallest nature reserve: Protecting an icon of KwaZulu-Natal, the Karkloof Blue Butterfly

A small conservation area of about 24 ha, known as 'The Start,' located on Sappi land in the Karkloof region of KwaZulu-Natal, is home to the iconic and endangered Karkloof Blue Butterfly (*Orachrysops ariadne*) – a species found in only four locations worldwide. In addition to hosting this rare butterfly, the site comprises Midlands Mistbelt Grassland, an endangered vegetation type, and plays a critical role in conserving threatened biodiversity, including endemic animal species.

The Karkloof Blue has a highly specialised lifecycle. It lays its eggs exclusively on a unique variety of the Indigo genus (*Indigofera woodii* var. *laxa*). Once hatched, the larvae feed on the host plant before descending into the nest of the Natal sugar ant (*Camponotus natalensis*), where they likely continue to develop with the help of ants. Although the exact details of the larval and pupal stages remain unclear, it is believed that the butterfly shares a mutually beneficial relationship with the ants. Adult butterflies emerge between March and April, feeding and reproducing on nectar from just eight identified plant species.

The site has been under strict ecological management to improve habitat conditions for the butterfly, taking into account the needs of the host plant, the Natal sugar ant, and the nectar-producing flora. Monitoring and surveillance of both eggs and adult butterflies have been conducted in collaboration with Dr Adrian Armstrong, entomologist from Ezemvelo KZN Wildlife. Despite the complexity of the species' requirements, the site continues to improve in ecological condition, and the butterfly population appears stable.

In 2023, Sappi Forests initiated the formal process to declare The Start as a protected nature reserve. Over several months, this included the publication of the intention to declare, a public participation process with input from key stakeholders such as Ezemvelo KZN Wildlife, the approval of the proclamation diagram by the Surveyor General's Office, and the formal appointment of Sappi as the management authority.

We are pleased to report that the site is on track to become Sappi's eighth and smallest nature reserve, which will be known as the Karkloof Blue Butterfly Nature Reserve. While the declaration is imminent, we await the formal gazetting of this important conservation milestone.





Planet continued

Climate change

Financial materiality

We recognise that climate change is financially material to our operations and our value chains. The effects of climate change, including extreme weather events and shifting climatic conditions, can significantly impact the health of the forests that provide our raw materials, affecting our supply chain and increasing operational costs as we adapt to these changes. Additionally, as stakeholders increasingly demand sustainable practices, our ability to maintain market access and uphold our brand reputation relies on our commitment to environmental stewardship. Evolving regulatory frameworks aimed at combatting climate change will likely impose new compliance costs and operational requirements. The transition towards a low-carbon future necessitates the availability of advanced technology, renewable energy sources and significant investment. Both physical and transitional climate risks must be continuously assessed and managed. Proactive climate action is essential to safeguard long-term financial stability, resilience, and value delivery across our business and communities.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Climate change and climate transition
- Move towards a circular economy
- Resource scarcity and growing concern for natural capital
- Changing consumer and employee behaviour
- Rising social inequality and growing social activism with increased expectations of business.

Our top 10 risks

4	Sustainability expectations	8	Uncertain and evolving regulatory and public landscape
5	Evolving technologies and consumer preferences	9	Supply chain disruption
6	Climate change	10	Employee and community relations
7	Liquidity		

Impact materiality

The impact materiality of climate change lies in its far-reaching effects on ecosystems, economies, and societies. Climate change poses both environmental and social risks that directly influence Sappi's operating context. Human-induced climate change shifts are intensifying weather and climate extremes worldwide. This has led to widespread adverse impacts and related losses and damage to nature and people – especially in vulnerable communities least responsible for current emissions. Failing to act decisively on climate change could have serious consequences; from the degradation of vital ecosystems and loss of biodiversity to more frequent and intense weather events. These changes threaten not only the health of the planet but also the livelihoods of communities that rely on natural resources. Inaction risks ecosystem degradation, biodiversity loss, and more frequent climate-related disruptions, threatening both planetary health and the livelihoods of those dependent on natural resources. It also deepens resource scarcity, widening social inequality, and increasing health challenges for vulnerable populations. In response, Sappi is working to reduce its reliance on fossil fuels and lower the emission intensity of its products. By actively contributing to climate mitigation, we aim to lessen the strain on ecosystems, water resources, biodiversity, and human health.

Our highlights

- Specific Scope 1 and 2 emissions decreased year-on-year across all three regions. At a group level we reduced our emission intensity by 15% from the 2019 baseline
- Achieved our percentage of renewable and clean energy targets across all three regions. At a group level we increased renewable and clean energy by 11 percentage points from the 2019 baseline.

How we create and preserve value

Sappi creates and preserves value through climate action by embedding decarbonisation and resilience into the core of our strategy and operations. Guided by our well-below-two-degree-based targets validated by the Science Based Targets initiative (SBTi), we are committed to reducing Scope 1 and 2 GHG emissions by 41.5% per ton of product by 2030, supported by a comprehensive transition plan requiring US\$60 million to US\$70 million in annual investment. By factoring carbon impacts into capital allocation through an internal carbon price and using scenario modelling to assess both physical and transition risks, we ensure that climate considerations inform long-term financial and operational decisions. Across all regions, we are advancing energy efficiency, switching to renewable fuels, and investing in clean technologies – achieving a 34% absolute reduction in Scope 1 and 2 emissions since 2019. In South Africa, our approach to decarbonisation is coupled with a focus on a just energy transition, ensuring that climate progress supports social equity and community resilience. These actions not only reduce exposure to climate-related risks and regulatory costs but also strengthen competitiveness, enhance brand value, and position Sappi to capture opportunities in the growing low-carbon bioeconomy. Through decisive climate action and transparent reporting, we are safeguarding our business, delivering value to stakeholders, and contributing to a sustainable future.

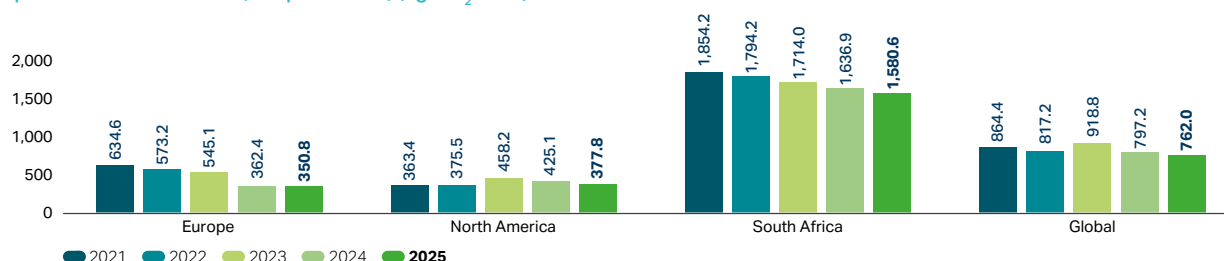
Our key material issues continued



Planet continued

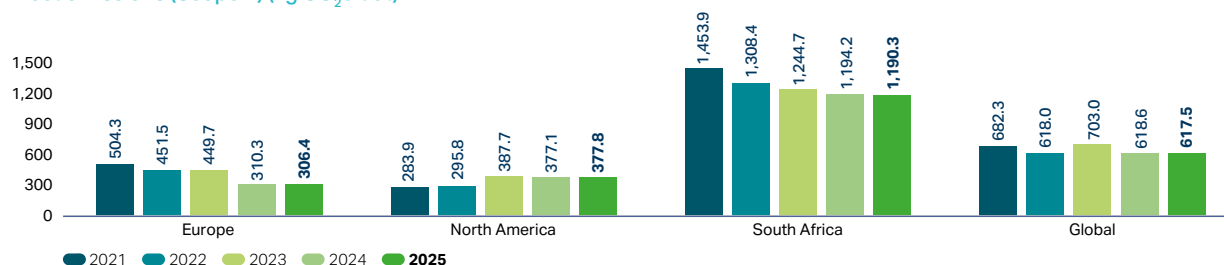
Climate change continued

Specific GHG emissions (Scope 1 and 2) (kg CO₂e/adt)



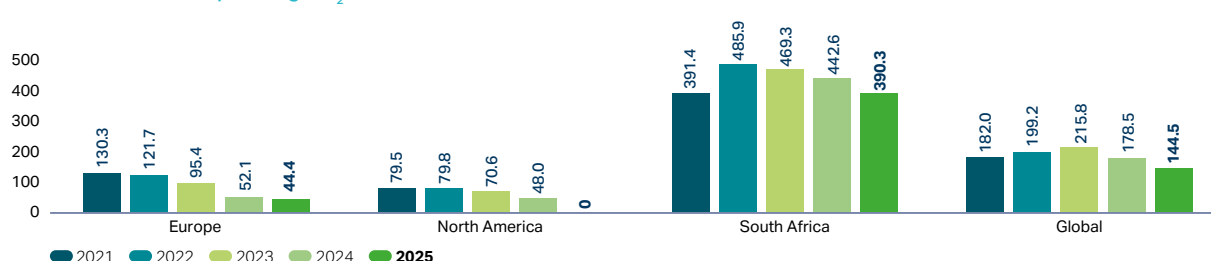
* Restatement of data for 2021 to 2024 (SSA and SNA) and 2024 (SEU) due to improved data quality. Regional updates have consequently impacted group totals.

Direct emissions (Scope 1) (kg CO₂e/adt)



* Restatement of data for 2021 to 2024 (SNA) and 2024 (SSA and SEU) due to improved data quality. Regional updates have consequently impacted group totals.

Indirect emissions (Scope 2) (kg CO₂e/adt)



* Restatement of 2021 to 2024 (SSA), 2024 (SEU), and 2023 to 2024 (SNA) data due to improved data quality for SNA, SSA, and Global. Regional updates have consequently impacted group totals.

Direct emissions (Scope 1)

Group-wide performance for Scope 1 direct emissions was stable. This was the net result of stable performance in both the North American and South African regions, combined with a slight decrease in the European region.

The slight decrease in Europe was driven by the full-year effect of the Lanaken and Stockstadt Mills closures, reduced natural gas combustion at Ehingen Mill following a boiler repair, and increased use of biomass and process gases at the Gratkorn and Alfeld Mills. These improvements were partially offset by higher fossil fuel consumption at the Kirkniemi and Maastricht Mills, which was required to support improved occupation rates.

Indirect emissions (Scope 2)

Group-wide, there was a decrease in Scope 2 indirect emissions, with all regions contributing to this positive result.

The European region also contributed to the reduction, primarily due to the closure of the Lanaken and Stockstadt Mills and the procurement of Guarantees of Origin (GoO) at the Alfeld and Ehingen Mills, which more than compensated for an increase in purchased power at the Maastricht Mill.

In North America, the decrease was achieved through the purchase of renewable energy certificates (RECs) to offset emissions at the Cloquet, Somerset and Westbrook Mills.

The decrease in South Africa was driven by improved operational stability and efficiency at the Ngodwana, Saiccor and Tugela Mills, which increased onsite power generation and consequently reduced electricity imports. This improvement was further supported by a more favourable CO₂ emissions factor from the national utility.

Case study**Celebrating 100 years of clean energy – hydropower at Sappi Gratkorn Mill**

In June 2025, the Sappi Gratkorn Mill celebrated 100 years of clean energy generated by its onsite hydropower plant which was commissioned in 1925, long before sustainability became a global priority.

Built in response to post-World War I shifts and the need for reliable, self-sufficient power, the plant replaced ageing turbines and secured energy independence for the mill. Its inauguration was attended by Viktor Kaplan, inventor of the Kaplan turbine, with two units installed at 2.57 MW each; among the most powerful of their kind at the time.



Today, the plant generates around 40,000 MWh of renewable electricity annually (enough to power around 10,000 households) and continues to supply 5% to 7% of the mill's energy needs while avoiding approximately 20,000 tons of fossil CO₂ emissions every year. Over the decades, it has undergone major refurbishments and several modernisations to improve efficiency and environmental performance, including upgrades such as water-based lubrication and enhanced corrosion protection.

This centennial marks more than a historical achievement – it reflects Sappi's longstanding commitment to responsible investment, clean energy innovation, and the enduring value of legacy infrastructure in shaping a sustainable future.

Our key material issues continued



Planet continued

Water stewardship

Financial materiality

Water is not only essential to life but also a key financial driver of Sappi's long-term stability and growth. Reliable access to clean water underpins every stage of our value chain – from tree growth to pulp and paper production and energy generation in our mills. Climate variability, water scarcity, or deteriorating water quality could disrupt production, increase treatment and compliance costs, and affect profitability. To mitigate these risks, we embed water stewardship into our operational and capital expenditure planning, guided by comprehensive environmental permits and annual reviews. By investing in efficient water-use technologies, recycling systems, and sustainable catchment management, we reduce dependence on external water sources, lower operational costs, and enhance business continuity. Responsible water management also strengthens our licence to operate, protecting against regulatory and reputational risks while ensuring the resilience needed to sustain financial performance and long-term value creation.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Climate change and climate transition
- Resource scarcity and growing concern for natural capital
- Changing consumer and employee behaviour
- Rising social inequality and growing social activism with increased expectations of business.

Our top 10 risks

- | | |
|--|--|
| 4 Sustainability expectations | 8 Uncertain and evolving regulatory and public landscape |
| 5 Evolving technologies and consumer preferences | 10 Employee and community relations |
| 6 Climate change | |

Impact materiality

Water stewardship is materially significant for its role in sustaining ecosystems, communities, and industrial activity. With roughly half of the world's population already experiencing severe water scarcity for at least part of the year, and climate change further intensifying droughts, floods, and rainfall variability, responsible water management has become a global imperative. Poor water management or inadequate treatment of industrial effluent can harm aquatic ecosystems, affect downstream water users, and increase regulatory and reputational risks. Recognising this, Sappi treats water stewardship as a material sustainability priority. These water-related risks threaten not only environmental and social wellbeing but also economic resilience and supply chain stability. Recognising water as a finite and essential resource, Sappi is committed to conserving and optimising its use across all operations. We continuously enhance the efficiency of our pulp and paper-making processes through extensive water recirculation and rigorous treatment to improve the quality of discharged water. By safeguarding water resources, we help maintain ecosystem balance, support community health, and contribute to broader climate adaptation – ensuring that both people and the planet can thrive alongside our business.

Our highlights

- Total water withdrawal decreased by 1% year-on-year in FY2025 and by 7% over the last five years
- Absolute process water decreased by 8.8% over the last five years
- Sappi Verve joined the Zero Discharge of Hazardous Chemicals Foundation in a pre-competitive initiative to set best practice air and wastewater emissions standards for the dissolving wood pulp industry
- Continued to progress our nature-positive efforts through our WWF Water Stewardship partnership and began discussions with brand owners in the fashion sector interested in investing in this initiative.

How we create and preserve value

Sappi creates and preserves value through responsible water stewardship that safeguards ecosystems, strengthens operational resilience, and supports long-term business continuity. Guided by our Group Water Stewardship Policy, we integrate sustainable water management into every level of our operations. Water is essential to our processes, yet we recognise its finite nature and the growing global risks of scarcity, drought, and flooding. By recycling and reusing water up to 10 times within our mills and returning 91.5% of our intake to its original sources in FY2025, we ensure that our operations remain both efficient and environmentally responsible. Effluent treatment systems allow us to meet or exceed regulatory standards while generating renewable fuel from recovered sludge, further enhancing circularity. Regionally tailored water-saving projects underscore our commitment to continuous improvement. Beyond our operations, partnerships, such as our collaboration with WWF – South Africa in the uMkhomazi catchment, demonstrate how we extend impact at a landscape level, restoring ecosystems, improving water flow, and supporting local livelihoods. Through these integrated actions, we create shared environmental, social, and financial value by ensuring that the water we depend on remains clean, available, and responsibly managed for future generations.

Case study

Wetland restoration as a value-creation lever for ecosystem health and local resilience

Wetlands play important ecological and social roles in our landscape. They provide critical ecosystem services upon which our business is built. They protect and regulate water: acting like sponges, holding back water during floods and releasing it during dry periods. By regulating water flows during floods, wetlands reduce flood damage and help prevent soil erosion.

- Wetlands recharge ground water sources and remove pollutants from the water. Being natural filters, they help to purify water by trapping these pollutants, which include sediment, and heavy metals
- Support a diverse array of plant and animal life, including endemic and threatened species such as the long-toed tree frog and the grey crowned crane.

Historically, the absence of robust regulations led to widespread planting near water sources across the forestry sector. Over the past three decades, Sappi has actively addressed this legacy through a rigorous and proactive river and wetland mapping programme, driving meaningful restoration and compliance. Sappi has mapped hundreds of hectares of wetlands that had previously been planted and rightfully restored them to wetlands.

The most recent area that was restored to wetland from plantation was an old pine compartment in Hodgsons, near Greytown, KwaZulu-Natal, parts of which had been standing for approximately 20 years. Sappi foresters spotted signs of wetness in the compartment and aided by the Sappi Forests Environmental Department, delineated the wetland. By the end of the delineation, over 20 hectares of plantation was converted back to wetland in order to ensure compliance with the National Water Act which requires that commercial plantations are not planted close to rivers and wetlands.

Rehabilitation is well underway at Hodgsons. Following delineation of the wetland, extensive rehabilitation work has started, including moving of roads, removal of harvesting debris and the removal of invasive alien plants. Removal of invasive alien plants in that wetland system is critical as it improves biodiversity, improves water quality and quantity, and creates employment for the local economy. In 2025, removal of invasive alien plants at the delineated wetland system has already generated 176 person-days of employment.



Our key material issues continued



Planet continued

Resource efficiency and minimising waste

Financial materiality

Improving resource efficiency and reducing waste directly enhance Sappi's financial performance by lowering costs, improving productivity, and unlocking new value streams. By adopting a circular, resource-efficient production model, we extend the life of raw materials and minimise waste generation. This approach significantly cuts disposal and material input costs while increasing operational efficiency and profitability. Moreover, valorising waste byproducts, such as converting process residues into renewable fuels or secondary raw materials, creates additional revenue opportunities and strengthens business resilience. In an environment of rising input costs and supply chain volatility, resource efficiency provides a tangible competitive advantage, supporting both cost stability and long-term financial sustainability while reinforcing our environmental commitments.

How this issue links to other aspects of our business

Our global priority SDGs



Our strategic fundamentals



The global forces shaping our Thrive strategy

- Move towards a circular economy
- Climate change and climate transition
- Resource scarcity and growing concern for natural capital
- Changing consumer and employee behaviour
- Persistent supply chain challenges.

Our top 10 risks

- | | | | |
|---|--|----|--|
| 4 | Sustainability expectations | 8 | Uncertain and evolving regulatory and public landscape |
| 5 | Evolving technologies and consumer preferences | 10 | Employee and community relations |
| 6 | Climate change | | |

Impact materiality

Resource efficiency and waste reduction are materially significant for conserving natural resources, easing environmental pressure, and supporting long-term sustainability. By minimising waste and promoting the sustainable use of resources through smarter production processes and innovative waste reduction strategies we lower emissions and ease pressure on ecosystems, helping to address global challenges such as climate change and biodiversity loss. Furthermore, when waste is transformed through beneficiation, it generates shared value, thereby creating new economic opportunities, supporting local livelihoods, and fostering inclusive job creation. Beneficiating waste creates shared value – unlocking economic opportunities, supporting local livelihoods, and enabling inclusive job creation. This approach benefits both people and the planet, advancing sustainable development that strengthens environmental health, community resilience, and overall social wellbeing.

Our highlights

- Globally we substantially exceeded our 2025 waste to landfill reduction target
- Sappi Matane Mill turned a looming US\$62,500-per-month landfill tax into a sustainability success, cutting waste by over 15% through smarter dewatering, tighter process controls, and innovative bioaugmentation trials that transformed waste into worth
- By reusing 90% of its 12-inch core plugs through a closed-loop return system, Sappi's Somerset Mill saved over US\$60,000 in the first year – turning a once-discarded packaging component into a model of circular efficiency. This simple yet impactful initiative demonstrates how small operational changes can drive measurable value and reinforce Sappi's commitment to sustainable manufacturing.

How we create and preserve value

Sappi creates and preserves value through a strong commitment to resource efficiency, circular production, and waste beneficiation by transforming operational byproducts into economic, environmental, and social opportunities. By embedding circular economy principles across our value chain, we minimise waste generation, extend material lifecycles, and maximise the use of renewable woodfibre resources. Our approach ensures that residual materials such as wood fines, fly ash, and sludge are repurposed into valuable inputs for energy, agriculture, or construction which reduces landfill volumes, disposal costs, and generates new revenue streams. Through targeted innovation, such as closed-loop recycling systems and process optimisation at our mills, we enhance operational efficiency and reduce raw material usage. Programmes like Sappi ReFibre in South Africa exemplify how resource recovery drives both environmental and economic gains by diverting post-consumer paper from landfill, lowering greenhouse gas emissions, and strengthening local recycling networks. At the same time, our partnerships with industries and communities foster job creation and inclusive growth through waste valorisation and local enterprise development.

This integrated approach not only reduces our environmental footprint but also reinforces our financial resilience and competitive advantage, positioning Sappi as a leader in sustainable manufacturing. By turning waste into worth, we build a value chain that benefits people, the planet, and our long-term business performance whilst sustaining profitability and contributing to a low-carbon, circular economy.

Case study

Closing the loop: waste reduction powering renewable energy and efficiency gains

Sappi's global vision of a circular economy – where every part of the tree is used to its fullest potential – continues to drive innovation at Ngodwana Mill. This ambition came to life through the recent biomass combustion enhancement project, a smart engineering solution that turned a longstanding waste challenge into a renewable-energy success story.

The issue emerged after the commissioning of the biomass power boiler, when the mill lost complete access to its biomass feed conveyor system. This created a bottleneck: sawdust from woodyard operations – an energy-rich byproduct – could no longer be reliably delivered to the boiler. Consequently, more than 30,000 wet tons of biomass were being sent to landfill each year, representing both an environmental burden and a lost-energy opportunity.

In response, the project team engineered a direct-feed pneumatic system to deliver sawdust from the woodyard directly to the power boiler, bypassing the shared conveyor entirely. Leveraging existing infrastructure, the solution included a refurbished blower system, a revived control network, and new piping to complete the link. With a modest capital investment of approximately R2 million, the results have been transformative.

Since commissioning, the mill has reduced sawdust landfilling by more than 80%, while generating over 11,700 GJ of renewable energy each month. This sawdust now displaces an estimated 517 tons of coal per month – avoiding approximately 50 t CO₂e in emissions and saving more than R500,000 per month in combined fuel and disposal costs. The project is on track to achieve payback in under four months; proof that sustainable solutions can deliver strong financial returns.



Operationally, the benefits go further. The increased biomass firing rate has enhanced combustion stability and improved the performance of the flue gas desulphurisation (FGD) plant. This has led to lower limestone consumption and a reduced carbon footprint from the boiler system – advancing both energy efficiency and environmental performance.

The initiative supports several United Nations Sustainable Development Goals:

- *SDG 7 – Affordable and clean energy:* through expanded use of renewables
- *SDG 12 – Responsible consumption and production:* by maximising resource efficiency
- *SDG 13 – Climate action:* through measurable reductions in greenhouse gas emissions.

Crucially, this project exemplifies Sappi's longstanding commitment to using 100% of the tree. What was once a waste stream is now a reliable source of clean energy, driving decarbonisation and reducing landfill volumes. It aligns directly with our science-based targets and long-term ambition to substitute fossil fuels with renewable alternatives wherever technically viable.

The beauty of this project lies in its simplicity. We didn't build something new – we reimagined what we already had and gave it new purpose. It is innovation through resourcefulness. The biomass combustion enhancement project demonstrates how practical engineering, guided by a clear sustainability vision, can unlock real value.



Climate action: TCFD report

Sappi is steadfast in its commitment to climate action, driving sustainable innovation and reducing environmental impacts as we transition toward a low-carbon future.

We report in line with the TCFD recommendations to ensure transparency on how we manage climate-related risks and opportunities, demonstrating our commitment to sustainable growth and resilience. Through this framework, we provide clear disclosures on the integration of climate considerations into governance, strategy, risk management, and performance, outlining our actions to adapt to a low-carbon economy, reduce environmental impacts, and leverage opportunities from the global sustainability transition.

A **summary of our climate-related activities** is provided below, with the **full TCFD Report available online** www.sappi.com/annual-reports  for a comprehensive view of our approach to managing climate risks and opportunities.

	Disclosure location	Further information links
Governance		
(a) Describe the board's oversight of climate-related risks and opportunities.	pages  101 – 102	Corporate governance pages  158 – 180
(b) Describe managements roles in assessing and managing climate-related risks and opportunities.	pages  101 – 102	Corporate governance pages  158 – 180
Strategy		
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	pages  106 – 107	Our strategic performance at a glance pages  119 – 127
(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial reporting.	pages  106 – 107	Our strategic performance at a glance pages  119 – 127
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	pages  102 – 106	Our strategic performance at a glance pages  119 – 127
Risk management		
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	pages  106 – 107	Risk management pages  52 – 59 Separate Risk Report on www.sappi.com/annual-reports 
(b) Describe the organisation's processes for managing climate-related risks.	pages  106 – 107	Risk management pages  52 – 59 Separate Risk Report on www.sappi.com/annual-reports 
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management.	pages  106 – 107	Risk management pages  52 – 59 Separate Risk Report on www.sappi.com/annual-reports 
Metrics and targets		
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	pages  108 – 111	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR 
(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and related risks.	pages  108 – 111	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR 
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	pages  108 – 111	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR 

Governance

In order to unlock the power of renewable resources to benefit people, communities and the planet, we need to do so from a foundation of trust. This foundation is reinforced by our robust sustainability governance framework summarised below.

Sappi sustainability governance framework

Sappi board						
Committees	Social, Ethics, Transformation and Sustainability (SETS) Committee	Other board committees		Executive Committee	Group Sustainable Development Council (GSDC)	Regional Sustainability Councils
		Audit and Risk	Remuneration and Compensation			
	Chaired by an Independent Non-executive Director	Chaired by an Independent Non-executive Director	Chaired by an Independent Non-executive Director	Chaired by the group CEO	Chaired by the Group Head: Sustainability and Investor Relations	Chaired by regional CEOs and sustainability leads
Purpose	Oversees the group's sustainability strategy, commitments, policies and performance against targets	Oversees the group's corporate financial reporting, internal control systems, risk management, and relationship with the external auditor	Ensures that incentives drive the appropriate behaviours that deliver our strategy	Management responsibility for execution of sustainability strategy and policies guided by the SETS Committee	Provides expert insights and support to the business on sustainable development matters	Oversees the integration of sustainable development into the operations
Responsibility	Responsible for the governance of matters related to sustainable development, including environment, climate change, biodiversity, product stewardship, labour, human rights, diversity, and transformation and ethics. Ensures alignment to best practice and disclosure standards	Oversees the group's corporate financial reporting. Oversees the risk management process, including sustainability risks. Monitors effectiveness of internal control systems, including hotline reporting platform	Aligns remuneration to performance against key sustainability targets and focus areas	Prioritises capital allocation and ensures business unit line management holds primary responsibility and accountability for sustainability performance	Keeps abreast of best practice and regulatory compliance requirements. Develops sustainability-related strategy and policies for the group	Develops action plans aligned with strategy and policies and monitors progress towards sustainability targets and commitments. Ensures integration of sustainability requirements into operational systems and processes
	 Oversight			 Accountable	 Advisory	 Execution

Climate action: TCFD report continued

At board level, the **Social, Ethics, Transformation and Sustainability (SETS) Committee** plays an independent oversight role. Comprised mainly of Independent Non-Executive Directors, it guides management and monitors progress on key issues, including climate, nature, equity, diversity, ethical conduct, and social impact. The SETS Committee also reviews the group's sustainability strategies, targets, and public disclosures to ensure transparency and alignment with global best practice.

Supporting the board and SETS Committee, the **Audit and Risk Committee** oversees sustainability-related risks within the broader risk management and reporting processes and the resolution of any unethical behaviours reported through Sappi's confidential, independently operated hotline. The **Remuneration and Compensation Committee** ensures that incentive structures are tied to performance against sustainability commitments. The **Nomination and Governance Committee** is responsible for ensuring that the board and executive management teams have the appropriate skills to manage climate-related issues.

Operational accountability lies with the **Sappi Executive Committee**, chaired by the group CEO, which integrates sustainability into business strategy, capital allocation, and performance delivery. Sappi Executive Committee reviews progress against sustainability commitments and targets regularly and ensures strategic alignment before matters are escalated to the SETS Committee.

Specialist advisory bodies further strengthen governance. The **Group Sustainable Development Council (GSDC)** tracks global and regional trends, shaping strategy and policy. Meanwhile, Regional Sustainability Councils in Europe, North America, and South Africa translate global commitments into local action plans, ensuring delivery on the ground.

Together, this multi-layered governance framework provides robust oversight, drives accountability, and ensures that Sappi's sustainability commitments are consistently embedded in strategic decision-making and operational practice.

Strategy

Sustainability lies at the core of Sappi's **Thrive** strategy, shaping how we operate, innovate and grow, while ensuring the responsible use of natural resources. Guided by our 4P framework (Principles, Prosperity, People and Planet) and informed by double materiality assessments, we adopt a holistic approach that recognises the interconnection between climate, forests, water and biodiversity.

Our climate strategy supports the four pillars of **Thrive** (grow our business, sustain our financial health, drive operational excellence, and enhance trust) by linking climate action to innovation, efficiency, financial resilience, and social responsibility. We prioritise the development of low-carbon, biobased products, continuous improvement of our energy and resource efficiency, investment in renewable energy, and strong partnerships that promote transparency and a just transition.

Using climate scenario analysis and risk tools, we identify, mitigate and adapt to climate-related risks, embedding sustainability in strategic decision-making. Integrated across governance, operations and long-term planning, this approach underscores our commitment to a resilient and inclusive transition to a low-carbon economy.

We have a validated 2030 (well-below-two-degree) science-based Scope 1 and 2 decarbonisation target as a key milestone in our transition. Our Scope 3 approach focuses on engagement and collaboration across our value chain to drive collective climate action. We use our influence to encourage key suppliers to set science-based targets (SBTs) and are actively working with them to collect primary emission factors to improve the accuracy of our Scope 3 inventory. While we have made progress, we recognise that supplier maturity levels vary significantly, and challenges remain in accurately disaggregating product-level emissions. At this stage, we do not yet have sufficient primary data to set a quantified Scope 3 reduction target. However, we continue to build capacity, share best practices, and collaborate through industry platforms and sector associations to strengthen supplier engagement and advance Scope 3 decarbonisation efforts over time.

Sappi fully supports the principles of the Paris Agreement and aspires to achieve net-zero greenhouse gas emissions by 2050. However, structural challenges in South Africa's coal-dependent energy system currently prevent us from setting a formal group-wide net-zero target. Our South African operations, which account for the majority of our Scope 2 emissions, remain reliant on Eskom's coal-based grid. The recently approved IRP 2025¹ confirms that South Africa does not yet have a credible, net-zero-aligned decarbonisation pathway, with ongoing constraints in transmission infrastructure, renewable capacity, and policy reform.

Despite these challenges, Sappi continues to advance decarbonisation through direct renewable investments, efficiency improvements, and active participation in national just transition initiatives such as the National Business Initiative's Climate Pathways Study and the JET Skilling for Employment Programme. We remain steadfast in our commitment to reducing our Scope 1 emissions, advocating for collaborative, equitable solutions for Scope 2 abatement, and positioning Sappi as a resilient, low-carbon business ready to thrive in a sustainable future.

¹ <https://www.dmre.gov.za/mining-minerals-energy-policy-development/integrated-resource-plan/irp-2025>.

Sappi's key decarbonisation levers and transition pathway

In the short and medium term, Sappi's decarbonisation strategy focuses on abatement investments to continuously reduce emissions from high-emitting assets and reduce energy intensity using best-available technology. In the longer term, Sappi will evaluate emerging technologies and collaborate with strategic partners to understand feasibility and cost of new technologies that will reduce hard-to-abate emissions.

Scope 1 and 2 emissions

1 Exiting fossil fuels

- Converting our boilers from coal/gas to biofuels
 - Electrification.

2 Energy efficiency, process improvements and new technologies

- Investing in best-available and new technologies to reduce energy intensity of our operations.

3 Investments in on-site renewable energy

- Investing in new solar/wind/biomass energy assets (specific to South Africa).

4 Greening our electricity supply

- Procuring clean and renewable energy.

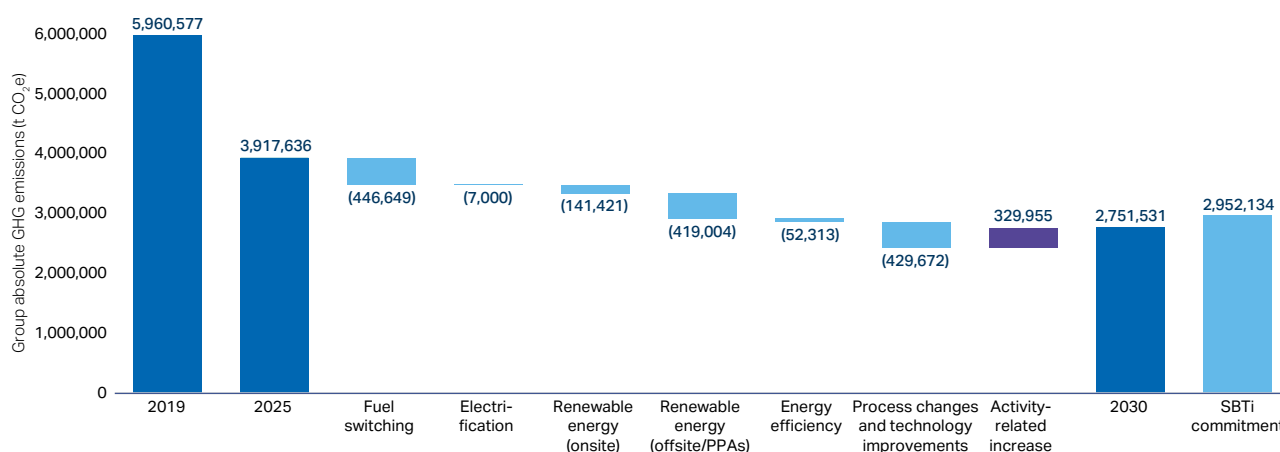
Scope 3

5 Supplier engagement

The graph below illustrates Sappi's current 2030 transition pathway, showing achieved abatement from 2019 to 2025 and the potential contribution of decarbonisation levers towards 2030. This pathway reflects the projects currently identified within our plan, which is reviewed annually to ensure alignment with business priorities and evolving market conditions. All decarbonisation projects are evaluated on their individual merits within regional contexts as well as at a group level and are prioritised based on their return on capital and CO₂ abatement potential. We estimate the cost of our transition at US\$60 million to US\$70 million per annum. The plan remains dynamic and continues to evolve as opportunities and technologies develop, while progress is highly dependent on the availability of capital to support these investments. Our short and medium-term focus is on direct abatement of emissions from our operations and value chain.

As our 2030 climate transition plan continues to evolve, we are also assessing our longer-term abatement opportunities toward 2050, with a particular focus on identifying and advancing Scope 1 emission reduction levers within our South African operations. While we do not believe that a net-zero commitment is appropriate at this stage, we remain committed to progressively developing our transition plan in line with emerging technologies, policy developments, and sectoral progress. We recognise that as we approach 2050, some residual emissions may remain unavoidable, and we will evaluate credible neutralisation solutions to address these in a responsible and transparent manner.

Sappi Group 2030 transition pathway



Climate action: TCFD report continued

The role of forests in climate action

Trees and forests play an integral role in the global carbon cycle. Through sequestering carbon dioxide from the atmosphere and storing it in forest biomass and soils, forests store vast amounts of carbon and release oxygen back into the atmosphere. Recent studies point to the further contribution that trees and forests could deliver to mitigate climate change if afforestation, reforestation, and restoration efforts were scaled up substantially. Managing forests for wood production can help maximise their contribution to carbon sequestration. Forest management practices, which rely on scientific knowledge of silvicultural best practices applicable in respective vegetation zones, promote growth and carbon sequestration. In our plantations in South Africa and in the managed forests from which we source our wood raw material, the cycle of regeneration, growing, thinning and harvesting is actively managed to enhance biodiversity, resilience, and maintain functional ecological condition. Deforestation negatively impacts ecosystem services and climate. It also increases the transmission risk of zoonotic diseases. In addition to helping to respond to climate change and protect soils and water, forests hold more than three-quarters of the world's terrestrial biodiversity. This means that deforestation has serious negative impacts on both biodiversity and climate change.

The pulp and paper industry provides dependable markets for responsibly grown woodfibre, thereby incentivising long-term sustainable forest management. This assurance of financial returns enables and encourages landowners to manage their forestlands as working forests, instead of selling the land for development or converting it to non-forest uses. Furthermore, the pulp and paper industry typically utilises different species and/or smaller diameter trees or portions of trees that are not desirable in the solid wood industry. By providing this market and revenue stream, the industry is supporting necessary holistic forest stand-improvement activities that are essential for maintaining

and restoring forest health, species and age-class balance, wildlife habitat and biodiversity, wildfire mitigation and hazardous fuels reduction, watershed protection, soil conservation, and carbon sequestration. By ensuring forests and plantations are sustainably managed through high levels of certification and prioritising traceability, we can help combat climate change and enhance the ecosystems services that contribute to greater levels of economic and environmental wellbeing. Our opportunity is to invest in and promote healthy forests both for our benefit and the benefits they deliver to the planet.

Our commitment to deforestation free forestry operations and supply chains through wood sourcing from sustainably managed, healthy working forests with a high level of forestry certification enable us to offer products to our customers around the world that carry no risk of deforestation or forest degradation.

Forestry emissions and removals

Climate impacts within our own plantations, our manufacturing operations and our products are considered within our transition plan by using a double materiality impact approach. This holistic approach considers both the financial impact and environmental and social impact of carbon emissions and removals across our own operations and value chain, with land-based (forest) emissions and removals being a key component of our climate impact. Forests form an integral component of Sappi's transition plan due to the critical role they play in carbon sequestration, absorbing large amounts of CO₂ from the atmosphere and helping to mitigate climate change. Sustainably managed forests ensure a renewable supply of woodfibre for our operations while maintaining biodiversity and ecosystem health, which are essential for resilience against climate impacts. Additionally, by preventing deforestation and promoting sustainable forest management (SFM) practices, we can reduce emissions linked to land-use changes, contributing to global climate goals.



We monitor and report greenhouse gas (GHG) emissions and removals from our forestry operations in line with evolving global standards. The Greenhouse Gas Protocol's forthcoming *Land Sector and Removals Guidance (LSRG)* is likely to become the standard framework. Sappi has been actively engaged in shaping this guidance through technical working groups and pilot testing. Nonetheless, stakeholder misalignment has delayed finalisation of the LSRG. We continue to proactively monitor these developments.

Sappi's forestry biogenic CO₂ emissions/removals are calculated using the stock-difference method¹, which measures annual changes in carbon stocks between two inventory years across the more than 15,000 forest compartments making up our plantation landholdings in South Africa. Estimates are based on living biomass (above and below ground) using primarily Tier 1 IPCC methods, supplemented with country-specific biomass expansion factors². Field and LiDAR inventory data are combined with empirical modelling to estimate growing stock, while soil carbon, litter, and harvested wood products are excluded in line with GHG Protocol Agricultural Guidance. Our forestry emissions and removals are reported one year in arrears due to the timing of data availability. Detailed forestry activity data, including growth measurements, harvesting records, and land-use changes, are only finalised and verified early in the following financial year. This timing ensures that reported figures are based on complete and accurate datasets, maintaining the integrity and reliability of Sappi's greenhouse gas inventory and sustainability reporting. For FY2024, Sappi Forests reported 590,707 tons of net biogenic CO₂ removals, despite 912,672 tons of gross biogenic CO₂e emissions from natural disturbances. Our plantations represent a CO₂e living biomass pool of 40.7 million tons.

Non-biogenic forestry (fossil-based) CO₂e emissions are calculated following GHG Protocol Agricultural Guidance, covering all major forestry activities under a cradle-to-gate boundary, including establishment, management, fire prevention, harvesting, and transport. Emissions sources

include fuel combustion, grassland burning for biodiversity and fire control, wildfires, burning of harvest residues, and land-use change where plantation areas were restored to natural habitats.

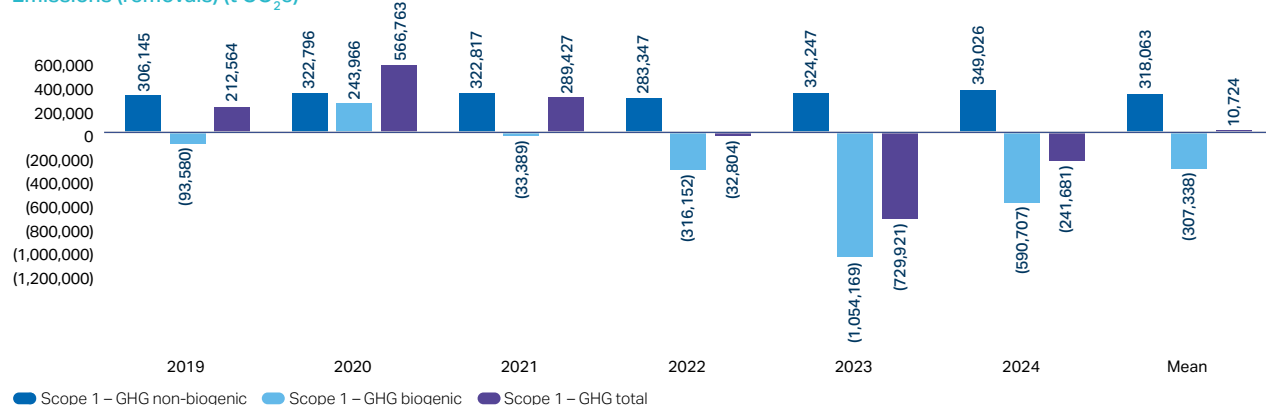
In 2020, the biogenic GHG pool became a net source of emissions following extensive wildfire damage that significantly reduced standing tree carbon stocks. Between 2022 and 2024, above-average rainfall drove exceptional tree growth, leading to strong biogenic carbon removals during this period. Over the past six years, these removals have, on average, been sufficient to offset non-biogenic emissions. Our overall objective, in line with sustainable forestry management practices, is to maintain a balanced carbon cycle in our plantations, where annual growth, harvesting, and natural disturbances are in equilibrium, and we achieve long-term net-zero biogenic emissions while ensuring forest health and productivity. Through sustainable forest management (SFM) and adherence to strict certification and traceability standards, we ensure that our woodfibre supply supports both climate action and ecosystem resilience.

As methodologies such as the GHG Protocol Land Sector and Removals Guidance and SBTi FLAG framework evolve, we continue to participate in their development, reinforcing our commitment to sustainable forestry as a cornerstone of our climate strategy.

Aligning our external engagement activities

Sappi's approach to external engagement is grounded in transparency, accountability, and alignment with global climate goals. Guided by our **Code of Ethics, Sustainability Charter** and commitments to the Paris Agreement and UN SDGs, notably *SDG 7: Clean energy* and *SDG 13: Climate action*. We engage with stakeholders through formal policy consultations, industry associations, and multi-stakeholder forums to advocate for effective, science-based climate policy. Climate and nature-related issues are regularly reviewed by senior leadership and regional sustainability councils to ensure alignment with our global strategy.

Emissions (removals) (t CO₂e)



Sappi forests' Scope 1 GHG emissions between 2019 and 2024, as well as the mean values over this period, are presented and separated into biogenic and non-biogenic GHG emissions. The total represents the sum of these two categories.

¹ This approach follows Equation 2.5 from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories (Volume 4, Chapter 2, p. 2.9).

² Dovey, S., du Toit, B. and Crous, J., 2021. Tier 2 above-ground biomass expansion functions for South African plantation forests. *Southern Forests: a Journal of Forest Science*, 83(1): 69-78.

Climate action: TCFD report continued

Climate-linked finance and remuneration

We embedded sustainability into our capital structure through instruments such as our EUR515 million sustainability-linked revolving credit facility and EUR300 million sustainability-linked 2032 bond, both tied to key performance indicators on GHG emissions, certified fibre sourcing, and waste reduction. These mechanisms reinforce accountability and demonstrate how sustainability performance directly influences financial outcomes. Given the strategic importance of sustainability, leadership remuneration is linked to their contribution to the overall success of our **Thrive** strategy. Specifically, a portion of the personal objectives within the short-term management incentive scheme (MIS) is directly linked to climate change through emission reduction, forestry certification and waste-to-landfill performance targets. Additionally, from FY2024, 10% of the long-term incentive (performance share plan – PSP) is linked to performance against our validated well-below-two-degree science-based target. This integrated approach ensures that climate action is embedded not only in strategy and governance, but also in financial and leadership accountability.

For further details on our remuneration policy, see our **Remuneration Report** on page 182.

Climate scenario modelling

Sappi adopts an integrated, science-based approach to climate scenario modelling to assess both physical and transitional risks and embed the findings into our business strategy, risk management, and action plans. Our modelling helps us understand how different climate futures could affect our operations, forests and value chain, thereby enhancing our ability to anticipate, adapt, and build long-term resilience. We have conducted physical risk modelling across all of our manufacturing and forestry operations using multiple climate scenarios (including RCP and SSP pathways), evaluating indicators such as heat stress, drought, flooding, and wildfire exposure. This has been supplemented with locally downscaled forestry modelling in South Africa and water risk scenario analysis to inform site-level adaptation measures and capital investment priorities. In parallel, we have conducted transition risk modelling in collaboration with S&P Global, assessing how evolving policy, market, and carbon pricing scenarios may affect our costs, competitiveness, and value chain. The outcomes of these analyses directly inform our climate transition plan, capital allocation, and strategic resilience initiatives, ensuring climate considerations are embedded into decision-making at every level.

For more detail on our climate scenario modelling and outcomes, please refer to our **full TCFD Report** www.sappi.com/annual-reports.

Risks, opportunities and adaptation

Sappi has a comprehensive and integrated approach to managing climate-related risks, opportunities, and adaptation, fully embedded within our enterprise risk management and governance framework. Climate change is recognised as a principal strategic risk, and climate considerations are incorporated into strategic planning, financial decision-making, and capital allocation across our operations. Our annual risk evaluation process identifies and monitors both physical and transition risks, with site-level assessments led by regional risk managers and supported by environmental, regulatory, and R&D expertise. We have identified **five physical risks**, mainly linked to our South African plantations and woodfibre supply chains, and **one key transition risk** associated with policy and market shifts. Correspondingly, we see significant operational and transitional opportunities in advancing low-carbon and circular biobased solutions.

Sappi recognises that effective **climate adaptation** is critical to ensuring business continuity, safeguarding natural resources, and supporting community resilience. Our adaptation strategy builds long-term resilience across both manufacturing and forestry operations, guided by detailed climate risk assessments and scenario analyses. In manufacturing, adaptation actions focus on flood protection, water-use efficiency supported by investment in catchment management and contingency planning to maintain operational continuity. In forestry, we focus on climate-smart forestry management and tree breeding programmes to improve resilience against drought, pests, and disease, ensuring a sustainable fibre supply under future climate conditions.

Our adaptation efforts also extend beyond our operations. Through partnerships such as the WWF uMkhomazi catchment water stewardship project, Sappi works to enhance water security, ecosystem resilience, and community wellbeing. We have established integrated community forums around key South African sites to strengthen local preparedness, facilitate stakeholder collaboration, and prioritise climate adaptation initiatives.

Through this integrated approach, which links risk management, adaptation, and innovation, we aim to strengthen business resilience, protect the ecosystems and communities that sustain our operations, and contribute to a just and sustainable transition in every region where we operate.

At the same time, we view climate action as an opportunity for innovation and sustainable growth. By investing in decarbonisation and resource efficiency, we are advancing toward our 2030 science-based targets while positioning for leadership in the circular bioeconomy. Our expanding portfolio of sustainable packaging, speciality papers, and dissolving wood pulp (DWP) enables our value chains to transition from fossil-based to renewable products, supporting a global shift toward low-carbon, circular solutions.

In terms of climate opportunities, Sappi is well-positioned to lead in the transition to a circular, biobased economy by replacing fossil-based materials with sustainably sourced, fibre-based products. Our innovations in packaging papers, speciality papers and dissolving wood pulp (DWP) enable our value chains to reduce their carbon footprint while capturing growing demand for sustainable textiles such as lyocell, a leading next-generation cellulose fibre. Together, these efforts demonstrate Sappi's commitment to managing climate risks proactively, while unlocking new opportunities for sustainable growth and resilience in a changing global environment.

	Risk	Time frame	Impact	Financial impact per annum (US\$ millions)	Likelihood of occurrence
Physical risks	South African plantation losses due to drought	Long term	Medium	5 to 25	Likely
	South African plantation losses due to increased ecosystem vulnerability	Medium to long term	Medium	5 to 25	Very likely
	South African plantation losses due to wildfire	Short to long term	Medium-high	20 to 180	Virtually certain
	Wood supply chain disruptions in North America and Europe	Medium to long term	Medium	10 to 25	Likely
	Interruptions to South African mill operations and supply chains due to drought	Medium to long term	Medium	10 to 50	More likely than not
Transitional risks	GHG regulatory changes and changing downstream requirements for low-carbon products	Medium to long term	Medium-high	20 to 100	More likely than not
Operational opportunity	Reduced operating costs through energy efficiency and use of renewable energy	Short to long term	Medium	20 to 50	Very likely
Transitional opportunity	Changing consumer behaviour and preference for renewable, circular, low-carbon products	Short to long term	Medium-high	80 to 120	More likely than not
Time frame definition: short term 1 – 2 years, medium term 3 – 5 years, long term 5 – 30 years Impact definition: medium-low US\$0 – 10m, medium US\$10 – 50m, medium-high US\$50 – 100m, high US\$100 – 200m					

For more detail on our risks and mitigation actions, and on our opportunities and how we are realising them, please refer to our full TCFD Report www.sappi.com/annual-reports .

Climate action: TCFD report continued

Metrics and targets

We use a variety of metrics to measure the current and potential impact of our climate change-related risks and opportunities including metrics related to GHG emissions, water use, forestry certification and biodiversity.

Direct GHG emissions are from our energy plants through combustion of fuels to generate the power required for our manufacturing operations (Scope 1). We also purchase power from the grid (Scope 2) and have indirect GHG emissions throughout the value chain, mainly as a result of our purchase of raw materials, fuel and transportation, which make up the majority of our Scope 3 emissions. We are acting across all three scopes and working closely with our partners to reduce GHG emissions for our business and our value chain. In 2022,

our 2030 science-based decarbonisation targets, including a Scope 3 engagement target, were approved by the SBTi. We remain committed to deforestation free woodfibre supply chains and to maintaining carbon pools in forestry through implementation of best forest management and silviculture practices.

Our performance against our planet targets, which have an impact on climate change, is shown below.

FY2025 group performance against climate targets

	FY2025 snapshot of Thrive (2025) and SBTi targets	Sappi KPI	
Thrive 2025 planet targets	 Clean water and sanitation	Specific process water usage (SSA)	
	 Renewable and clean energy	Share of renewable and clean energy	
		Specific energy intensity	
	 Responsible consumption and production	Specific landfilled solid waste	
	 Climate action	Specific GHG emission	
SBTi targets	 Life on land	Share of certified fibre	
		Biodiversity (SSA)	
	 Climate action	Scope 1 and 2 intensity	
		Scope 3 engagement	

For more details on performance against planet targets, see our **2025 Sappi Group Sustainability Report** at www.sappi.com/2025GSDR 

Global targets for 2025 for specific total energy and specific GHG emissions were not achieved. The primary reason for the poor performance against our targets is the market-related production curtailment that was required during the year, which significantly reduced the efficiency of our operations. In addition, the North American operations were negatively impacted by process instability introduced by the Somerset Mill PM2 conversion and expansion project, which was completed and commissioned during the year. However, the renewable and clean energy target was achieved, reflecting the strong progress made through our fuel-switching initiatives and renewable energy procurement strategy. The waste-to-landfill target was achieved and exceeded the 2025 goal. Specific water usage is an SSA-specific target. The target was not achieved due to incidences of unstable operating conditions during unplanned production outages and product quality challenges, which required additional water usage as well as lower production volumes than planned for 2025. The global certified fibre target of >75% was exceeded, and

we achieved 78%. In terms of our biodiversity improvement target for our own forest operations, a cumulative improvement of 25% has been achieved from the 2020 baseline condition, well in excess of our 10% target.

Read more on Sappi's material issues relating to sustainable forestry, biodiversity, climate change, water stewardship, resource efficiency and minimising waste in our **2025 Sappi Group Sustainability Report**: www.sappi.com/2025GSDR 

Science-based targets (SBTs)

The 2025 Scope 1 and 2 emission intensity of 762 t CO₂e/adt was above our SBTi trajectory due to ongoing market-related production curtailments and the completion and commissioning of the Somerset Mill PM2 conversion and expansion project and its associated negative impacts on energy efficiency. However, we achieved a reduction of 5% versus 2024 and a 15% reduction from the 2019 baseline.

FY2025 and long-term GHG emissions data

	GRI reference	Unit	2019	2020	2021	2022	2023	2024	2025
Scope 1	305-1a	t CO ₂ e/annum	4,441,329	4,103,760	4,296,971	4,112,099	3,506,813	3,202,668	3,174,735
	305-4	kg CO ₂ e/adt	664.2	710.4	682.3	618.0	703.0	618.6	617.5
Scope 1 emissions from									
CO ₂		t CO ₂ e/annum	4,098,832	3,762,801	3,960,852	3,774,529	3,171,556	2,871,303	2,848,209
CH ₄	305-1b	t CO ₂ e/annum	284,607	286,743	282,637	284,132	282,878	277,787	269,142
N ₂ O		t CO ₂ e/annum	57,890	54,216	53,482	53,438	52,379	53,578	57,384
Biogenic emissions	305-1c	t CO ₂ e/annum	7,073,874	6,803,390	6,621,873	6,877,140	6,728,999	6,847,713	7,198,646
Scope 2	305-2	t CO ₂ e/annum	1,529,346	1,188,359	1,146,302	1,325,659	1,076,535	924,179	742,900
	305-4	kg CO ₂ e/adt	228.7	205.7	182.0	199.2	215.8	178.5	144.5
Scope 1 and 2 GHG emissions		t CO ₂ e/annum	5,970,675	5,292,119	5,443,274	5,437,758	4,583,347	4,126,847	3,917,636
	305-4	kg CO ₂ e/adt	892.9	916.1	864.4	817.2	918.8	797.2	762.0
		t CO ₂ e/US\$ million	1,039.1	1,148.2	1,034.0	745.3	789.0	756.1	722.8
Scope 3	305-3a	t CO ₂ e/annum	3,935,961	3,323,710	3,470,153	3,748,614	3,430,897	3,721,925	4,482,363
	305-4	kg CO ₂ e/adt	588.6	575.4	551.0	563.3	687.8	718.9	871.9

Production curtailments continue to impact emission intensity since production is the denominator in the calculation. Sappi's absolute emissions have reduced by 34% since 2019 and benefited from the closures of Stockstadt and Lanaken Mills in Europe. The majority of the sales volumes from the two closed mills were transferred to Gratkorn and Ehingen Mills, which have lower emission intensity, thereby positively reducing both the absolute emissions and emission intensity of the European region.

Climate action: TCFD report continued

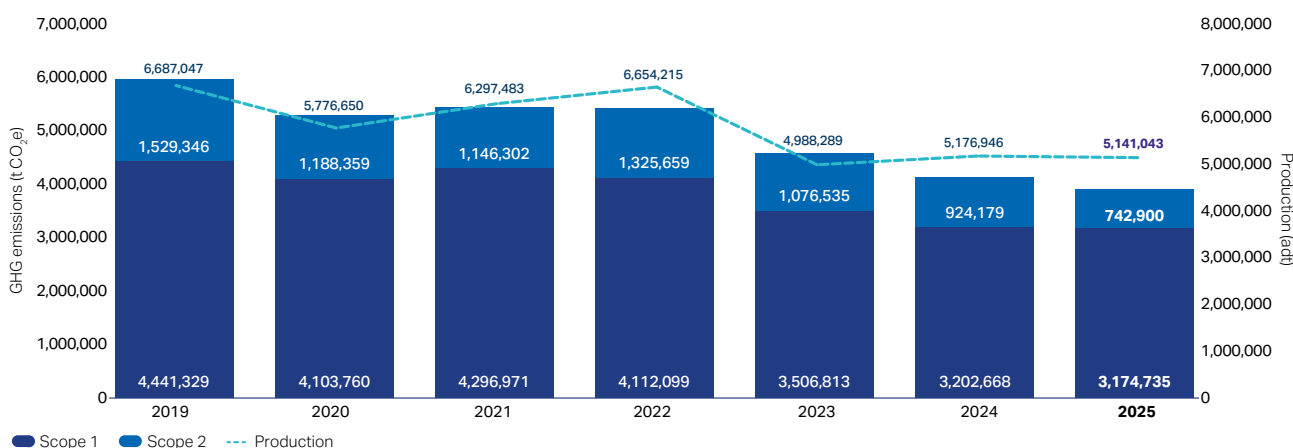
Group absolute GHG emissions trend

Scope 1 and 2 emissions **reduced by 34%** since 2019

Scope 1 emissions **reduced by 29%** since 2019

Scope 2 emissions **reduced by 51%** since 2019

Group absolute GHG emissions



Although the 2025 emission intensity remains above our SBTi target trajectory, this is to a large extent due to the production curtailments and the impact on operational efficiencies. The key abatement capital projects that have been completed in the last few years are demonstrating significant emission reductions.

In terms of the abatement projects, we have achieved significant reductions in Scope 1 emission intensity from the four main projects listed below.

1. Kirkniemi Mill Scope 1 emission intensity reduced by 84% from the 2019 baseline, corresponding to an absolute reduction of 87%, driven primarily by the conversion of the coal-fired boiler to biomass.
2. Gratkorn Mill Scope 1 emission intensity reduced by 34% from the 2019 baseline, corresponding to an absolute reduction of 52%, due to the conversion of the coal-fired boiler to natural gas/biomass. Intensity will reduce even further as the final phase of the project to handle biomass is completed and the boiler converts fully to biomass.
3. Maastricht Mill Scope 1 emission intensity reduced by 6% from the 2019 baseline, corresponding to an absolute reduction of 15%, as e-boiler benefits were realised.

4. Saiccor Mill Scope 1 emission intensity reduced by 45% from the 2019 baseline, corresponding to an absolute reduction of 42%, due to the sustainability investments included in the recent expansion project.

In terms of our engagement target for Scope 3 to have 44% of our suppliers by spend with SBTs by 2026. In 2025, 23% of our suppliers by spend have set SBTs. By region, the performance was SEU 25%, SNA 19%, and SSA 25%. Delays in SBTi finalising their guidance for the chemical sector have constrained a number of our suppliers setting SBTs. We anticipate that more of our chemical suppliers will join SBTi after the guidelines are published for the sector – expected by the end of calendar year 2025.

Limited assurance

In 2025, we engaged KPMG to perform limited assurance on the following planet variables:

- Scope 1 and 2 GHG emissions
- Scope 3 GHG emissions: category 1 – purchased goods and services
- Solid waste-to-landfill
- Certified fibre
- Specific process water usage (SSA only).

Enabling a just transition

Sappi recognises that a just transition to a low-carbon economy requires not only technological change, but also social inclusion and capacity building beyond our own workforce. In South Africa, where the company's operations are deeply rooted, the shortage of technical and green economy skills presents both a challenge and an opportunity.

Sappi is fully committed to a just transition that places our people at the centre of our sustainability journey. In 2025, we implemented dedicated metrics to monitor and understand the impact of our transition on our workforce, ensuring transparency and accountability. Our goal is to achieve our climate and sustainability objectives without any direct job losses linked to this transition. Where changes to roles or operations are necessary, we are committed to reskilling and redeploying our employees, equipping them with the skills needed for a low-carbon, circular future, while maintaining meaningful employment across our operations.

Impact of climate transition actions on our workforce	FY2025	FY2019 to FY2024
Number of permanent jobs lost	0	0
Number of permanent jobs created	1	98
Number of employees reskilled and redeployed	0	15

Sappi Southern Africa is building green skills and economic resilience by advancing sustainable livelihoods and future-ready employment through targeted community skills development initiatives. Central to this effort is our artisan training programme, which offers comprehensive apprenticeships in key trades such as millwrighting, fitting and turning, electrical work, and boiler-making. Each year, between 105 and 120 apprentices are trained in Sappi's modern facilities, with more than 90% absorbed into the company or its contractors. To address educational barriers in rural areas, a pre-apprenticeship bridging course introduced in 2019 has helped over 60 young participants to date to strengthen foundational skills and transition into full apprenticeships. In the forestry sector, Sappi has trained 309 small growers and contractors in 2025 in silviculture, harvesting, and environmental certification across KwaZulu-Natal and Mpumalanga, enhancing alignment with international standards such as FSC™ and PEFC while fostering local enterprise development. Together, these initiatives support a just transition by equipping communities with green economy skills, promoting inclusive economic growth, and reinforcing the link between climate action, social equity, and environmental stewardship.

Conclusion

A number of physical and transitional risks and opportunities have been identified related to climate change, and we continue to monitor developments with respect to legislation, markets, technology, and disclosure requirements.

We believe that we have the right strategy to address the risks and opportunities arising from climate change and will continuously enhance our scenario modelling to expand our thinking and ensure that our strategy and transition plan remains resilient. We recognise that the successful implementation of our transition plan depends on balancing abatement investments with capital availability and social impacts to ensure a just transition.

Nature action: TNFD report

We recognise the essential role that healthy ecosystems play in our business and in global sustainability, and we are dedicated to responsible stewardship, collaborative partnerships, and continuous improvement to support a nature-positive future.

Note: Climate and nature are inherently interdependent, and Sappi manages these issues through a holistic, integrated approach. Our governance structures and our processes for identifying, assessing, and managing risks and opportunities are aligned for both climate-related and nature-related matters. A summary of these shared governance and risk management systems is provided within the TNFD report, with further detailed disclosure available in the corresponding sections of our TCFD report.

TNFD disclosure

	Disclosure location	Further information links
Governance		
(a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	page 113	Corporate governance page 158 2025 Sappi TCFD report pages 101 – 102
(b) Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	page 113	Corporate governance page 158 2025 Sappi TCFD report pages 101 – 102 Integrating sustainability page 60
(c) Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to indigenous peoples, local communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.		Sappi Group Human Rights Policy www.sappi.com/corporate-governance-and-risk
Strategy		
(a) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	pages 113 – 114	2025 Sappi TCFD report pages 102 – 106
(b) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	pages 113 – 114	2025 Sappi TCFD report pages 102 – 106
(c) Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	pages 113 – 114	2025 Sappi TCFD report pages 102 – 106
(d) Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	page 116	
Risk management		
(a) (i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations. (ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	pages 113 – 114	Risk management pages 52 – 59 Separate Risk Report on www.sappi.com/annual-reports
(b) Describe the organisation's processes for monitoring nature-related dependencies, impacts, risks and opportunities.	pages 113 – 114	Risk management pages 52 – 59 Separate Risk Report on www.sappi.com/annual-reports
(c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	pages 113 – 114	Risk management pages 52 – 59 Separate Risk Report on www.sappi.com/annual-reports
Metrics and targets		
(a) Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	pages 114 – 115	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR
(b) Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	pages 114 – 115	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR
(c) Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	pages 114 – 115, 118	2025 Sappi Group Sustainability Report www.sappi.com/2025GSDR

Nature is fundamental to Sappi's identity and long-term success. Our business is built on responsibly sourced, renewable woodfibre and the ecosystem services that support forest health, water security and climate stability. As we continue to strengthen our contribution to a regenerative and nature-positive world, we are aligning with the Taskforce on Nature-related Financial Disclosures (TNFD) framework to enhance the transparency, robustness and decision-usefulness of our reporting. Our aim is to provide stakeholders with clear insight into how nature-related dependencies, impacts, risks and opportunities inform our strategy, operations and value-creation model. We are progressing toward full TNFD-aligned disclosure within the next two years ensuring our stakeholders have clear insight into how we manage and respond to nature-related issues across our value chain.

Our commitment to nature-positive outcomes

We are committed to implementing nature-positive actions and continuously reducing our impacts on nature through strong water stewardship, sustainable forestry practices, biodiversity enhancement, and climate action to reduce GHG emissions, recognising the deeply interconnected nature of these systems. We mitigate and reduce the impacts of our manufacturing operations on nature through a disciplined, continuous improvement approach. Our air emissions, effluent discharges, and solid waste are governed by stringent legal requirements, operational permits, and licences, and we meet all applicable regulations in the regions where we operate.

We seek to implement value-enhancing best available technologies wherever appropriate to further reduce our environmental footprint. We continuously monitor our outputs into the environment and provide transparent reporting to regulators and other stakeholders as required, reinforcing our commitment to responsible, sustainable operations.

Governance

Oversight of nature-related issues is integrated into Sappi's broader Sustainability Governance Framework, which ensures strong accountability and cross-functional coordination across the business. The board of directors provides strategic oversight of environmental and sustainability matters, supported by executive management and specialised teams in forestry, manufacturing, procurement, risk, finance and sustainability.

For more on our sustainability governance structure see our **2025 Sappi Group Sustainability Report** www.sappi.com/2025GSDR .

Policies on environmental management, water, climate and responsible woodfibre sourcing, guide our business practices, while forest certification systems Forest Stewardship Council™ (FSC™ N003159), Programme for the endorsement of Forest Certification (PEFC/01-44-43), SFI® and ISO 14001 provide external verification and reinforce our commitment to responsible environmental stewardship. Our governance ensures that nature considerations are embedded in our decision-making structures, capital allocation processes and long-term strategic planning.

Strategy

Nature is integral to who we are. Sappi's value proposition and **Thrive** strategy are underpinned by the sustainable and renewable qualities of woodfibre, which is dependent on healthy forests, resilient landscapes and the ecosystem services they provide. Recognising this, we integrate nature considerations into our organisational strategy and core business processes.

Our nature-related strategic priorities include:

- Ensuring long-term security of fibre supply through certified, responsibly managed forests and sourcing practices
- Conserving and restoring biodiversity across our forestry landholdings
- Strengthening water stewardship, particularly in water-stressed catchments where our operations are located
- Reducing GHG emissions and enhancing climate resilience across our forest and mill operations
- Continuously optimising resource efficiency and minimising emissions, effluent and waste through operational excellence and best available technologies
- Focus on circular manufacturing and product innovation.

These priorities align with our decarbonisation roadmap, circularity ambitions and broader sustainability commitments. They also reflect our recognition that climate, water, forests and biodiversity are deeply interconnected, requiring holistic management. As we move toward full TNFD adoption, we are looking for opportunities to further integrate nature-related considerations into operational planning, innovation, stakeholder engagement and long-term strategy development.

Nature-related risk and opportunity management

Sappi incorporates nature-related risks and opportunities into our enterprise risk management (ERM) system. This ensures that risks linked to nature degradation, biodiversity decline, water scarcity, climate-driven ecosystem shifts and evolving regulatory requirements are monitored, assessed and managed proactively.

Nature action: TNFD report continued

Physical risks

- We periodically assess and monitor risks such as changes in forest productivity, wildfire incidence, invasive pests and pathogens, water scarcity and potential degradation of ecological assets that underpin our value chain
- We mitigate the impacts of our manufacturing operations on nature through a disciplined, continuous improvement approach, governed by stringent legal requirements, permits and licences for air emissions, effluent discharges and solid waste, supported by rigorous monitoring and transparent reporting to ensure we meet or exceed all applicable regional regulations.

Transition risks

- We monitor evolving regulatory, certification and market requirements related to sustainable forestry, emissions, biodiversity conservation and nature-positive reporting to assess the impact on Sappi's operations
- Growing customer preference for low-impact, renewable materials is also shaping market dynamics
- Stakeholder expectations regarding responsible sourcing and environmental performance are increasing. We manage these risks through rigorous forest certification, supplier engagement and continuous improvement across our operations.

Opportunities

Our dependence on renewable woodfibre positions us strongly to benefit from nature-positive opportunities. These include:

- Expanding forest certification
- Supporting small growers through inclusive forestry programmes to build shared value
- Enhancing biodiversity value on our landholdings
- Advancing circular, biobased product innovations
- Increasing resource efficiency and benefiting waste streams
- Advancing partnerships in water stewardship and conservation.

Nature-related considerations therefore play an important role in strengthening the resilience of our business model and creating long-term value.

Risk mitigation through forest certification

Forest certification systems are a key risk mitigator for Sappi in addressing deforestation, forest degradation and biodiversity impacts within our forestry operations and woodfibre supply chains. The certification schemes we work with – FSC™, PEFC and SFI® – are effective tools that promote sustainable production and responsible forest management. These systems establish stringent requirements for forest management, woodfibre sourcing, traceability and Chain of Custody tracking, and are underpinned by independent third-party auditing. Forest certification delivers positive impacts by strengthening forest management practices and applying rigorous due diligence in woodfibre supply chains to ensure that all woodfibre, including non-certified inputs, comes from controlled, non-controversial sources. Forest management practices required by certification, such as retaining deadwood,

protecting wetlands, maintaining riparian buffer zones, maintaining diverse species composition and safeguarding key biotopes, help secure biodiversity within working forests. Healthy, robust, well-managed forests support community wellbeing, provide a haven for wildlife and diverse plant species, protect watersheds and play a critical role in the carbon sequestration cycle. The forest certification systems that Sappi works with all have requirements within their forest management standards, which focus on maintaining or enhancing biodiversity and managing or protecting high conservation and ecosystem values. Through the inclusion of these requirements in forest management practices, attention is placed on maintaining and conserving biodiversity while implementing other management objectives. The impact of forest certification standards also extends beyond certified forests. FSC™, PEFC and SFI® require the conservation of critical biodiversity values during all harvesting activities, including those on non-certified forestlands, through implementation of a due diligence system and risk-based mitigation measures, where necessary.

Metrics and targets

Regulatory compliance defines the baseline expectations for operational performance. We pursue the implementation of best available technologies where appropriate. Our monitoring systems generate data for internal decision-making and for required reporting to regulators and stakeholders. To support progress toward our nature-related targets, we report comprehensive metrics across air emissions, energy use, water and effluent, solid waste and forestry operations. Through our double materiality assessment process, we have identified key material nature-related issues that are central to our business and value chain, including sustainable land management and forestry practices, water stewardship, biodiversity protection, resource efficiency and reducing waste. These focus areas guide our actions and enable transparent monitoring of performance and continuous improvement in alignment with TNFD recommendations.

Sappi reports on a robust set of nature-related metrics across forestry, water, climate, and biodiversity. Key targets and performance are noted below:

Forestry and biodiversity

- Share of woodfibre sourced from certified sources
- Biodiversity improvement in our forestry landholding (SSA)
- Sustainable growth in our plantations (SSA).

Waterstewardship

- Specific water use (SSA).

Climate and energy

- GHG emissions (Scope 1, 2 and relevant Scope 3)
- Renewable and clean energy usage
- Energy intensity.

Waste

- Specific landfilled solid waste.

	FY2025 snapshot of Thrive (2025) nature-related targets	Sappi KPI	
Planet targets	 Clean water and sanitation	Specific process water usage (SSA)	
	 Renewable and clean energy	Share of renewable and clean energy	
		Specific energy intensity	
	 Responsible consumption and production	Specific landfilled solid waste	
	 Climate action	Specific GHG emission	
	 Life on land	Share of certified fibre	
		Biodiversity (SSA)	

See our **2025 Sappi Group Sustainability Report** for more details on our performance www.sappi.com/2025GSDR 

In addition to these key targets we also monitor and report extensively against numerous KPIs related to air emissions, water and effluents, waste utilisation, diversion and disposal and forestry, see our **2025 planet indicators** www.sappi.com/sustainable-purpose 

Conserving and restoring biodiversity in our forestry landholdings in South Africa

In South Africa where Sappi is one of the country's major landowners, we manage and lease 405,103 hectares of land. Of the total land managed and leased, approximately 264,275 hectares are planted with commercial plantation forestry, and the remaining 140,828 hectares consist of natural areas that are managed for biodiversity. Our plantations are dual certified against FSC™ and PEFC standards.

Sappi invests in biodiversity and conservation in numerous ways, including:

- Maintaining 156 important conservation areas (ICAs) including seven (soon to be eight) nature reserves on our plantations
- Monitoring water quality: We use the aquatic biomonitoring South African Scoring System methodology to determine the composition of macroinvertebrate in rivers on our landholdings, as a measure of river health
- Developing and implementing long-term integrated weed management plans on all our plantations as invasive alien plants are widely considered as a major threat to biodiversity, human livelihoods and economic development
- Maintaining and enhancing soil function – a crucial component of sustainable forest management and biodiversity. The trees are deep rooted and long-lived, with little or no mechanical cultivation occurring. As a result, the structure of soils is maintained or improved, while topsoil nutrients are increased as nutrients and minerals are taken up deep within the soil profile
- Partnering with conservation agencies, including, Ezemvelo KZN Wildlife, Mpumalanga Tourism and Parks Agency and the South African National Biodiversity Institute (SANBI), and other plantation owners through Forestry South Africa, to mainstream biodiversity into the forestry sector.

Nature action: TNFD report continued

Sappi's nine priority locations

As part of our commitment to the Taskforce on Nature-related Financial Disclosures (TNFD), we have initiated assessments using the LEAP framework, beginning with our own forestry landholdings. Through this process, we have identified nine priority locations – eight formally proclaimed nature reserves (including Karkloof Blue Butterfly Nature Reserve, expected to be gazetted in 2026) and one World Heritage Site. All sites are actively managed and form part of South Africa's Biodiversity Stewardship Programme, administered by SANBI through partnerships with landowners, conservation authorities, and NGOs to secure areas of high biodiversity value. Among these is the Makhonjwa Mountain World Heritage Site, internationally recognised for its globally significant geology and exceptional biodiversity. Sappi owns a portion of the site, which is protected under multiple national heritage and environmental laws and governed through a collaborative integrated management plan, with Sappi participating actively in its implementation. Our nature reserves are integrated within plantation landscapes and are managed through annual plans of operation, where site-specific impacts and mitigation measures are identified and addressed. The South African Protected Areas Act further provides the legal framework for the protection and management of nature reserves. Nature reserves are national assets declared on properties with high biodiversity

importance and have long-term title deed restrictions, which mean that even if the land changes hands its status as a protected area remains in place. Our nature reserves form part of a network of natural habitats that are conserved by setting aside portions of our landholdings for conservation, ensuring that indigenous flora and fauna thrive alongside commercial forestry operations. Sustainable forest management is a key focus, with Sappi adhering to FSC™ and PEFC standards, which promote responsible planting, harvesting, and replanting practices that help maintain ecosystem balance. We actively control invasive alien plant species to prevent them from outcompeting native species, preserving the integrity of local biodiversity. To protect aquatic ecosystems, we establish protective buffer zones around rivers, wetlands, and other water resources, reducing risks of habitat degradation. Fire management is another critical aspect, we perform controlled burns to prevent uncontrolled wildfires, which can severely damage grassland ecosystems. Furthermore, we invest in ongoing biodiversity monitoring and research, enabling the tracking of impacts and continuous refinement of conservation efforts to support the long-term health of habitats and ecosystems

Building on this foundational work in our landholdings, our next focus is to undertake biodiversity risk assessments for our manufacturing operations.

Reserve name	Location	Sappi Plantation	Area (ha)	Date declared	Geolocation ¹			
					X – DD	Y – DD	X – DMS	Y – DMS
Clairmont Nature Reserve	Bulwer	Clairmont	1,010	November 2013	29.747	-29.755	29° 44' 49.2" E	29° 45' 18" S
Roelton Nature Reserve	Ixopo	Sutton	114	October 2020	29.98	-30.124	29° 58' 48" E	30° 7' 26.4" S
Karkloof Nature Reserve	Karkloof East	Demagtenberg	223	August 2012	30.2	-29.323	30° 12' 0" E	29° 19' 22.8" S
Ngodwana Valley Nature Reserve	Camelot South	Nooitgedacht	965	April 2017	30.615	-25.637	30° 36' 54" E	25° 38' 13.2" S
Angle Ridge Nature Reserve	Twello	Highlands	1,095	April 2017	31.11	-25.822	31° 6' 36" E	25° 49' 19.2" S
Oosterbeek Nature Reserve	Twello	Highlands/Montrose	1,900	April 2017	31.028	-25.846	31° 1' 40.8" E	25° 50' 45.6" S
Mount Morgan Nature Reserve	Twello	Montrose	1,013	April 2017	30.965	-25.863	30° 57' 54" E	25° 51' 46.8" S
Karkloof Blue Butterfly Nature Reserve ²	Karkloof East	Shafton	26	October 2025	30.244	-29.408	30° 14' 38.4" E	29° 24' 28.8" S
The Barberton Makhonjwa Mountains UNESCO World Heritage Site	Twello	Highlands/Montrose	20,460	July 2018	31.028	-25.846	31° 1' 40.8" E	25° 50' 45.6" S

¹ Geolocation coordinates provided are for the centre point of Sappi's plantation in which the reserve is located.

² The Karkloof Blue Butterfly Nature Reserve is expected to be gazetted in 2026.

See our **2025 Sappi Group Sustainability Report** for more details on our soon to be gazetted eighth nature reserve – The Karkloof Blue Butterfly Nature Reserve, home of the endangered Karkloof blue butterfly www.sappi.com/2025GSDR .



We recognise that it is our legal and environmental responsibility to prevent the spread of commercial forestry species beyond our landholdings, as these species are classified as Alien and Invasive Species (AIS) under the National Environmental Management: Biodiversity Act, 2004. To meet our duty-of-care obligations and protect surrounding ecosystems, we have established a proactive approach to managing escapees on neighbouring properties. Our Environmental Department has developed an Escapee Management Policy that defines clear procedures for control and eradication, and we have introduced a GIS Escapee Tracking Tool that spatially records confirmed escapees across operations, including affected landowners, contact details and exact locations. This system enables effective management and quantitative monitoring of progress. By actively preventing and managing the spread of commercial species, we contribute to biodiversity conservation and reinforce responsible forestry practices.

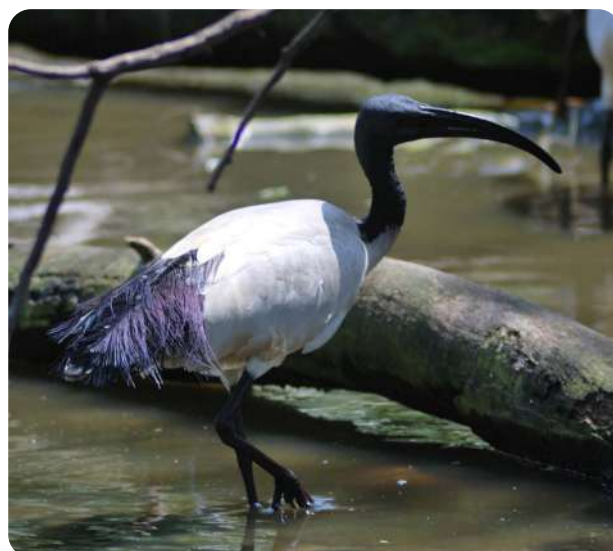
Driving conservation through collaboration

Environmental and biodiversity conservation is most effective when organisations work together toward shared goals. Recognising that nature-related challenges are complex and require holistic solutions, we actively pursue partnerships that amplify impact beyond what any single entity can achieve alone. Sappi Forests proactively engages with several organisations to promote environmental stewardship and enhance biodiversity outcomes on our land. Through our partnership with Ezemvelo KZN Wildlife, we conduct joint monitoring and leverage specialist scientific expertise to inform intervention measures and best-practice approaches that safeguard biodiversity. This collaboration has confirmed the continued presence of threatened and endangered species of high-conservation significance within Sappi conservation areas and plantations, strengthening our ability to protect them. Specifically on our own landholdings we lead the Bulwer Medicinal Plant Programme in collaboration with plant users, Ezemvelo KZN Wildlife and Tim Neary, offering training and workshops to promote sustainable harvesting and self-propagation of high-value medicinal plants. The programme aims to reduce the exploitation

of wild plant populations on Sappi land for traditional and commercial use, demonstrating the power of partnership in driving long-term conservation outcomes.

Our collaboration with WWF through the uMkhomazi Water Stewardship Project strengthens nature-positive outcomes across the catchment by restoring ecosystem health and improving water security. Working alongside local communities, government and conservation partners, the project focuses on clearing invasive alien vegetation, rehabilitating degraded wetlands and riparian zones, and promoting sustainable land-use practices that benefit people and biodiversity. These interventions help increase streamflow, restore native habitats, support livelihoods and build long-term catchment resilience – demonstrating how collaborative water stewardship can deliver meaningful environmental and social impact.

See our **2025 Sappi Group Sustainability Report** for more details on this project in 2025 www.sappi.com/2025GSDR .



Nature action: TNFD report continued

In 2025, Sappi's Forestry Environmental Department led a series of stakeholder engagement and awareness initiatives designed to promote environmental stewardship and support our sustainability objectives. Three key campaigns were hosted throughout the year: National Water Week (20 to 26 March), International Day of Biological Diversity (22 May), and Arbor Week (1 to 7 September). These initiatives aimed to deepen understanding of critical environmental themes, encourage sustainable practices among employees and community stakeholders, and align operational behaviour with national and global environmental priorities. Activities included educational workshops, field demonstrations, tree planting, river health assessments, and discussions on ecosystem services, showcasing practical actions that protect natural resources. In addition, we hosted members of the PEFC Group Scheme and Sappi Forestry colleagues for an immersive visit to the Sappi Saiccor Mill, offering insight into the full value chain from plantation to pulp production and reinforcing the importance of certification, shared responsibility, and collaboration in advancing responsible forestry and sustainable growth. These engagements strengthened relationships, enhanced awareness and supported our broader commitment to creating shared value.

Biodiversity enhancement in our forestry landholdings

In support of our commitment to protect and enhance nature within the landscapes in which we operate, we set a five-year **Thrive** target in 2020 to improve biodiversity in our conservation areas by 10%. This target supports our broader sustainability ambition and aligns with global expectations for nature-positive outcomes. In pursuing this goal, we have focused on evidence-based biodiversity management, ecological restoration and active conservation planning across our conservation landholdings. Progress is monitored through robust ecological surveys, biodiversity assessments and performance indicators that enable us to track ecosystem services.

Our biodiversity improvement project focused on enhancing the ecological condition of selected ICAs in KwaZulu-Natal and Mpumalanga by applying targeted management interventions and measuring impact, using the change in the condition-adjusted hectares (CAH) metric, which reflects not only the physical area of an ecosystem but also its ecological health and its capacity to deliver ecosystem services. Using a standardised baseline assessment across 150 ICAs and annual monitoring through rapid ecological scoring, 573 specific management interventions were implemented between 2021 and 2025 across 72 priority ICAs, including actions such as rotational burning, invasive alien plant control, erosion management, cattle and access control, and wetland and riverine protection. As a result, both KwaZulu-Natal and Mpumalanga ICAs far exceeded

our target of a 10% improvement in biodiversity, achieving 21.6% and 29.4% improvements respectively, with an overall gain of 25.3% from baseline. Statistical analysis confirmed a significant improvement in ecosystem condition between 2020 and 2025 attributable to these interventions. While priority ICAs received targeted annual interventions, remaining areas continued to be managed under Sappi's standard conservation practices. Through the integration of the CAH metric, consistent monitoring and adaptive management, the project achieved measurable improvements in ecosystem functionality, contributing to long-term ecological resilience and enhanced biodiversity outcomes.

Looking ahead to 2030, we have expanded our biodiversity targets across our South African forestry landholdings and extended our focus to our manufacturing operations, where we have set a group-wide target to conduct biodiversity risk assessments for all sites.

For more information, see our **2030 targets** www.sappi.com/sustainable-purpose .

Taking nature-positive action

Since 2014, Sappi's Rare, Threatened and Endangered Species Programme has taken a collaborative, nature-positive approach to conserving South Africa's most vulnerable indigenous plants through partnerships with leading research and conservation institutions including the Agricultural Research Council, SANBI and SANParks. Sappi uses its nursery propagation expertise to produce high-quality seedlings of rare and threatened species, enabling large-scale restoration efforts and providing cultivated alternatives that help relieve harvesting pressure on wild populations. The programme began with *Warburgia salutaris* (the Pepper-bark tree), which is highly valued in traditional medicine where its bark and leaves are commonly used to treat ailments such as colds, coughs, chest infections, fever and digestive disorders. Sappi has produced more than 140,000 cultivated specimens which have been planted across Kruger National Park operations and KwaZulu-Natal, with approximately 22,000 plants supplied to local communities each year to reduce pressure on wild populations. This success, underpinned by a 75% rooting rate achieved in our nurseries in 2025, contributed to the species being reclassified from endangered to vulnerable. The programme has since expanded to four additional threatened species, with ongoing propagation research and innovative techniques to preserve genetic diversity and support sustainable use. Working closely with traditional healers and conservation partners, the programme blends ecological science with cultural and economic needs, safeguarding biodiversity while supporting livelihoods, with plans to expand to additional species to further strengthen resilience and protect South Africa's natural heritage.

See our **2025 Sappi Group Sustainability Report** for more details on our biodiversity actions in 2025 www.sappi.com/2025GSDR .

Our Thrive strategy and 2025 performance

Our strategy

Through collaboration and innovation, we will grow profitably, using our strength as a sustainable and diversified global woodfibre group, focused on dissolving wood pulp, packaging and speciality papers, graphic papers and biomaterials.

	What this means	How we performed in 2025
	Grow our business - Grow dissolving wood pulp (DWP) capacity, matching market demand - Continue to expand and grow packaging and speciality papers - Continue to explore commercialisation of biomaterials opportunities - Optimise graphic papers segments ensuring we balance supply and demand.	- DWP sales volumes were slightly better than FY2024, however, pricing was weaker resulting in lower EBITDA margins - Pulp constitutes 29% of group sales volumes (excluding forestry) and contributes 46% of group Adjusted EBITDA - Packaging and speciality papers sales volumes increased by 8% year-on-year - Packaging and speciality papers constitute 30% of group sales volume (excluding forestry) and contributes 13% of group Adjusted EBITDA - Completed the conversion and expansion of Somerset Mill PM2 from graphic papers to paperboard, thereby reducing exposure to graphic papers and increasing growth in packaging grades.
	Sustain our financial health - Target net debt at approximately US\$1 billion - Optimise capital management - Maximise return on capital employed (ROCE) - Review pricing strategies to secure optimal value creation - Sustain dividends at 3x cover.	- Net debt at year-end US\$1,920 million - Invested to grow and convert PM2 at Somerset Mill to paperboard, aligned with the Thrive strategy - Initiated further projects in Europe to reduce costs and/or exposure to graphic papers - Concluded our major capital projects during FY2025 and initiated a consolidation phase - Suspended the payment of a dividend for FY2025.
	Drive operational excellence - Drive our safety-first culture - Continuously improve our cost position - Continue to maximise the benefits of our global footprint - Best-in-class production efficiencies to secure increased volumes.	- Group lost-time injury frequency rate (LTIFR) improved, but we had two unfortunate fatalities at our Saiccor Mill in South Africa - Group efficiency, procurement and continuous improvement savings of US\$114 million - Maximised the benefits of OneSappi to achieve cost advantages - Challenging macro environment resulting in global trade tensions affecting all businesses.
	Enhance trust - Improve our understanding of, and proactively partnering with, all stakeholders - Drive sustainability solutions. Meet the changing needs of every Sappi employee.	- Sustained platinum EcoVadis status in our European and North American businesses - Performance against our science-based carbon emission intensity reduction target showed an improvement compared to last year, but the target was not reached, mainly due to market-related production curtailments - Actively supported local communities through community forums - Employee engagement survey conducted during 2025 with 95% participation - Sustained our Supplier Code of Conduct compliance and EcoVadis supplier assessments - Ranked in the top 1,000 companies in the world by Forbes World's best Employers 2025 (number 289 Globally and number five in South Africa) - Ranked in the top 1,000 Companies in the world by Forbes Top Companies for Woman (number 144 Globally and number two for South Africa) - Sustained Level 1 BBBEE in South Africa.

Our Thrive strategy and 2025 performance continued

Measuring our progress

Guided by our strategy, we measure our progress holistically against our mission, collaborating and partnering with stakeholders as we strive to be a trusted and sustainable organisation with an exciting future in woodfibre.

ROCE (%)

Self-assessment of 2025 performance



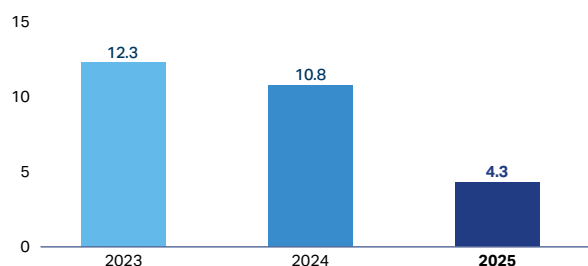
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

ROCE is an important measure that assesses long-term profitability by comparing how effectively assets are performing with how these assets are financed.

® Linked to executive remuneration



2026 objectives

- Further grow volumes in DWP and packaging and speciality papers and improve our margins
- Manage our graphic papers capacity to market demand.

Adjusted EBITDA (US\$ million)

Self-assessment of 2025 performance



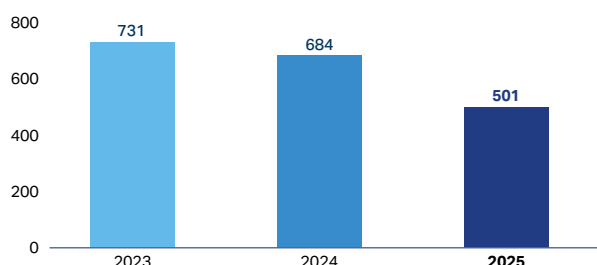
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Adjusted EBITDA measures how we performed operationally as a company.

® Linked to executive remuneration



2026 objectives

- Consolidate capital projects, grow volumes in DWP and packaging and speciality papers and improve Adjusted EBITDA
- Manage costs to maximise profitability
- Maximise cash generation, reducing capex to below US\$300 million per annum.

Self-assessment

- ★★★★ Outstanding
- ★★★ Satisfactory
- ★ Progress to be made/ongoing

Strategic objectives

- 🌱 Grow our business
- 💓 Sustain our financial health
- 🎯 Drive operational excellence
- 🤝 Enhance trust

4Ps

- ⚖️ Principles
- 🌱 Prosperity
- 👤 People
- 🌍 Planet

SDGs



△ Identified sustainability goal

® Linked to executive remuneration

Adjusted EBITDA margin (%)

Self-assessment of 2025 performance ★

Link to **Thrive** strategic objectives



Link to 4Ps and SDGs

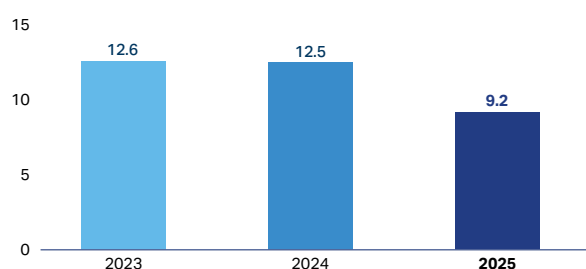


Why is this important?

Adjusted EBITDA margin is an important and comparable measure of our profitability (excluding the impact of financing, accounting treatments and tax implications) against our revenue.



Our strategic performance indicators



2026 objectives

- Improve margins in all business segments
- Focus on reducing fixed and variable costs
- Increase volumes through better operating rates in all operations.

Revenue (US\$ million)

Self-assessment of 2025 performance ★★

Link to **Thrive** strategic objectives



Link to 4Ps and SDGs

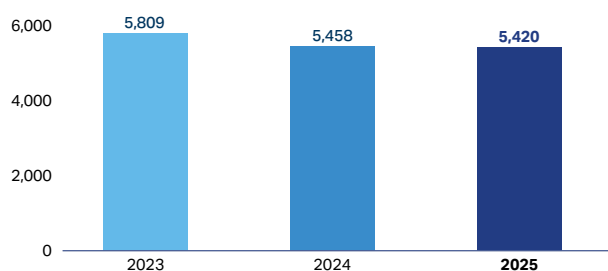


Why is this important?

While not the only determinant of financial success, sales is a key measure of demand, customer loyalty and a critical contributor to profit.



Our strategic performance indicators



2026 objectives

- Grow the packaging and speciality papers segment in particular the new label paper business at Gratkorn Mill
- Nurture DWP volumes and expand sales
- Ramp-up the conversion and expansion at Somerset Mill as soon as possible
- Sustain graphic papers volumes.

Our Thrive strategy and 2025 performance continued

Net debt (US\$ million)

Self-assessment of 2025 performance ★

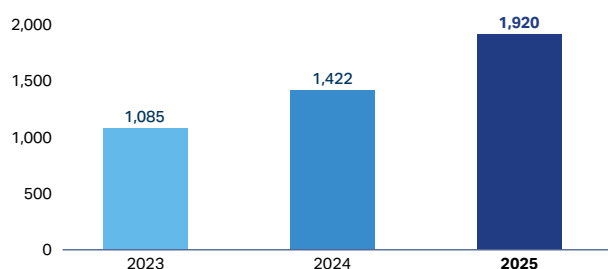
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Given the capital-intensive nature of our operations, we need to raise debt to complete significant projects that enable our long-term success. Net debt comprises current and non-current interest-bearing borrowings, lease liabilities and bank overdrafts (net of cash, cash equivalents and short-term deposits).

2026 objectives

- Maximise cash generation by reducing capital expenditure to below US\$300 million per annum for the next few years
- Manage fixed and variable costs to improve margins and pay down debt
- Improve working capital management.

Net debt/Adjusted EBITDA (ratio)

Self-assessment of 2025 performance ★

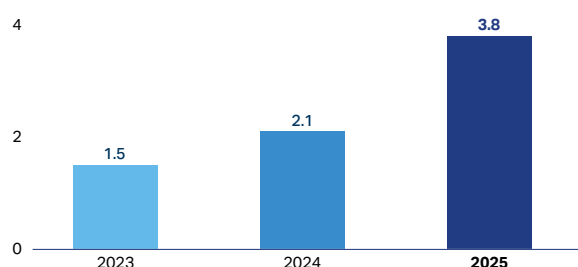
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

The net debt-to-Adjusted EBITDA ratio measures our ability to pay off our debt should net debt and Adjusted EBITDA remain consistent. Adjusted EBITDA focuses on the operating decisions of a business as it looks at profitability from core operations before the impact of capital structure.

Ⓡ Linked to executive remuneration

2026 objectives

- Through the investments in growth markets and as we ramp-up production and sales we expect to improve our earnings and as a result reduce our leverage ratio in the medium term.

Self-assessment

- ★★★★ Outstanding
- ★★★ Satisfactory
- ★ Progress to be made/ongoing

Strategic objectives

- 🌱 Grow our business
- 🏥 Sustain our financial health
- 🎯 Drive operational excellence
- 🤝 Enhance trust

4Ps

- ⚖️ Principles
- 🌱 Prosperity
- 👤 People
- 🌍 Planet

SDGs



△ Identified sustainability goal

Ⓡ Linked to executive remuneration

Lost-time injury frequency rate (LTIFR) (per million work hours)

Self-assessment of 2025 performance



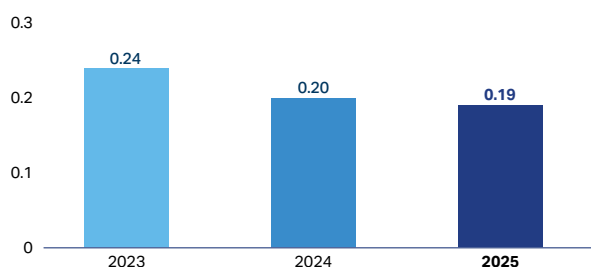
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

LTIFR is an important measure of our business's safety. We target zero harm and aim to improve LTIFR by at least 10% year-on-year.

Ⓜ Linked to executive remuneration

⚠ Identified sustainability goal¹



2026 objectives

- Bring every employee and contractor safely home every day, by investing in behavioural safety and accountability policies.

Gender diversity (%)

Self-assessment of 2025 performance against a target of 23%



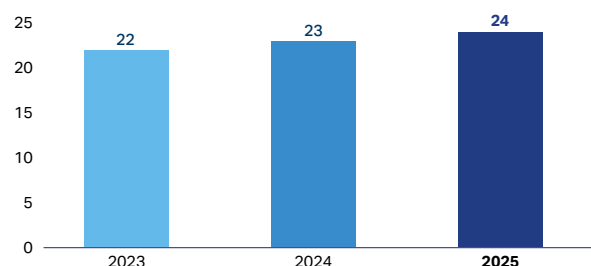
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

We view diversity as a strategic advantage that enhances our competitiveness and viability as a business and contributes to a thriving world; we commit to appoint more women in senior positions.

⚠ Identified sustainability goal¹



2026 objectives

- Continue to advance our gender diversity to promote more women to senior positions (HRL16 and upwards) in line with our new global 2030 target.

¹ For this indicator, we have clear targets for 2030 that we are working towards. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR .

Our Thrive strategy and 2025 performance continued

Supplier Code of Conduct (%)

Self-assessment of 2025 performance against a target of 80% ★★

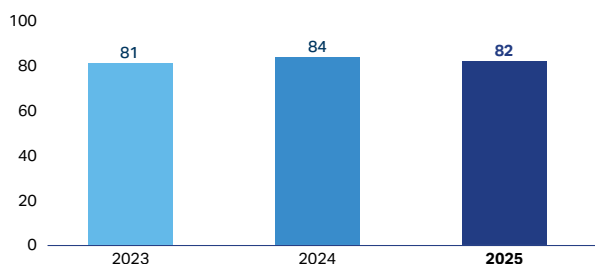
Link to **Thrive** strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Research indicates that 85% of consumers are more likely to buy from a company with a reputation for sustainability. By working together in partnership with suppliers, we can better identify risk, assess social and environmental performance, and encourage commitment to sustainable choices and the SDGs throughout our value chain.

△ Identified sustainability goal¹

2026 objectives

- Target 85% procurement spend with declared compliance with Supplier Code of Conduct in line with our new 2030 global target.

Employee engagement (%)

Self-assessment of 2025 performance ★★★★

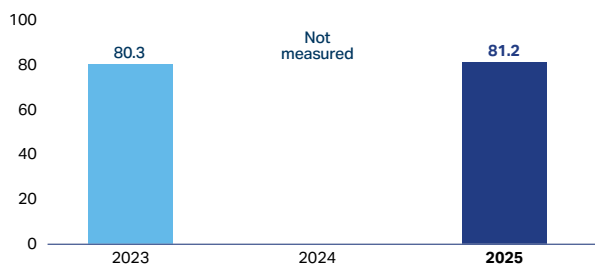
Link to **Thrive** strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

We rely on a productive and engaged workforce. Employee engagement has been linked to higher safety performance, lower staff turnover, improved productivity and efficiency.

△ Identified sustainability goal¹

2026 objectives

- In 2026 we will focus on closing out action items identified by employee focus groups post our 2025 survey.

¹ For this indicator, we have clear targets for 2030 that we are working towards. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR

Self-assessment

- ★★★★ Outstanding
- ★★★ Satisfactory
- ★ Progress to be made/ongoing

Strategic objectives

- Grow our business
- Sustain our financial health
- Drive operational excellence
- Enhance trust

4Ps

- Principles
- Prosperity
- People
- Planet

SDGs



- △ Identified sustainability goal
- Ⓢ Linked to executive remuneration

Specific greenhouse gas (GHG) (Scope 1 and 2) emissions (kg CO₂e/adt)

Self-assessment of 2025 performance
against a target of 735.3 kg CO₂e/adt



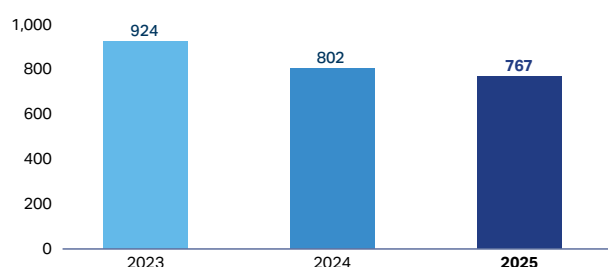
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Since the UN Climate Change Conference (COP26) in Glasgow, Scotland in November 2021, climate impacts have worsened, and carbon emissions have risen to record levels.

We align with the climate science by having our targets approved by the SBTi and are taking focused action to future-proof our business against the physical and transitional impacts of climate change and be part of the solution.

® Linked to executive remuneration

Δ Identified sustainability goal^{1,2}



2026 objectives

- Continue to advance our climate transition plan through targeted abatement initiatives and operational efficiency improvements in line with our validated science-based target to decreasing specific GHG emissions (Scope 1 and 2) by 41.5% by 2030 against a base year of 2019.

Share of renewable and clean energy (%)

Self-assessment of 2025 performance
against a target of 61.5%



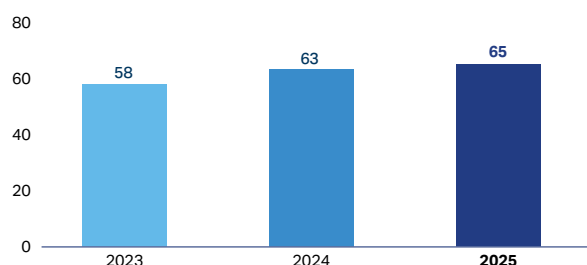
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

This target supports our commitment to carbon emissions reduction and focused action to future-proof our business against the physical and transitional impacts of climate change and be part of the solution.

Δ Identified sustainability goal^{1,3}



2026 objectives

- Continue to leverage our fuel switching abatement lever and energy procurement strategy to further increase our share of renewable and clean energy in our operations.

¹ For this indicator, we have clear targets for 2030 that we are working towards. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR.

² Restatement of data for specific GHG (Scope 1 and 2) emissions due to divestment of Lomati Sawmill and improved data quality for Sappi North America.

³ Restatement of data for share of renewable and clean energy due to divestment of Lomati Sawmill.

Our Thrive strategy and 2025 performance continued

Energy intensity (GJ/adt)

Self-assessment of 2025 performance against a target of 21 GJ/adt



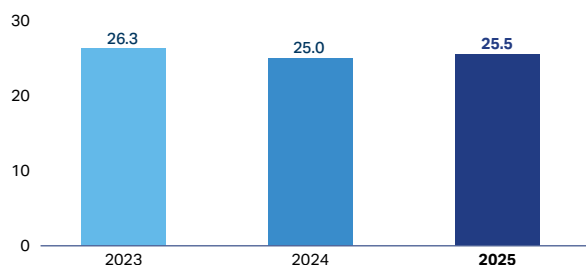
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Energy intensity is a measure of how efficiently we are operating. By continually improving this metric, we manage costs and lower our environmental impact.

△ Identified sustainability goal^{1, 2}

2026 objectives

- Improve our energy intensity through operational efficiency improvements.

Specific process water usage (m³/adt)³

Self-assessment of 2025 performance against a target of 35.4 m³/adt



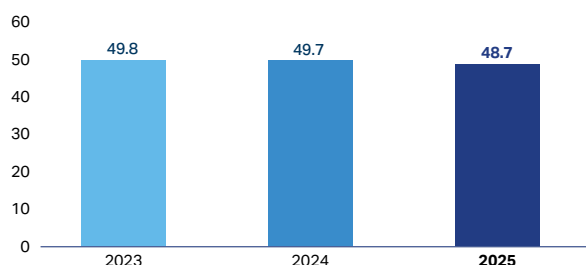
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Water has been identified as one of the most serious sustainability challenges facing the planet, partly due to the impacts of climate change. Forests and plantations, pulp and paper operations are highly dependent on the use and responsible management of water resources.

△ Identified sustainability goal^{1, 4}

2026 objectives

- Reduce water use in line with our new 2030 global water target that now applies to all manufacturing sites.

¹ For this indicator, we have clear targets for 2030 that we are working towards. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR.

² Restatement of data for energy intensity due to divestment of Lomati Sawmill.

³ This indicator applied to mills in South Africa for the strategic period 2020 to 2025 but will be a global target for period 2026 to 2030.

⁴ Restatement of data for specific process water usage due to divestment of Lomati Sawmill.

Self-assessment

- ★★★★ Outstanding
- ★★★ Satisfactory
- ★ Progress to be made/ongoing

Strategic objectives

- 🎯 Grow our business
- 💓 Sustain our financial health
- 🔍 Drive operational excellence
- 🤝 Enhance trust

4Ps

- ⚖️ Principles
- 🌱 Prosperity
- 👤 People
- 🌍 Planet

SDGs



△ Identified sustainability goal

Ⓜ Linked to executive remuneration

Specific landfilled solid waste (kg/adt)

Self-assessment of 2025 performance
against a target of 61.3 kg/adt



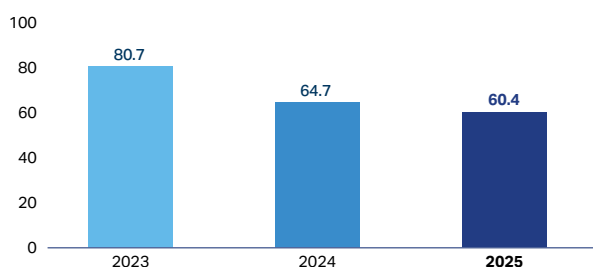
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

Our continued focus to reduce solid waste-to-landfill supports the move towards a circular economy. This approach aligns with our purpose of contributing to a thriving world, one with less waste, lower costs and reduced environmental impact.

△ Identified sustainability goal^{1, 2}



2026 objectives

- Reduce specific landfilled waste in line with our new 2030 global target.

Certified fibre (%)

Self-assessment of 2025 performance
against a target of >75%



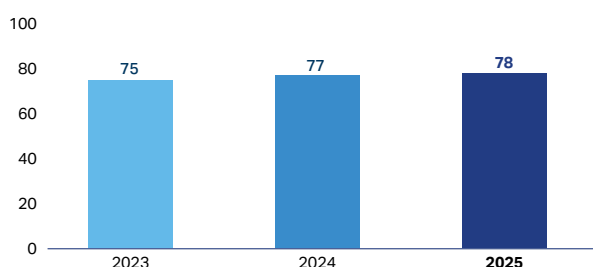
Link to Thrive strategic objectives



Link to 4Ps and SDGs



Our strategic performance indicators



Why is this important?

We are committed to sourcing woodfibre from forests and timber plantations in a manner that promotes their health and supports community wellbeing.

△ Identified sustainability goal^{1, 3}



2026 objectives

- Increase our share of certified fibre in line with our new 2030 global target.

¹ For this indicator, we have clear targets for 2030 that we are working towards. See our 2025 Sappi Group Sustainability Report for more information www.sappi.com/2025GSDR.

² Restatement of data for specific landfilled solid waste due to divestment of Lomati Sawmill and improved data quality for Sappi North America.

³ Due to a difference in timing of data collection for Matane Mill, the 12-month reporting period for Matane Mill is 01 July 2024 to 30 June 2025. All other mill data is aligned with Sappi's financial year.

Chief Financial Officer's report



“The **Thrive** strategy is predicated on sustaining our financial health by targeting net debt at approximately US\$1 billion.

To achieve our targeted net debt, a ‘Back to Basics’ theme was introduced which emphasised production optimisation, stringent cost control and debt reduction.”

Glen Pearce, Chief Financial Officer (CFO)

Section 1: Financial highlights

US\$ million	2025	2024	% change
Sales	5,420	5,458	(1)
Adjusted EBITDA	501	684	(27)
Operating profit excluding special items	176	407	(57)
(Loss) Profit for the year	(177)	33	n/m
Adjusted EBITDA to revenue (%)	9.2	12.5	n/a
Operating profit excluding special items to revenue (%)	3.2	7.5	n/a
Operating profit excluding special items to capital employed (ROCE) (%)	4.3	10.8	n/a
Net cash utilised	(369)	(306)	n/m
Net debt	1,920	1,422	35
Basic earnings per share (US cents)	(29)	6	n/m

Market disruptions, production challenges, adverse currency movements and the delay in a major expansion project made for a character-building year. The group demonstrated its resilience by effectively managing production capacity, advancing cost-efficiency initiatives and maintaining financial liquidity in a volatile environment. The technical ramp-up of the expansion project in North America exceeded expectations and there was positive feedback from customers. The North American business is now competitively positioned in a growing paperboard market. Our European operations announced further rationalisation initiatives to counter the adverse macroeconomic conditions and the South African operations recovered well in the final quarter of the fiscal following production challenges earlier in the year. Market demand for South African products was strong but selling prices were under pressure from the adverse macroeconomic sentiments.

The challenges described above resulted in Adjusted EBITDA margin reducing from 12.5% last year to 9.2% during the current fiscal. The group achieved an Adjusted EBITDA of US\$501 million (LY = US\$684 million) and recorded special items of US\$170 million, which included asset impairments of US\$70 million and restructuring costs of US\$39 million. Net finance costs increased to US\$89 million due to higher debt levels and as a result of the special items and increased finance costs, the group made a loss of US\$177 million. Net cash utilised of US\$369 million for the fiscal was due to lower profitability, a working capital outflow of US\$89 million, dividend payment of US\$85 million and capital expenditure of US\$496 million.

Net debt increased to US\$1,920 million (LY = US\$1,422 million) as a result of the cash utilised and the negative currency translation effect on our Euro-denominated debt being converted at a higher rate. The adverse currency impact for the year was US\$73 million. The lower profitability during the last three quarters combined with the increase in net debt resulted in the leverage ratio increasing close to our debt covenant of 4x. Our banking group supported increasing our leverage covenant levels for the next 12 months to provide sufficient headroom over the period.

Section 1 continued:

Financial highlights continued

The graphic papers segment recorded a 5% volume reduction which was less than the structurally declining markets in North America and Europe. The global oversupply and the uncertainty of US tariffs compounded the problems facing the market and resulted in selling price pressure. The group responded by managing production in line with demand and implementing cost reduction initiatives. In South Africa, demand for newsprint and office paper was weak with competition from imports providing added pressure to an already oversupplied market. Adjusted EBITDA margin reduced from 10% last year to 8% resulting in an Adjusted EBITDA of US\$192 million (LY = US\$259 million).

All three regions contributed to the packaging and specialty papers sales volumes increasing by 8%. The growth in volumes obscures the underlying challenges faced in the different markets. European volumes were below pre-Covid-19 levels as the region struggled with low demand and North American volumes were significantly impacted by the completion of the conversion of the Somerset Mill PM2. Adverse mix variances were recorded as part of the start-up volumes planned on the new machine. The South African region experienced a strong second half of the year following a successful citrus season but were constrained by an extended maintenance shut at Ngodwana Mill in the second quarter. The adverse mix combined with extended shuts and low capacity utilisation reduced Adjusted EBITDA margin from 7% to 4% in the current

year. As a consequence Adjusted EBITDA reduced from US\$127 million last year to US\$65 million in the current year.

The pulp segment recorded a favourable net selling price mix change as external sales volumes of lower priced bleached chemi-thermo mechanical pulp (BCTMP) were reduced to support the increased packaging papers production at Somerset Mill. BCTMP volumes reduced 23% and dissolving wood pulp (DWP) volumes increased 2% resulting in average selling prices for the segment remaining flat relative to the previous year. DWP selling prices, however, experienced a substantial decline through the year from a peak of US\$970 per ton in the first quarter to US\$798 per ton in the third quarter. There was a recovery to US\$818 per ton by the end of the fiscal. The DWP selling price pressure caused Adjusted EBITDA margins to reduce from 24% last year to 20% for fiscal 2025.

Segment reporting

Our reporting is based on the geographical location of our businesses, ie, Europe, North America and South Africa.

The selected product line information is reviewed by our Executive Committee in addition to the geographical basis upon which the group is managed. This additional information is presented in this report to assist our stakeholders in obtaining a complete understanding of our business.

Exchange rates and their impact on the group's results

The group reports its results in US Dollar and, as such, the main foreign exchange rates used in the preparation of the financial statements were:

	INCOME STATEMENT AVERAGE RATES		BALANCE SHEET CLOSING RATES	
	2025	2024	2025	2024
EUR1 = US\$	1.1057	1.0843	1.1727	1.1164
US\$1 = ZAR	18.0678	18.5357	17.2722	17.1162

Two of our three geographic business units (Europe and South Africa) have home or 'functional' currencies of Euro and ZAR respectively. The results and cash flows of these two non-US Dollar units are translated into US Dollar at the average exchange rate for the reporting period in order to arrive at the consolidated US Dollar results and cash flows. The balance sheet values are translated into US Dollar at the closing rates. When exchange rates differ from one period to the next, the impact of translation from the functional currency to reporting currency can be significant.

Chief Financial Officer's report continued

Section 2: Financial performance

The discussion in this section focuses on the group financial performance in 2025 compared with 2024. A detailed discussion, in local currencies, of each of our three operating regions follows in section 3.

Income statement

Our group financial results can be summarised as follows:

	2025	2024	% change
Sales volume (metric tons '000)	6,082	5,967	2
US\$ million			
Sales revenue	5,420	5,458	(1)
Variable manufacturing and delivery costs	(3,341)	(3,208)	4
Fixed costs	(1,836)	(1,803)	2
Sundry items ¹	(67)	(40)	68
Operating profit excluding special items	176	407	(57)
Special items	(170)	(225)	n/a
Operating profit	6	182	(97)
Net finance costs	(89)	(67)	33
Taxation	(94)	(82)	15
Profit (Loss) for the period	(177)	33	n/m
Adjusted EPS (US cents)	8	41	(80)

¹ Sundry items include all income and costs not directly related to manufacturing operations such as debtor securitisation costs, commissions paid and received, and results of equity accounted investments.

Sales volume

In 2025, sales volume increased by 115,000 tons compared with 2024. The regional and product segment contributions to sales volume are shown below:

Sales volume (metric tons '000)	2025	2024	% change
North America	1,418	1,410	1
Europe	1,914	1,969	(3)
South Africa	2,750	2,588	6
Group	6,082	5,967	1
Pulp	1,425	1,445	(1)
Packaging and speciality papers	1,458	1,348	8
Graphic papers	2,045	2,163	(5)
Forestry	1,154	1,011	14

Pulp volumes reduced by 1% for the year, largely due to an intentional reduction in North America as we increased internal integration into our Somerset Mill. DWP sales volumes increased by 2% on the back of improved production in South Africa.

Packaging and speciality papers volumes were up 8% primarily driven by higher volumes from improved containerboard demand in South Africa and incremental paperboard volumes from Somerset Mill PM2 start-up in North America.

Graphic papers volumes decreased by 5% for the year which was lower than the structural decline in market demand, resulting in market share gains in North America and Europe.

Section 2 continued: Financial performance continued

Capacity utilisation declined to an average of 78% for the group mainly due to reduced graphics sales volumes in Europe and the extended shut to convert Somerset Mill PM2 followed by a delayed start-up and ramp-up.

Sales volume to capacity	2025 %	2024 %
North America	75	78
Europe	73	75
South Africa	88	87
Group	78	80

Sales revenue

Consolidated sales volumes (excluding forestry volumes) were down 1% on last year as discussed above resulting in sales revenue reducing by US\$38 million. The weaker US Dollar resulted in a positive US\$49 million conversion impact.

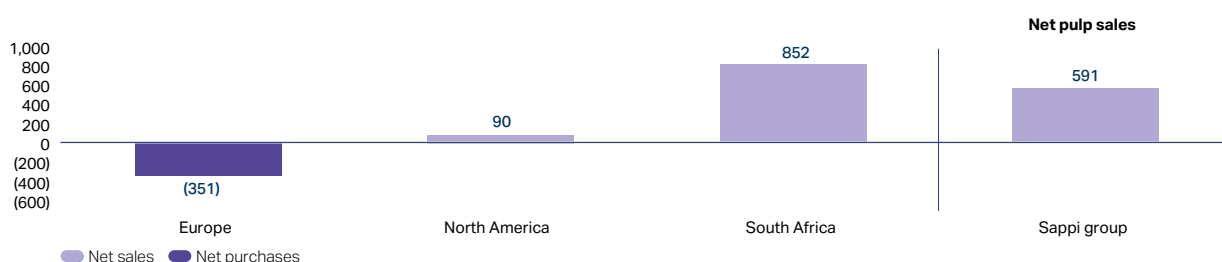
Variable and delivery costs

Variable and delivery costs increased by US\$133 million from 2024. Wood and delivery cost per ton of product sold increased by 6% year-on-year whilst pulp and other cost per ton increased by 7%. There were marginal increases in energy and chemicals costs.

The weaker US Dollar resulted in a negative US\$39 million conversion impact.

The net pulp purchases and sales of the Sappi group are detailed in the graph below.

Sappi group pulp balance (US\$ million)



The table below reflects the breakdown of variable and delivery costs by type.

Variable manufacturing and delivery costs US\$ million	2025	2024	% change
Wood	760	714	6
Energy	532	529	1
Chemicals	830	823	1
Pulp and other	743	693	7
Delivery	476	449	6
Group	3,341	3,208	4

Chief Financial Officer's report continued

Section 2 continued:

Financial performance continued

Fixed costs

Fixed costs increased by US\$33 million from fiscal 2024 mainly due to the weaker US Dollar which resulted in a negative US\$23 million conversion impact. Excluding the currency impact, fixed costs increased by US\$9 million. The increases were mainly due to higher depreciation charges following the completion of the Somerset Mill PM2 conversion and expansion project and higher maintenance costs partially offset by savings in personnel costs.

Details of the make-up of fixed costs are provided in the table below.

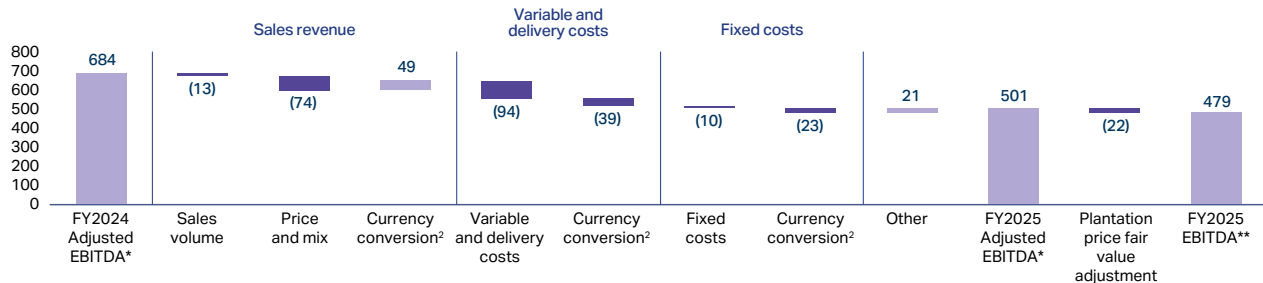
Fixed costs US\$ million	2025	2024	% change
Personnel	1,011	1,035	(2)
Maintenance	254	235	8
Depreciation	297	272	9
Other	274	261	5
Group	1,836	1,803	2

Adjusted EBITDA and operating profit excluding special items

Adjusted EBITDA decreased to US\$501 million, 27% lower than the previous year. Operating profit excluding special items reduced from US\$407 million last year to US\$176 million in 2025.

The Adjusted EBITDA bridge reflected in the graph below shows the impact on profitability from lower sales volumes (excluding forestry sales volumes), lower selling prices and higher variable and fixed costs.

Reconciliation of Adjusted EBITDA excluding special items: 2025 compared to 2024¹ (US\$ million)



Notes:

¹ All variances were calculated excluding Sappi Forestry.

² 'Currency conversion' reflects translation and transactional effect on consolidation.

* Adjusted EBITDA = EBITDA excluding special items and plantation price fair value adjustment.

** EBITDA = EBITDA excluding special items.

Section 2 continued: Financial performance continued

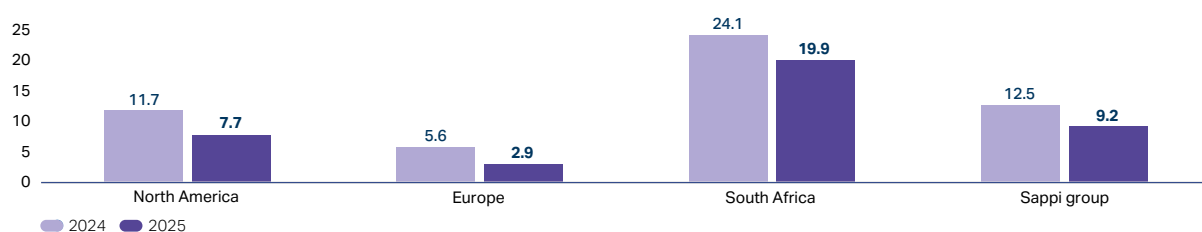
The tables below detail the Adjusted EBITDA of the business for both 2025 and 2024 and the margins of each.

Adjusted EBITDA by region

US\$ million

	2025	2024
North America	133	201
Europe	64	129
South Africa	288	340
Corporate and other	16	14
Group	501	684

Adjusted EBITDA margin by region (%)



Adjusted EBITDA by product category

US\$ million

	2025	2024
Pulp	228	284
Packaging and speciality papers	65	127
Graphic papers	192	259
Corporate and other	16	14
Group	501	684

Operating profit excluding special items by region

US\$ million

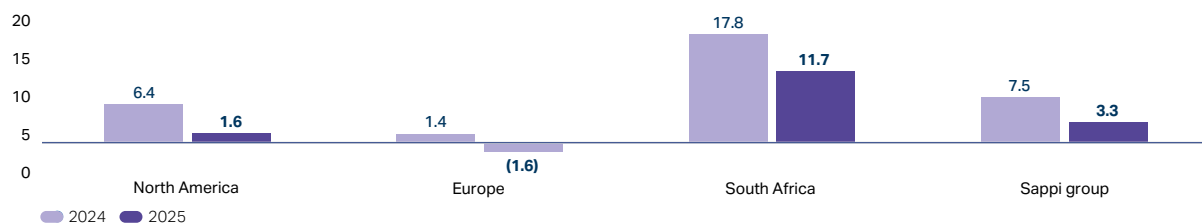
	2025	2024
North America	28	110
Europe	(36)	33
South Africa	169	252
Corporate and other	15	12
Group	176	407

Chief Financial Officer's report continued

Section 2 continued:

Financial performance continued

Operating profit excluding special items margin by region (%)



Operating profit excluding special items by product category

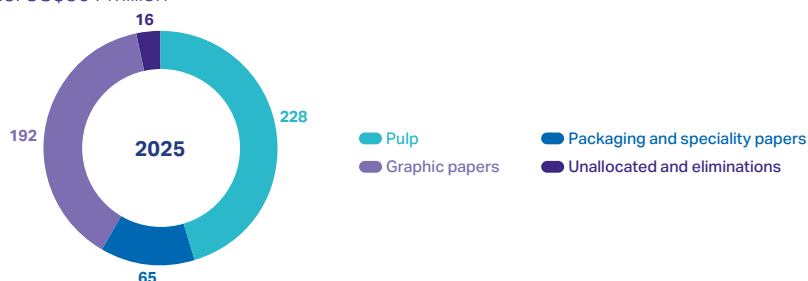
US\$ million

	2025	2024
Pulp	115	171
Packaging and speciality papers	(39)	66
Graphic papers	85	158
Corporate and other	15	12
Group	176	407

In the chart below, 58% of the group's Adjusted EBITDA originates from growing markets in the pulp and packaging and speciality papers segments. The graphic papers segment, which contributes 38% of the Adjusted EBITDA remains an important strategic component as we focus on the commercial print market.

Adjusted EBITDA by product

2025: US\$501 million



For information regarding the financial performance of the regions, please refer to section 3 of this report.

Key operating targets

Our financial targets and performance against the key operating targets are dealt with in the strategy and performance section.

Section 2 continued:

Financial performance continued

Special items

Special items consist of those items which management believe are material by nature or amount, to the results for the year and require separate disclosure. A breakdown of special items for 2025 and 2024 is reflected in the table below:

Special items – gain/(loss) (US\$ million)	2025	2024
Net restructuring provisions	(39)	(134)
Profit (Loss) on disposal and written-off assets	(10)	(3)
Goodwill impairment	(6)	–
(Asset impairments) Impairments reversals	(70)	24
Write-down of held-for-sale assets	(4)	–
Profit (Loss) on disposal of held-for-sale assets	–	10
Write-off of other assets and expenses	(8)	–
Insurance recoveries	3	5
Fire, flood, storm and other events	(36)	(127)
Total	(170)	(225)

The net impact of special items in 2025 was US\$170 million. The major components are described below:

- Restructuring provisions of US\$39 million were raised within our European operations
- Fixed asset impairments were incurred at our Kirkniemi Mill (US\$7 million), Alfeld Mill (US\$5 million), Westbrook Mill (US\$4 million) and Ngodwana Mill (US\$5 million). A further impairment of US\$55 million (including goodwill of US\$6 million) was recorded at our mechanical coated and packaging and speciality papers cash-generating units at our European operations
- Insurance recoveries of US\$3 million largely relate to insurance claims on fire damaged plantations in South Africa
- A number of additional special item charges were recorded which include amongst others Lanaken Mill closure costs of US\$6 million, written-off spare parts and machine clothing of US\$4 million, business interruption claims of US\$14 million, fire damaged timber written off of US\$4 million and corporate project costs of US\$4 million.

Net finance costs (US\$ million)	2025	2024
Finance costs	112	104
Finance income	(15)	(28)
Net foreign exchange gains	(8)	(9)
Total	89	67

Finance costs of US\$89 million were higher than the prior year due to increased levels of debt.

Chief Financial Officer's report continued

Section 2 continued:

Financial performance continued

Taxation

A regional breakdown of the tax charge is provided below.

(US\$ million)	Profit/(Loss) before tax	Tax (charge)/relief	Effective tax rate %
Europe	(243)	(61)	(25)
North America	16	4	(25)
South Africa	144	(37)	26
Total	(83)	(94)	(113)

The European tax charge consisted of a withholding tax paid in Italy, no tax relief on unrecognised losses in Germany and Finland and the derecognition of deferred tax assets in Austria and Finland.

The negative effective tax rate in North America was mainly due to a prior year adjustment credit.

The South African effective tax rate is marginally lower than the nominal statutory rate.

Net profit, earnings per share and dividends

After taking into account net finance costs and taxation, our net profit and earnings per share for 2025, with comparatives for 2024, were as follows:

(US\$ million)	2025	2024
Operating profit	6	182
Net finance costs	89	67
(Loss) Profit before taxation	(83)	115
Taxation	94	82
(Loss) Profit for the period	(177)	33
Weighted average number of shares issued (millions)	603.9	582.4
Basic (Loss) earnings per share (US cents)	(29)	6

The directors have decided not to declare a dividend for fiscal 2025 (FY2024 = US\$85 million).

Section 3: Regional business performance

Below we discuss the performance of the regional businesses. The discussion is based on performance in local currencies as we believe this facilitates a better understanding of the revenue and costs in the European and South African operations.

North America

(Metric tons '000)	2025	2024	% change
Sales volume	1,418	1,410	1
Pulp	384	437	(12)
Packaging and speciality papers	549	456	20
Graphic papers	485	517	(6)

	US\$ million 2025	US\$ million 2024	% change	US\$ per ton 2025	US\$ per ton 2024	% change
Sales	1,731	1,723	0	1,221	1,222	0
Variable manufacturing and delivery costs	(1,096)	(1,037)	6	(773)	(735)	5
Contribution	635	686	(7)	448	487	(8)
Fixed costs	(609)	(598)	2	(429)	(424)	1
Sundry items and consolidation entries	2	22	(91)	1	15	(93)
Operating profit excluding special items	28	110	(75)	20	78	(74)
Adjusted EBITDA	133	201	(34)	94	143	(34)

The completion of the Somerset Mill PM2 conversion and expansion project substantially impacted the results of the North American region. Relative to the previous year, there was a shift in sales mix, with a reduction in lower priced pulp and graphic paper products, offset by increased sales volumes of growing packaging and speciality papers grades following the PM2 conversion from graphic papers to paperboard. The delayed start-up of the conversion and expansion project caused operational disruptions which reduced production output and increased operating costs. Additionally, there were deliberate product mix adjustments to accommodate start-up volumes on the converted machine in order to qualify products with customers reducing machine efficiencies and increasing costs. Although sales volumes and revenues were similar to last year, adverse variable costs related to product mix and reduced operating efficiencies reduced profitability from US\$201 million to US\$133 million in the current year. Fixed costs were well-controlled considering the disruptive operating environment.

Chief Financial Officer's report continued

Section 3 continued:

Regional business performance continued

Europe

(Metric tons '000)	2025	2024	% change
Sales volume	1,914	1,969	(3)
Packaging and speciality papers	476	465	2
Graphic papers	1,438	1,504	(4)

	EUR million 2025	EUR million 2024	% change	EUR per ton 2025	EUR per ton 2024	% change
Sales	2,026	2,141	(5)	1,059	1,087	(3)
Variable manufacturing and delivery costs	(1,329)	(1,327)	0	(694)	(674)	3
Contribution	697	814	(14)	365	413	(12)
Fixed costs	(674)	(698)	(3)	(352)	(354)	(1)
Sundry items and consolidation entries	(56)	(86)	(35)	(30)	(44)	(32)
Operating profit excluding special items	(33)	30	n/m	(17)	15	n/m
Adjusted EBITDA	58	119	(51)	30	60	(50)

European sales volumes for packaging and speciality papers improved 2% in challenging markets. Graphic papers sales volumes registered a 4% decline in markets that were declining by over 8% year-on-year. Weak demand across the product segments combined with excess capacity resulted in selling price pressure and a reduction of 3% relative to the previous year. Wood, delivery and energy costs contributed to the increased variable costs resulting in a 12% reduction in contribution per ton. Capacity reductions introduced during the previous year and additional cost reduction initiatives in the current year offset inflationary increases to register a 3% reduction in absolute fixed costs. Despite these initiatives, capacity utilisation reduced by 2% to 73% for the year. Further capacity closures were announced during the fourth quarter resulting in restructuring provisions of US\$39 million. The benefit from these initiatives will be realised during fiscal 2026.

Section 3 continued:

Regional business performance continued

South Africa

(Metric tons '000)	2025	2024	% change
Sales volume*	1,596	1,577	1
Pulp	1,041	1,008	3
Packaging and speciality papers	433	427	1
Graphic papers	122	142	(14)

	ZAR million 2025	ZAR million 2024	% change	ZAR per ton 2025	ZAR per ton 2024	% change
Sales*	24,879	25,005	(1)	15,588	15,856	(2)
Variable manufacturing and delivery costs	(15,304)	(14,773)	4	(9,589)	(9,368)	2
Contribution	9,575	10,232	(6)	5,999	6,488	(8)
Fixed costs	(8,709)	(8,304)	5	(5,457)	(5,266)	4
Sundry items and consolidation entries	2,187	2,743	(20)	1,371	1,740	(21)
Operating profit excluding special items	3,053	4,671	(35)	1,913	2,962	(35)
Adjusted EBITDA	5,204	6,302	(17)	3,261	3,996	(18)

* Excludes Forestry.

Strong demand for packaging papers and DWP in the South African business was partially offset by weak newsprint and office paper demand. There was good progress on the previously reported vessel delays for DWP at the Durban port. Delays peaked at 22 days last year only to improve to between two and three days in the fourth quarter of 2025. Net selling prices reduced 2% due to macroeconomic events and a weaker US Dollar. DWP selling prices were negatively impacted by the price differential between DWP and bleached hardwood kraft, US-China trade tensions and tariff announcements. Containerboard selling prices were flat, influenced by soft European selling prices, despite the strong local demand. Higher wood and chemical costs increased variable costs per ton by 2%. Inflationary pressures and the extended shut at Ngodwana Mill contributed to fixed costs increasing by 5%. Operational obstacles during the first half of the year were addressed and improvements registered during the second half resulting in capacity utilisation increasing to 88% for the year (LY = 87%).

Major sensitivities

Some of the more important factors which impact the group's Adjusted EBITDA, based on current anticipated revenue and cost levels, are summarised in the table below:

Sensitivities	Change	Europe EUR million	North America US\$ million	South Africa ZAR million	Translation impact* US\$ million	Group US\$ million
Net selling prices	1%	20	20	278	–	59
Dissolving wood pulp prices	1%	–	2	164	–	11
Variable costs	1%	12	10	160	–	32
Sales volume	1%	7	7	104	–	22
Fixed costs	1%	6	5	75	–	16
Paper pulp price	1%	3	1	8	–	5
Oil price	1%	1	1	1	–	3
ZAR/US\$ (weakening)	10 cents	–	–	101	(1)	4
Euro/US\$ (weakening)	10 cents	(2)	(3)	–	(8)	(14)

* Based on currency impact on translation of Adjusted EBITDA.

The table demonstrates that Adjusted EBITDA excluding special items is most sensitive to changes in the selling prices of our products.

The calculation of the impact of these sensitivities assumes all other factors remain constant and does not consider potential management interventions to mitigate negative impacts or enhance benefits.

Chief Financial Officer's report continued

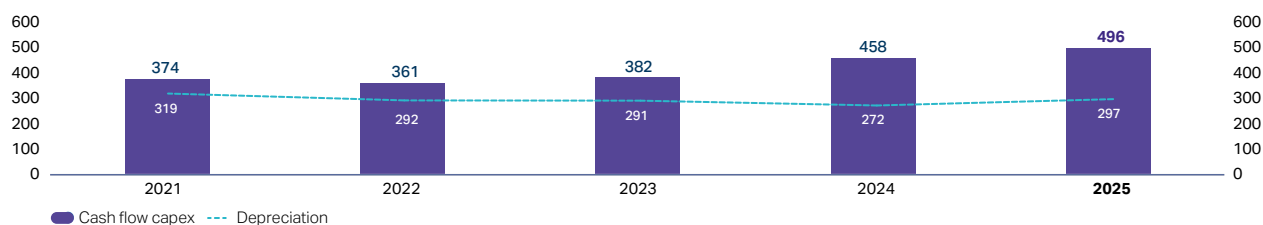
Section 4: Cash flow

In the table below, we present the group's cash flow statement for 2025 and 2024 in a summarised format:

(US\$ million)	2025	2024
Operating profit excluding special items	176	407
Depreciation and amortisation	303	278
EBITDA excluding special items	479	685
Contributions to post-employment benefits	(22)	(24)
Other non-cash items	(14)	(111)
Cash generated from operations	443	550
Movement in working capital	(89)	29
Closure and restructuring costs paid	(7)	(280)
Net finance costs	(84)	(41)
Taxation	(90)	(50)
Dividend paid	(85)	(84)
Capital expenditure	(496)	(458)
Net proceeds on disposal of assets	50	51
Insurance proceeds received	1	–
Other	(12)	(23)
Net cash utilised	(369)	(306)

Net cash utilised for the fiscal year was US\$369 million (FY2024: US\$306 million) due to lower profitability, a working capital outflow of US\$89 million, a dividend payment of US\$85 million and capital expenditure of US\$496 million.

Investment in fixed assets versus depreciation (US\$ million)



Section 5: Balance sheet

Summarised balance sheet

(US\$ million)	2025	2024
Property, plant and equipment	3,414	3,241
Right-of-use assets	103	79
Plantations	560	562
Net working capital	567	489
Other assets	271	317
Net post-employment liabilities	(95)	(110)
Other liabilities	(592)	(661)
Employment of capital	4,228	4,000
Equity	2,308	2,578
Net debt	1,920	1,422
Capital employed	4,228	4,000

Sappi has 16 production facilities in nine countries, capable of producing approximately 3.7 million tons of pulp and 4.8 million tons of paper. For more information on our mills, their production capacities and products, please refer to the **Where we operate** section.

The capacity replacement value of property, plant and equipment for insurance purposes has been assessed at approximately US\$21 billion.

Property, plant and equipment

The cost and depreciation related to our property are set out in the table below.

Book value of property, plant and equipment (US\$ million)	2025	2024
Cost	9,567	9,141
Accumulated depreciation and impairment	6,153	5,900
Net book value	3,414	3,241

Property, plant and equipment additions amounted to US\$486 million during the year. This was offset by depreciation of US\$269 million. Impairments amounted to US\$70 million.

Plantations

We regard ownership of our plantations in South Africa as a key strategic resource as it provides access to low-cost fibre for pulp production and ensures continuity of supply on an important raw material input source.

The South African region has access to approximately 405,000 hectares of land of which approximately 264,000 hectares are planted with pine and eucalyptus. These plantations provide approximately 69% of the wood requirements for our South African mills.

Our plantations are valued on the balance sheet at fair value less the estimated costs of delivery, including harvesting and transport costs. In notes 2, 3, 4 and 11 to the financial statements, we provide more detail on our accounting policies for plantations, how we manage our plantations as well as the major assumptions used in the calculation of fair value.

Chief Financial Officer's report continued

Section 5 continued:

Balance sheet continued

Working capital

The component parts of our working capital at the 2025 and 2024 fiscal year-ends are shown in the table below:

Net working capital (US\$ million)	2025	2024
Inventories	823	836
Trade and other receivables	682	771
Trade and other payables and provisions	(938)	(1,118)
Net working capital	567	489

Optimising working capital remains a key focus area for us and appropriate targets are incorporated into the management incentive schemes for all businesses. The working capital investment is seasonal and typically peaks during the third quarter of each financial year.

Net working capital increased to US\$567 million in 2025 from US\$489 million in 2024. The material movements in working capital are discussed below:

- Inventories decreased by US\$13 million, caused mainly by an unfavourable currency translation impact of US\$15 million
- Receivables decreased by US\$89 million on lower selling prices and an unfavourable currency translation impact of US\$15 million
- Payables decreased by US\$180 million largely due to decreases in trade payables, bonus accruals, and a favourable currency translation impact of US\$22 million.

Post-employment liabilities

We operate various defined benefit pension/lump sum plans, post-employment healthcare subsidies and other employee benefits in the various countries in which we operate. A summary of defined benefit assets and liabilities (pension and post-employment healthcare subsidies) is as follows:

Defined benefit liabilities US\$ million	2025	2024
Defined benefit obligation	(438)	(529)
Fair value of plan assets	345	422
Asset ceiling	(2)	(3)
Net balance sheet liability	(95)	(110)
Cash contributions to defined benefit plans/subsidies	11	24
Income statement charge (credit) to profit or loss	(13)	(15)
Cash contributions deemed 'catch-up'	3	14

* 'Catch-up' is cash contributions paid to defined benefit plans in excess of current service costs.

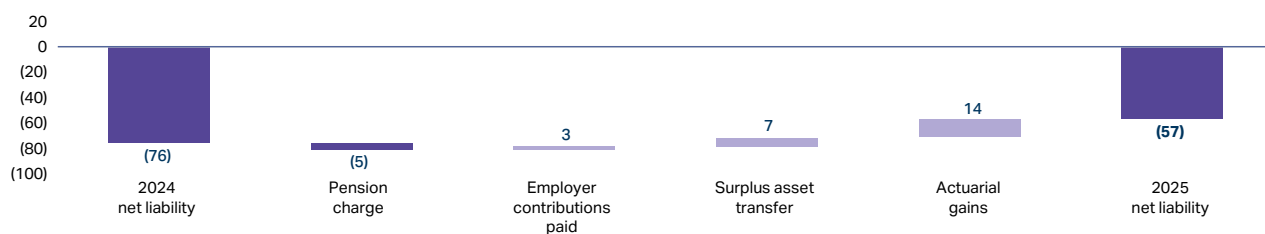
Gross liabilities from all our plans decreased by US\$91 million from US\$529 million to US\$438 million over the year. The main driver of the overall decrease in gross liabilities is related to the closure of the Lanaken Mill in addition to the transfer of remaining members from the Defined Benefit Fund to a provident umbrella fund in the South African business.

Fair value of plan assets decreased by US\$77 million from US\$422 million to US\$345 million. Similarly, the decrease in assets related to the closure of the Lanaken Mill in addition to the transfer of remaining members from the defined benefit fund to a provident umbrella fund in the South African business.

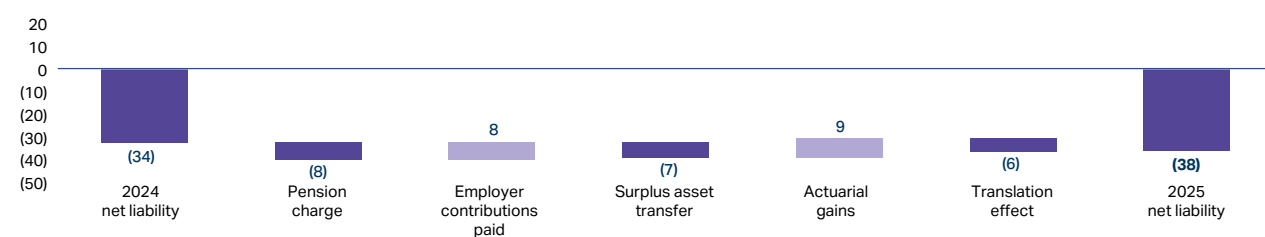
Included in the liability and asset movements above is a US\$6 million loss resulting from movements relative to the reporting currency.

Section 5 continued: Balance sheet continued

Sappi Limited post-retirement medical aid subsidy balance sheet movement (US\$ million)



Sappi Limited defined benefit pensions balance sheet movement (US\$ million)



Equity

Year-on-year, equity decreased by US\$270 million to US\$2,308 million as summarised below:

Equity reconciliation (US\$ million)

	2025
Equity as at September 2024	2,578
Loss for the year	(177)
Dividend paid	(85)
Share-based movements	7
Movement in hedging reserves	3
Actuarial gains	16
Foreign currency movements	(34)
Equity as at September 2025	2,308

The group realised a loss for the year of US\$177 million, paid dividends of US\$85 million and recorded a US\$34 million foreign currency translation loss. These were offset by share-based credits of US\$7 million, hedging gains of US\$3 million and actuarial gains of US\$16 million.

Chief Financial Officer's report continued

Section 5 continued:

Balance sheet continued

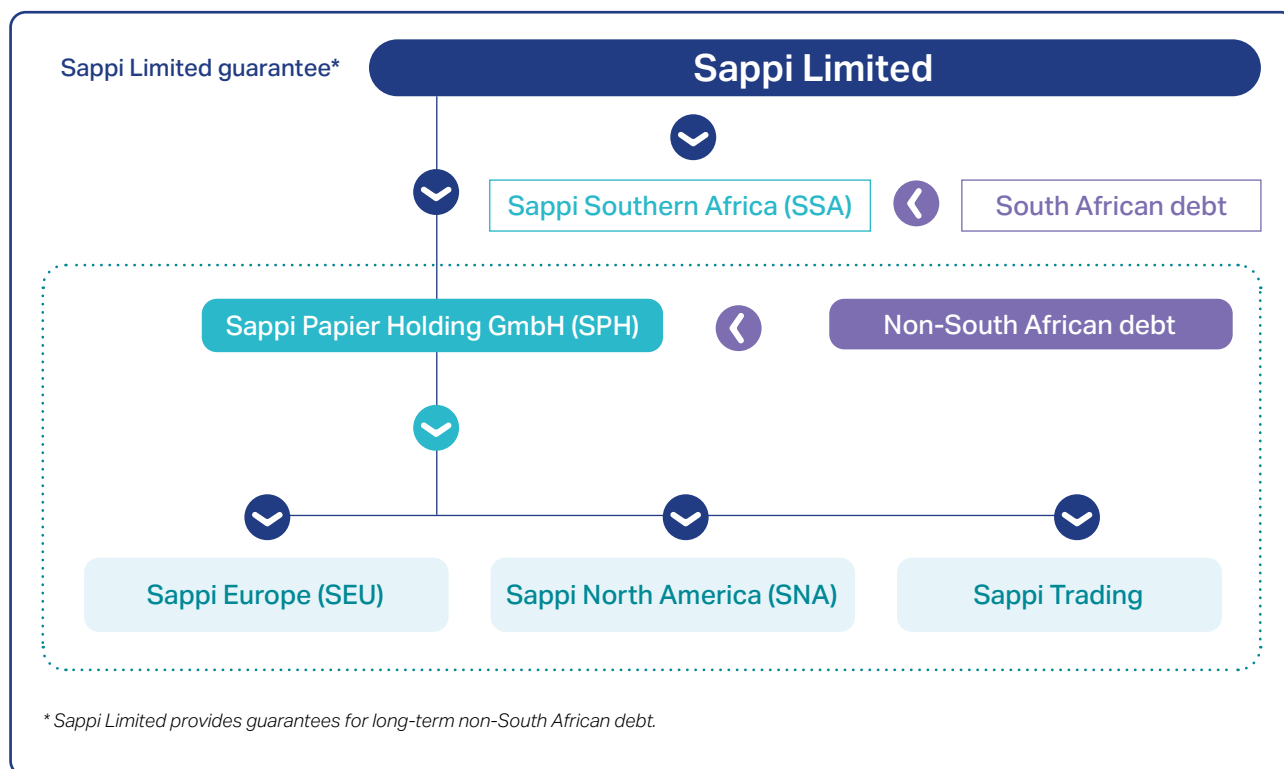
Debt

Debt is a major source of funding for the group. In the management of debt, we focus on net debt, which is the sum of current and non-current interest-bearing borrowings and bank overdrafts, net of cash and cash equivalents.

Debt funding structure

The Sappi group principally takes up debt at two legal entities. Sappi Southern Africa Limited issues debt in the local South African market for its own funding requirements and Sappi Papier Holding GmbH (SPH), which is Sappi's international holding company, issues debt in the international money and capital markets to fund our non-South African businesses. SPH's long-term debt is supported by a Sappi Limited guarantee and the financial covenants on certain of its debt agreements are based on the ratios of the consolidated Sappi Limited group. The covenants applicable to the debt of these two entities and their respective credit ratings are discussed below.

The diagram below depicts our debt funding structure.



Below we highlight the main financing activities that occurred during the year:

- New EUR300 million 2032 SPH public bond, to repay the EUR240 million 2026 SPH public bond
- Extension of the SPH EUR280 million securitisation programme to 2028.

Section 5 continued:

Balance sheet continued

Structure of net debt and liquidity

We consider the group liquidity position to be strong, with cash on hand of US\$219 million at financial year-end, and US\$602 million from unutilised committed revolving credit facilities.

The structure of our net debt as at September 2025 and 2024 is summarised below:

US\$ million	2025	2024
Long-term debt	1,642	1,611
Senior unsecured debt	1,346	1,286
Securitisation funding	243	293
IFRS16 Leases*	122	95
Less: short-term portion	(68)	(63)
Net short-term debt (cash)	277	(188)
Overdrafts, RCF and short-term loans	428	65
Short-term portion of long-term debt	68	63
Less: Cash	(219)	(317)
Net debt	1,920	1,422

* IFRS 16 accounting standard adopted from fiscal 2020.

Movement in net debt

The movement of our net debt from fiscal 2024 to fiscal 2025 is summarised in the table below:

	US\$ million
Net debt at September 2024	1,422
Increase of IFRS 16 Leases	51
Net cash utilised in 2025	369
Currency translation, fair value and other non-cash adjustments	78
Net debt at September 2025	1,920

Chief Financial Officer's report continued

Section 5 continued:

Balance sheet continued

Group debt profile

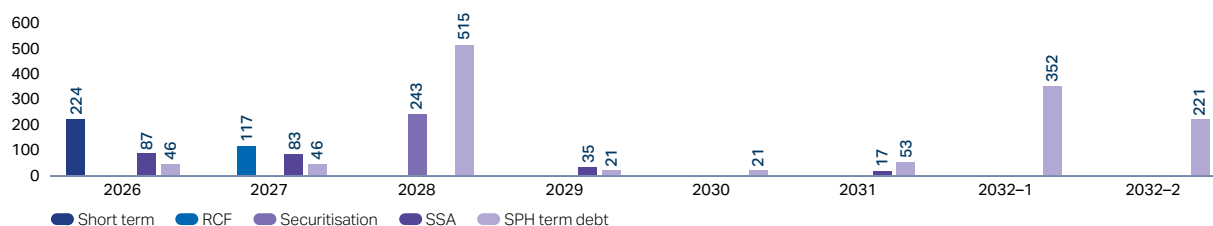
We show the major components and maturities of our net debt as at September 2025 below. These are split between the debt in South Africa and the debt outside South Africa.

				MATURITY (SAPPI FISCAL YEARS)				
	Amount US\$ million	Interest rates (local currencies)	Fixed/ variable	2026	2027	2028	2029	Thereafter
South Africa								
SAA10 public bond	35	8.40%	Variable		35			
SAA11 public bond	35	8.60%	Variable				35	
SAA12 public bond	17	8.70%	Variable					17
Commercial paper	87	7.70%	Variable	87				
IFRS 16 <i>Leases</i>	31	Various	Mixed	7	7	7	7	3
Gross debt	205							
Less: Cash	(83)			(83)				
Net South African debt	121			10	42	7	42	20
Non-South African								
Securitisation (US\$)	89	5.80%	Variable			89		
Securitisation (EUR)	154	3.40%	Variable			154		
IFRS 16 <i>Leases</i>	91	Various	Mixed	19	18	14	10	31
OeKB term loan 1 (EUR)	155	4.80%	Fixed	21	21	21	21	73
OeKB term loan 2 (CAD)	40	3.90%	Fixed	13	13	13		
OeKB term loan 2 (EUR)	37	1.30%	Fixed	12	12	12		
Trade finance (EUR)	68	2.20%	Variable	68				
Revolving credit facility	117	3.50%	Variable		117			
Other bank debt (EUR)	154	3.60%	Variable	154				
Commercial paper	2	2.70%	Variable	2				
2028 public bonds (EUR)	469	3.63%	Fixed			469		
2032 public bonds (EUR)	352	4.50%	Fixed					352
2032 bonds (US\$)	221	7.50%	Fixed					221
IFRS adjustments	(15)							(15)
Gross debt	1,934							
Less: Cash	(136)			(136)				
Net non-South African debt	1,798			154	182	771	30	661
Net group debt	1,920			164	224	778	72	682

The majority of our non-South African long-term debt is guaranteed by Sappi Limited, the group holding company.

The debt maturity profile for Sappi fiscal years is shown below:

Debt maturity profile (US\$ million)



Excludes IFRS 16 Leases with an average time to maturity of approximately four years.

Section 5 continued:

Balance sheet continued

Bank covenants**Non-South African covenants**

Financial covenants apply to US\$232 million of our non-South African bank debt, the EUR515 million revolving credit facility and the non-South African securitisation facility.

The applicable covenants are described below and are calculated on a rolling last-four-quarter basis and must be met at the end of each fiscal quarter.

- Ratio of group net debt to EBITDA should not be more than 4.0 times. Please note, as announced in the October 2025 press release, this covenant was increased for the next 12 months to provide additional covenant headroom while the Sappi group has a higher leverage ratio due to the confluence of market factors described in the press release
- Ratio of group EBITDA to net interest expense should not be less than 2.50-to-1.

South African covenants

Separate covenants also apply to the revolving credit facility of our Southern African business.

These covenants are calculated on a rolling last-four-quarter basis and require that at the end of March and September each year, with regard to Sappi Southern Africa Limited and its subsidiaries:

- The ratio of net debt to equity at the end of March and September is not greater than 65%; and
- The ratio of EBITDA to net interest paid is not less than 2.50-to-1.

Below we show the group financial covenants for the financial year ended September 2025:

Non-South African covenants	Sept 2025	Covenant
Net debt to EBITDA	3.62	<4.00
EBITDA to net interest	5.96	>2.50
South African covenants		
Net debt to equity	0.64%	<65%
EBITDA to net interest	35.1	>2.50

In addition to the financial covenants referred to above, our bonds and certain of our bank facilities contain customary affirmative and negative covenants restricting, among other things, the granting of security, incurrence of debt, the provision of loans and guarantees, mergers and disposals and certain restricted payments. As regards dividend payments, in terms of the international bond indentures, any cash dividends paid may not exceed 50% of net profit excluding special items after tax and certain other adjustments, calculated on a cumulative basis.

Credit ratings**Global Credit Ratings: South African national scale rating:**

Sappi Southern Africa Limited: AAA (za)/A1+(za)/Stable Outlook (May 2025).

Moody's

Sappi Corporate Family Rating: Ba2/NP/Stable Outlook (December 2024).

SPH Debt Rating:

- 2028/2032 Euro Bonds: Ba2/Stable Outlook (December 2024)
- 2032 US\$ Bond: B1/Stable Outlook (December 2024).

Fitch Ratings

Group Long-Term Issuer Default Rating: BB+ Stable Outlook (February 2025).

SPH Unsecured Debt Rating:

- 2028 and 2032 Euro Bonds and 2032 US\$ Bond: BB+ Stable Outlook (February 2025).

Conclusion

The disruptive and adverse external influences experienced during fiscal 2025 coincided with the completion of a major conversion project at Somerset Mill PM2. The combined consequence, amongst numerous other outcomes, was an increase in net debt to over US\$1,900 million. The **Thrive** strategy is predicated on sustaining our financial health by targeting net debt at approximately US\$1 billion.

To achieve our targeted net debt, a 'Back to Basics' theme was introduced which emphasised production optimisation, stringent cost control and debt reduction. The initiatives were started during the fourth quarter of fiscal 2025 with the announcement of capacity closures in Europe, a pause on dividend payments and restricting capital expenditure to below US\$300 million for fiscal 2026 and 2027. The short-term focus of the group will be the ramp-up of volumes on the converted machine at the Somerset Mill, manage the macroeconomic uncertainties in Europe and reduce the net debt to our targeted levels.

The medium to longer term strategy to invest in growth opportunities and achieve our sustainability goals remains intact.

GT Pearce

Chief Financial Officer

05 December 2025

Five-year strategic review

for the year ended September 2025

US\$ million	2025	2024	2023	2022	2021
Income statement					
Sales	5,420	5,458	5,809	7,296	5,265
Variable manufacturing and delivery costs	3,341	3,208	3,538	4,380	3,238
Fixed costs	1,836	1,803	1,788	1,832	1,777
Sundry expenses (income) ¹	67	40	51	46	47
Operating profit excluding special items	176	407	432	1,038	203
Special items – (gains) losses	170	225	52	268	57
Operating profit (loss)	6	182	380	770	146
Net finance costs	89	67	49	97	134
Profit (Loss) before taxation	(83)	115	331	673	12
Taxation charge	94	82	72	137	(1)
Profit (Loss) for the year	(177)	33	259	536	13
Adjusted EBITDA	501	684	731	1,339	532
Balance sheet					
Total assets	6,072	6,206	5,796	6,229	6,186
Non-current assets	4,333	4,208	3,742	3,430	4,255
Current assets	1,739	1,998	2,054	2,799	1,931
Current liabilities	1,454	1,329	1,316	1,524	1,309
Shareholders' equity	2,308	2,578	2,445	2,358	1,970
Net debt	1,920	1,422	1,085	1,163	1,946
Gross interest-bearing debt	2,139	1,739	1,686	1,943	2,312
Cash	(219)	(317)	(601)	(780)	(366)
Capital employed	4,228	4,000	3,530	3,521	3,916
Cash flow					
Cash generated from operations	443	550	659	1,267	472
Decrease (Increase) in working capital	(89)	29	178	(270)	39
Closure and restructuring costs paid	(7)	(280)	–	–	–
Finance costs paid	(100)	(69)	(121)	(102)	(110)
Finance income received	16	28	30	10	8
Taxation paid	(90)	(50)	(56)	(23)	(2)
Dividends paid	(85)	(84)	(85)	–	–
Cash generated from operating activities	88	124	605	882	407
Net cash generated (utilised)	(369)	(306)	210	506	29
Cash effects of financing activities	263	4	(416)	(43)	33
Capital expenditure (gross)	496	458	382	368	374
To maintain operations	175	196	170	196	176
To expand operations	321	262	212	172	198
Exchange rates					
US\$ per one Euro exchange rate – closing	1.173	1.116	1.057	0.980	1.172
US\$ per one Euro exchange rate – average (financial year)	1.106	1.084	1.068	1.085	1.196
ZAR to one US\$ exchange rate – closing	17.272	17.116	18.930	18.154	14.966
ZAR to one US\$ exchange rate – average (financial year)	18.068	18.536	18.179	15.783	14.851

¹ Sundry items include all income and costs not directly related to manufacturing operations such as debtor securitisation costs, commissions paid and received and results of equity accounted investments.

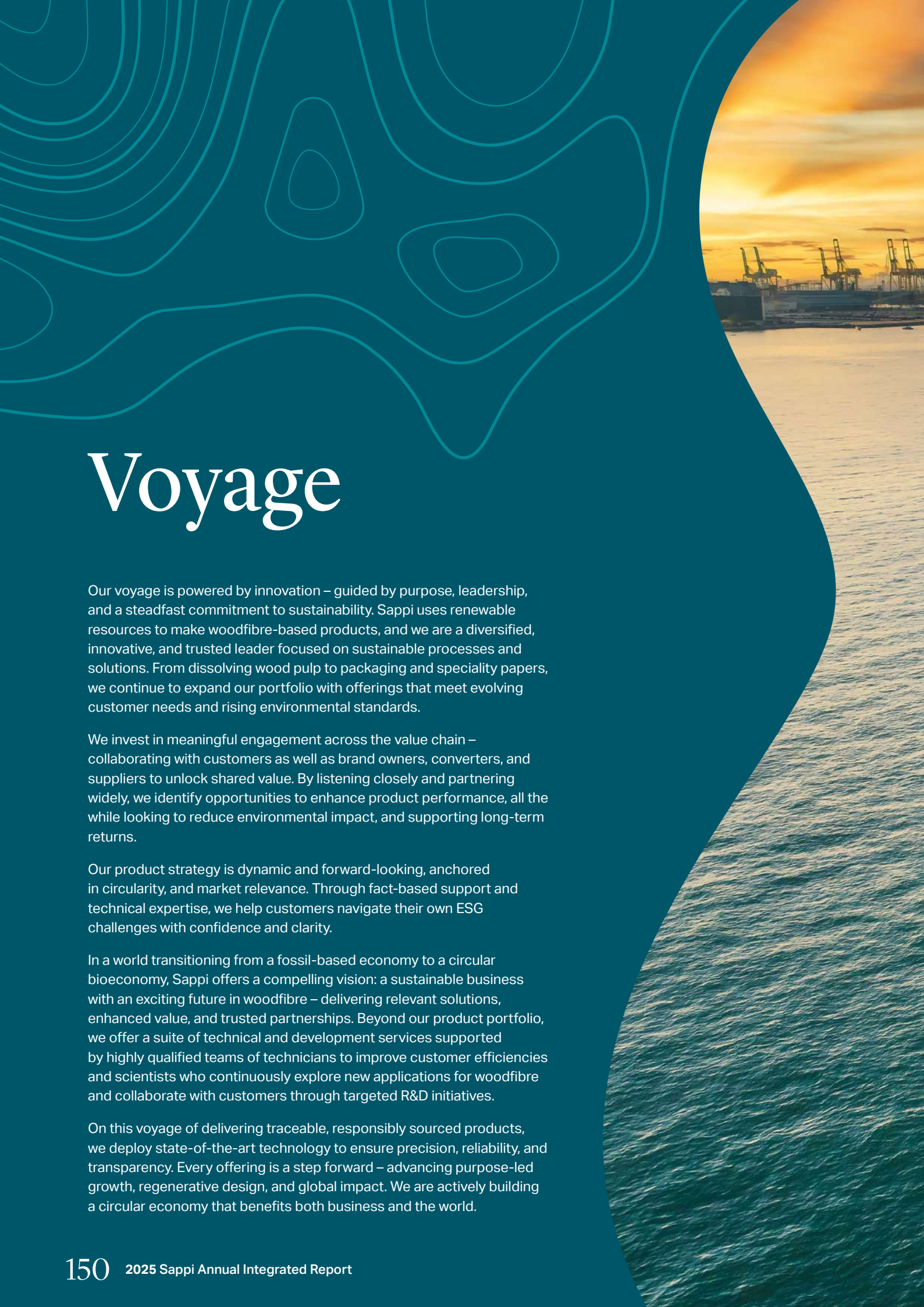
US\$ million	2025	2024	2023	2022	2021
Statistics					
Number of ordinary shares (millions)¹					
In issue at year-end	604.6	599.4	558.8	565.2	561.5
Basic weighted average number of shares in issue during the year	603.9	582.4	563.6	563.3	549.7
Per share information (US cents)					
Basic earnings (loss)	(29)	6	46	95	2
Diluted earnings (loss)	(29)	6	44	90	2
Headline earnings (loss)	(15)	1	50	130	5
Diluted headline earnings (loss)	(15)	1	47	122	5
Adjusted EPS (US cents)	8	41	52	138	15
Net asset value	382	430	438	417	351
Profitability ratios (%)					
Operating profit (loss) to sales	0.1	3.3	6.5	10.6	2.8
Operating profit excluding special items to sales	3.2	7.5	7.4	14.2	3.9
Adjusted EBITDA to sales	9.2	12.5	12.6	18.4	10.1
Operating profit excluding special items to capital employed (ROCE)	4.3	10.8	12.3	27.9	5.4
Net debt to EBITDA excluding special items	4.0	2.1	1.5	0.9	3.7
Interest cover	6.1	10.9	11.4	15.6	5.5
Return on average equity (ROE)	(7.2)	1.3	10.8	24.8	0.7
Debt ratios (%)					
Net debt to total capitalisation	45.4	35.6	30.7	33.0	49.7
Efficiency ratios					
Asset turnover (times)	0.9	0.9	1.0	1.2	0.9
Inventory turnover ratio	5.9	5.6	6.3	7.6	5.6
Liquidity ratios					
Current asset ratio	1.2	1.5	1.6	1.8	1.5
Trade accounts receivable days outstanding (including receivables securitised)	43	48	37	44	47
Cash interest cover (times)	4.6	7.2	11.2	12.9	4.5
Other non-financial information²					
Sales volumes	6,081	5,967	6,282	7,937	7,339
Number of full-time equivalent employees	10,655	11,235	12,329	12,495	12,492
Lost-time injury frequency rate (including contract employees)	0.19	0.20	0.24	0.30	0.38
Energy					
Energy intensity (GJ/adt)	25.38	24.92	26.19	22.11	22.30
Renewable and clean energy to total energy (%)	64.77	63.32	58.07	55.02	54.96
Water					
Specific process water extracted (m ³ /adt)	40.08	40.81	45.24	35.33	35.88
Waste					
Specific total landfill (kg/adt)	60.03	64.23	80.13	58.680	60.020
Emissions					
Specific Scope 1 emissions (ton CO ₂ e/adt)	0.62	0.62	0.70	0.62	0.68
Absolute Scope 1 (ton CO ₂ e)	3,174,735	3,202,668	3,506,813	4,112,099	4,296,971
Specific Scope 2 emissions (ton CO ₂ e/adt)	0.14	0.18	0.22	0.20	0.18
Absolute Scope 2 (ton CO ₂ e)	742,900	924,179	1,076,535	1,325,659	1,146,302

¹ Net of treasury shares (refer to note 19 to the group financial statements).

² Certain energy, water, waste and emissions data for the comparative years have been restated using the latest reporting standards and measurement methodology.

Refer to share statistics section for other market and share-related information.

Note: Definitions for various terms and ratios used above are included in the **Glossary** section.



Voyage

Our voyage is powered by innovation – guided by purpose, leadership, and a steadfast commitment to sustainability. Sappi uses renewable resources to make woodfibre-based products, and we are a diversified, innovative, and trusted leader focused on sustainable processes and solutions. From dissolving wood pulp to packaging and speciality papers, we continue to expand our portfolio with offerings that meet evolving customer needs and rising environmental standards.

We invest in meaningful engagement across the value chain – collaborating with customers as well as brand owners, converters, and suppliers to unlock shared value. By listening closely and partnering widely, we identify opportunities to enhance product performance, all the while looking to reduce environmental impact, and supporting long-term returns.

Our product strategy is dynamic and forward-looking, anchored in circularity, and market relevance. Through fact-based support and technical expertise, we help customers navigate their own ESG challenges with confidence and clarity.

In a world transitioning from a fossil-based economy to a circular bioeconomy, Sappi offers a compelling vision: a sustainable business with an exciting future in woodfibre – delivering relevant solutions, enhanced value, and trusted partnerships. Beyond our product portfolio, we offer a suite of technical and development services supported by highly qualified teams of technicians to improve customer efficiencies and scientists who continuously explore new applications for woodfibre and collaborate with customers through targeted R&D initiatives.

On this voyage of delivering traceable, responsibly sourced products, we deploy state-of-the-art technology to ensure precision, reliability, and transparency. Every offering is a step forward – advancing purpose-led growth, regenerative design, and global impact. We are actively building a circular economy that benefits both business and the world.



Our leadership and executive management

Non-executive Directors

Mr Nkululeko Leonard Sowazi
(62)



Independent



Qualifications: Masters Degree
Nationality: South African

Appointed: October 2022

Other board and organisation memberships:

- Grindrod Limited – Lead Independent Non-executive Director, Member of Remuneration Committee, Investment Committee and Risk Committee
- MTN Group Limited – Independent Non-executive Director, Member of the Nominations Committee, Member of the Remuneration Committee, Member of the Finance and Investment Committee, Chairperson of Social, Ethics and Sustainability Committee
- Sanlam Private Equity Fund Investment Committee Chairperson
- Tiso Foundation (co-founder and Trustee)
- Tiso Investment Holdings (co-founder and Executive Chairperson).

Skills, expertise and experience:

Mr Sowazi has over 30 years' senior executive and investment management experience and has served on numerous boards of both listed and unlisted companies. Mr Sowazi has a strong commercial and entrepreneurial business track record and presents with an impeccable reputation in the market.

Mr B Beamish (Brian)
(68)



Independent



Qualifications: BSc (Mechanical Engineering), HBS PMD
Nationality: British and South African

Appointed: March 2019

Other board and organisation memberships:

- Metso Corporation – Member of the Remuneration and Human Resources Committee.

Skills, expertise and experience:

Mr Beamish is a qualified mechanical engineer with over 40 years of relevant management, business and leadership experience in capital-intensive industries. He was appointed to the Lonmin board in 2013 and served as Chairman from May 2014 until June 2019 when the corporate action with Sibanye Stillwater concluded. He also served as Chair of the Nomination Committee and as a member of the Remuneration Committee and Safety, Health and Environment Committee. His senior executive career was spent within Anglo American, where his final role until retirement was Group Director Mining and Technology, before which he was the Chief Executive Officer (CEO) of the Base Metals division.

Mr Michael Anthony Fallon (Mike) (67)



Independent



Qualifications: BSc Hons (First Class)
Nationality: British

Appointed: September 2011

Skills, expertise and experience:

Mr Fallon retired as an executive director of Nippon Sheet Glass Company Limited (NSG Group) at the end of June 2012. Before retiring, Mr Fallon was President of NSG's Global Automotive division, with 17,500 employees, heading up all the glass and glazing operations in the key automotive regions across the world. With annual sales of around EUR6 billion, the NSG Group is one of the world's largest manufacturers of glass and glazing products for the building, automotive and speciality glass sectors. His management and leadership experience extends across a wide range of functions from plant management, sales and marketing and supply chain to general management, including mergers and acquisition experience. During his 30-year career in a highly competitive industry, he held several positions, including President of Pilkington operations in North America and director and Chairman of companies in the UK, New Zealand and Finland. In his last four years at NSG Group, he was both a main board director and leader of its Global Automotive division. He was responsible for leading and developing the strategic direction and ultimately the performance and governance of this business. His leadership and experience covered all aspects of the business, from its research and development, sales and marketing, 30 manufacturing sites, supply chain, including 150 warehouses and distribution centres, purchasing, human resources and finance.

Mr James Michael Lopez (Jim)
(66)



Independent



Qualifications: BA (Economics)
Nationality: American

Appointed: March 2019

Skills, expertise and experience:

Mr Lopez is the former President and CEO of Tembec Inc, where he also served on the board. He held various senior management and executive positions within the company from 1989 onward. In 2017, Mr Lopez successfully negotiated the sale of Tembec Inc, a manufacturer of lumber, pulp, paper/ paperboard and speciality cellulose and a global leader in sustainable forest management practices. Mr Lopez previously served as Co-Chairman of the Bi-National Softwood Lumber Council. Previous Chairmanships included the Softwood Lumber Board, Forest Products Innovation, Ontario Forest Products Association and Forest Products Association of Canada.

Ms Zola Nwabisa Malinga
(47)



Independent



Qualifications: BCom, CA(SA)
Nationality: South African

Appointed: October 2018

Other board and organisation memberships:

- Pepkor Holdings Limited
- St Mary's Foundation (Chairperson)
- Jade Capital Partners (Proprietary) Limited
- Jade Foundation Trust
- Intocast SA Proprietary Limited.

Skills, expertise and experience:

Ms Malinga is a Chartered Accountant and has extensive experience in investment banking, real estate, corporate finance and governance. She is the co-founder and Executive Director of Jade Capital Partners – an investment holding company. She was previously a director in the Real Estate Finance Division of Standard Bank where she was also a member of the Executive and Deal Approval Committees. Before this, she was an Investment Banker at Standard Bank and a member of the corporate finance team at Investec Bank Limited. Ms Malinga has leadership and governance expertise having served on numerous boards as a non-executive director including Grindrod Bank, Grindrod Limited and Hospitality Property Fund Limited.

Dr Bonakele Mehlomakulu (Boni)
(52)



Independent



Qualifications: PhD (Chemical Engineering)
Nationality: South African

Appointed: March 2017

Other board and organisation memberships:

- Hulamin Limited – Member of the Audit Committee, Member of Social, Ethics & Sustainability Committee, Chairperson of the Risk Committee
- Yokogawa South Africa Proprietary Limited.

Skills, expertise and experience:

Dr Boni Mehlomakulu holds a PhD in Chemical Engineering from the University of Cape Town. Her career started at Sasol before joining the Department of Science and Technology occupying various management roles. She served as the CEO of the South African Bureau of Standards for nine years. In addition to her non-executive directorship at Sappi Limited, she also serves as a non-executive director at Hulamin Limited and Yokogawa South Africa. Her past directorships include PBMR (Pty) Limited, Nuclear Energy Corporation of South Africa, Eskom Holdings SOC Limited and the Technology Innovation Agency. She also served as a South African representative on the governing Council of the International Organization for Standardisation (ISO, Geneva).

Mr Robertus Johannes Antonius Maria Renders (Rob Jan) (72)



Independent



Qualifications: MSc (Mechanical Engineering), MDP
Nationality: Dutch

Appointed: October 2015

Other board and organisation memberships:

- MEPCO – Non-executive board member, Chairman of the Strategy and Executive committee (Acting Group President from June 2024 until February 2025).

Skills, expertise and experience:

Mr Renders is a business consultant. He was also the Chairman of the board for Walki Oy until April 2024. He was a board member of Duropack GmbH from 2012 until the end of May 2015, as well as CEO of Duropack from May 2013 until May 2015. From 2006 to 2010, he served as Chairman of OTOR Société Anonyme, a leading packaging provider in France. Between 1989 and 2006, he held various positions at Svenska Cellulosa Aktiebolaget (SCA), a leading global producer of hygiene products and packaging solutions, including Mill Manager at SCA Packaging De Hoop, Managing Director of SCA Packaging Europe, President of SCA Packaging Europe and Senior Vice President Special Project Global Packaging for SCA Group. Since November 2022, Mr Renders accepted a board position at MEPCO, based in Jeddah, Saudi Arabia, a leading paper manufacturer, packaging and tissue, and recovered paper collection company in the Middle East. He is currently a non-executive board member, Chairman of the Strategy and Executive Committee and was acting Group President from June 2024 until February 2025. Mr Renders is also a service provider in an advisory capacity to the Public Investment Fund of Saudi Arabia.

Mr Louis Leon von Zeuner (64)



Independent



Qualifications: BEcon (Economics)
Nationality: South African

Appointed: September 2022

Other board and organisation memberships:

- FirstRand Limited – Independent Non-executive Director, (Chairman of Remuneration Committee, Member of Risk Committee, Audit Committee, Social and Ethics Committee, Credit and Large Exposure Committee and Directors Affairs Committee)
- First National Bank Limited – Member of the Board
- First Rand Insurance Holdings Proprietary Limited – Member of the Board
- University of the Free State – Council Member.

Skills, expertise and experience:

Mr von Zeuner holds a Bachelor of Economics degree from the University of Stellenbosch and is a Chartered Director (SA). He served as Deputy CEO of the Absa Group at the time of his retirement in 2012 after 32 years of service in banking. His role as board member, aside from the normal focus on strategy profitability, sustainability and has a key focus on governance status. Despite his role change from executive to non-executive Mr von Zeuner has been able to continue to play a leadership role in the activities of various organisations and contribute to growing the businesses. He is results driven and supports growing customer relationships.

Ms Eleni Istavridis (68)



Independent



Qualifications: BA, MBA, MIA
Nationality: American

Appointed: October 2022

Other board and organisation memberships:

- Sonoco Products Company – Independent Non-executive Director – Member of the Corporate Governance Committee, Member of the Financial Policy Committee, Member of the Employee and Public Responsibility Committee, Member of the Audit Committee (2020 to 2023).

Skills, expertise and experience:

Ms Istavridis is a seasoned leader with international experience, including 17 years in the United States and 22 years in Asia in financial services and manufacturing. She has deep expertise in strategy, finance and global operations. Most recently she was Executive Vice President at Bank of New York Mellon as Head of Global Client Management for Asia and later Head of Investment Services, Asia Pacific. Earlier she served in a variety of senior leadership roles including President and Chief Operating Officer of Tristate, an Asia-based manufacturer, and Managing Director at Bankers Trust Company. She currently serves as an independent board member of two public companies and has assignments on committees in corporate governance, audit and risk, financial policy and employees and public responsibility.

Executive directors

Mr Stephen Robert Binnie (Steve) (58)



Chief Executive Officer



Qualifications: BCom, BAcc, CA(SA), MBA
Nationality: British

Appointed: July 2012

Skills, expertise and experience:

Mr Binnie was appointed CEO of Sappi Limited in July 2014. He joined Sappi in July 2012 as CFO designate and was appointed CFO and Executive Director from 01 September 2012. Before joining Sappi, he held various senior finance roles and was previously CFO of Edcon for 10 years after having been in a senior finance role at Investec Bank Limited.

Mr Glen Thomas Pearce (62)



Chief Financial Officer



Qualifications: BCom, BCom Hons, CA(SA)
Nationality: South African

Appointed: June 1997

Skills, expertise and experience:

Mr Pearce joined Sappi Limited in June 1997 as Financial Manager and subsequently held various senior finance roles in South Africa and in Belgium before being promoted to Chief Financial Officer and Executive Director of Sappi Limited in July 2014. Prior to joining Sappi, he worked at Murray & Roberts Limited from 1992 to 1996.

Sappi board committee memberships:

- Audit and Risk Committee
- Human Resources and Compensation Committee
- Sappi Limited board
- Nomination and Governance Committee
- Social, Ethics, Transformation and Sustainability (SETS) Committee
- ▲ Lead Independent Director
- ❖ Chairman
- * Committee Chairman

Our leadership and executive management continued

Executive management

Mr Stephen Robert Binnie (Steve)
(58)**

Chief Executive Officer



Qualifications: BCom, BAcc, CA(SA), MBA

Nationality: British

Appointed: July 2012

Skills, expertise and experience:

Mr Binnie was appointed CEO of Sappi Limited in July 2014. He joined Sappi in July 2012 as CFO designate and was appointed CFO and Executive Director from 01 September 2012. Before joining Sappi, he held various senior finance roles and was previously CFO of Edcon for 10 years after having been in a senior finance role at Investec Bank Limited.

Mr Glen Thomas Pearce
(62)**

Chief Financial Officer



Qualifications: BCom, BCom Hons, CA(SA)

Nationality: South African

Appointed: June 1997

Skills, expertise and experience:

Mr Pearce joined Sappi Limited in June 1997 as Financial Manager and subsequently held various senior finance roles in South Africa and in Belgium before being promoted to Chief Financial Officer and Executive Director of Sappi Limited in July 2014. Prior to joining Sappi, he worked at Murray & Roberts Limited from 1992 to 1996.

Mr Marco Eikelenboom
(58)

Chief Executive Officer of Sappi Europe



Qualifications: MS (Business Economics)

Nationality: Dutch

Appointed: September 1992

Skills, expertise and experience:

Mr Eikelenboom has played a pivotal role in steering Sappi's graphic papers business in Europe through a period of significant transformation. In his leadership capacity, he has overseen numerous strategic projects, including the development and implementation of a new go-to-market strategy and the enhancement of commercial service standards. These initiatives have directly contributed to increased customer preference and retention, strengthening the company's market position. Over the years, he has been deeply involved in the ongoing restructuring and refocusing of Sappi's European operations, demonstrating his commitment and strategic vision in his various leadership roles.

Michael George Haws (Mike)
(62)

President and Chief Executive Officer of Sappi North America



Qualifications: BSc Paper Science and Engineering

Nationality: American

Appointed: January 2012

Skills, expertise and experience:

Mr Haws brings his extensive industry leadership and strategy experience to the business. Mr Haws was integral to the development and execution of Sappi's 2020Vision and the investments made in North America to grow the dissolving wood pulp and packaging and speciality papers businesses.

Mr Graeme Wild
(53)

Chief Executive Officer of Sappi Southern Africa



Qualifications: BSc (Forestry), MBA

Nationality: South African

Appointed: January 1995

Skills, expertise and experience:

Mr Wild joined Sappi in 1995 and was appointed Chief Executive Officer of Sappi Southern Africa in December 2024. His experience and expertise include forestry, strategy, investor relations, sustainability, procurement and sales.

Mr Fergus Conan Salvador Marupen (Fergus)
(60)

Group Head Human Resources



Qualifications: BA Hons (Psychology), BEd (Education Management), Masters Diploma (HR Management), MBA, LCOR

Nationality: South African

Appointed: March 2015

Skills, expertise and experience:

Mr Marupen joined Sappi on 01 March 2015. Before joining Sappi, Mr Marupen held various positions at Business Unity South Africa (BUSA) where he was the acting Chief Operating Officer, Group Executive Human Resources for Absa Group Limited and executive management positions with Kumba Resources, Kumba Iron Ore and BHP Billiton (Energy Coal).

Mr Mohamed Iqbal Mansoor
(58)

Executive Vice President of Sappi Pulp



Qualifications: BSc (Chemistry and Mathematics), BSc Hons (Chemistry), MBA

Nationality: South African

Appointed: August 1991

Skills, expertise and experience:

Mr Mansoor joined Sappi at Salscor Mill in 1991 where he was responsible for process investigations, customer complaints, quality control, manufacturing cost reduction initiatives and technical application support for dissolving wood pulp (DWP) customers in Europe and the United States of America. In January 1999, he was appointed Product Manager DWP and relocated to Hong Kong. In January 2001, Mr Mansoor was appointed Commercial Manager Pulp responsible for DWP sales in Southeast Asia. In June 2007, he was appointed General Manager Pulp in Hong Kong with responsibility for the global sales of DWP after spending three years as Vice President Pulp Sales in Sappi's New York office and in January 2018, he joined the Group Executive Committee as Executive Vice President Sappi Pulp. He has a solid sales and technical background and customer relationships, together with a strong track record of delivering sales results. His expertise includes contract negotiation and management, supply chain management, strategic planning, sales management, key account management, international logistics and technical application support.

Mr Louis Kruyshaar
(55)

Group Head of Manufacturing and Innovation



Qualifications: BEng (Chemical Engineering), BTechnology (Pulp and Paper), MBA, EDP

Nationality: South African

Appointed: January 1993

Skills, expertise and experience:

Mr Kruyshaar joined Enstra Mill in 1993 as a Sappi bursar and progressed to a line management role within the pulp mill. From 2001 to 2003, he served as Technical Manager at Sappi Usutu Mill in eSwatini before moving to Ngodwana Mill as Paper Mill Manager in 2004. In 2006, he took responsibility for the Pulp Mill and Utilities at Ngodwana Mill, and in 2008, he was appointed General Manager at Tugela Mill. In 2015, he joined the Group Management Committee with the responsibility of developing the Sappi Biotech portfolio globally. This role was later expanded to include Research and Development and product innovation for Sappi Europe, where he also served as a member of the SEU Regional Lead Team. In 2024, he was appointed to the Group Executive Committee and assumed the role of Group Head of Manufacturing and Innovation. In this capacity, he is accountable for group safety performance and operational risk management, group manufacturing performance, research and development, support for major capital projects, management of the Sappi Biotech portfolio, and leadership of the Group Technical Management Team.

Mr Maarten van Hoven
(52)

Group Head Strategy and Legal



Qualifications: BProc, LLM (International Business Law)

Nationality: South African

Appointed: December 2011

Skills, expertise and experience:

Mr van Hoven joined Sappi in December 2011. Mr van Hoven is an admitted attorney of the High Court in South Africa. Before joining Sappi, he was employed at the Competition Commission of South Africa, managing the mergers and acquisitions department. He has 25 years' practical legal experience in corporate, commercial and competition law, both in private and public sectors and often leading teams of professionals. During his career at Sappi, Mr van Hoven has been responsible for coordinating and creating Sappi's 2020Vision and **Thrive** strategic initiatives and has been leading some major asset disposals and/or acquisitions in which Sappi had been involved during the past few years. Mr van Hoven is a member of the Sappi Executive Committee and also the custodian of the Sappi Code of Ethics and Group Legal Compliance Programme.

** Member of the Executive Committee.

Corporate management

Richard Wells
(56)***

Chief Executive Officer
of Sappi Trading



Qualifications: BCom (Accounting), BCompt
Hons, CA(SA), GEDP, EDP

Tracy Wessels
(50)***

Group Head Investor Relations
and Sustainability



Qualifications: PhD (Organic Chemistry),
PMD

Marjorie Boles
(55)

Chief Information Officer



Qualifications: BA (Economics and
Mathematics), MBA (Entrepreneurship)

Ami Mahendranath
(57)***

Group Company Secretary



Qualifications: BCom FCG, Certificate in
Corporate Governance

André Oberholzer
(59)***

Group Head Corporate Affairs



Qualifications: BCom (Law), Strategic
Communication Management Professional
(SCMP®)

Jörg Pässler
(64)

Group Treasurer



Qualifications: BCom (Hons) *Cum Laude*,
MCom, HDip (Tax), CAIB (SA), FT
Non-Executive Director Diploma

*** Member of the Group Management Committee.

Sappi Europe lead team

Marco Eikelenboom
(58)

Chief Executive Officer



Qualifications: MS (Business Economics)

Flavio Froehli
(54)

Vice President Marketing & Sales



Qualifications: Master of Business
Administration (MBA)

Jan Sander Van Tuijl
(49)

Vice President Supply Chain and
Procurement



Qualifications: MS (Forestry, specialisation
Wood Science)

Stephen Blyth
(51)

Vice President and CFO



Qualifications: BCom (Hons), CA(SA), HDip
(Tax Law)

Rainer Neumann
(63)

Vice President Human Resources



Qualifications: MS (Industrial Relations &
HR), MS (Administrative Sciences)

Johannes Boner
(62)

Vice President General Counsel



Qualifications: lic iur, DHEE, Admitted
Attorney

Misa Bursac
(47)

Vice President Manufacturing,
Technology and R&D



Qualifications: MS (Paper Technology
Engineering)

Sarah Price
(49)

Director Sustainability



Qualifications: BSc Natural Resource
Conservation and MS Forest Science

Our leadership and executive management continued

Sappi North America lead team

Mike Haws
(62)

President and Chief Executive Officer



Qualifications: BS (Paper Science and Engineering)

Paul Bortolan
(51)

Vice President Sales and Marketing



Qualifications: BCom (Business Economics)

Annette Luchene
(63)

Vice President and Chief Financial Officer



Qualifications: MBA, BS (Accounting)

Anne Ayer
(60)

Vice President Pulp Business and Supply Chain



Qualifications: MBA, BA (Psychology)

Sarah Manchester
(60)

Vice President HR and General Counsel



Qualifications: BA (History), JD

Sean Wallace
(59)

Vice President Research, Development, and Sustainability



Qualifications: BS in Chemistry, MS in Paper Science, MBA

Kirk Ross
(50)

Vice President Manufacturing



Qualifications: BS in Chemical Engineering

Sappi Southern Africa lead team

Graeme Wild
(53)

Chief Executive Officer



Qualifications: BSc (Forestry), MBA

Pramy Moodley
(49)

Chief Financial Officer



Qualifications: BAcc, CA(SA), PMD

Beverley Sukhdeo
(58)

Vice President Manufacturing



Qualifications: MBA, BSc (Chemistry), DBA

Duane Roothman
(53)

Vice President Forestry



Qualifications: BSc (Forestry), MBA

Naresh Naidoo
(54)

Chief Procurement Officer



Qualifications: BSc (Chemical Engineering), MBA

Morgan Moodley
(57)

Vice President Supply Chain



Qualifications: B-Compt (AGA SA)

James Manana
(52)

Vice President Human Resources



Qualifications: BA (Human Resources Management), Advanced Diploma (Labour Law), Institute of People Management Diploma, Leadership Development Programme

Gareth Cloete
(47)

Vice President Sales and Marketing



Qualifications: Bachelor of Commerce (Accounting), Hons (Accounting)



Corporate governance

Sappi is committed to the highest standards of corporate governance, which form the foundation for the long-term sustainability of our company and creation of value for our stakeholders.

All directors attended
100%
of the meetings of the board in FY2025.

Good governance at Sappi contributes to living our values through enhanced accountability, a transparent and ethical culture, strong risk management, a focus on effective control of the business, legitimacy, and good performance. Governance is one of our key enablers to unlocking and protecting value, as we optimise the use of our capitals, address our key risks while taking advantage of exciting opportunities (refer to **Risk management** on page 52), while minimising the negative impacts of trade-offs that have to be made, as set out in the presentation of **Our key material issues** on page 74.

Sappi's approach to governance is rooted in purpose-driven leadership from both the board and executive management, supported by a strong culture of values and expected behaviours that apply to all employees across the group. Integrity and doing the right thing are core to Sappi's values and are actively embedded throughout the organisation through the adoption of OneSappi. The board and executive management are focused on creating long-term, sustainable value by delivering on the group's purpose of ensuring that our products and people make a difference in the everyday lives of our consumers. This is achieved through the effective implementation of our **Thrive** strategy. To maintain the relevance and sustainability of our business model, we continuously monitor external dynamics, including macroeconomic trends, industry risks, capital availability and stakeholder expectations. These insights shape and inform the group's strategic direction. The board's governance structures and processes are designed to support the effective delivery of this strategy, while ensuring sound management and robust control over the business. The principles of King IV are firmly embedded in the group's internal controls, policies, board charters and governance practices. Sappi is proceeding with a gap analysis between King IV and King V to facilitate early adoption. The board's oversight responsibilities are aligned with its commitment to achieving the four governance outcomes advocated by King IV: ethical culture, effective control, good performance and legitimacy. For further details on how Sappi applies the King IV principles, please refer to the **King IV Register** available on our website at www.sappi.com/investors/corporate-governance-and-risk.

Sappi is listed on the JSE Limited and complies in all material respects with the JSE Listings Requirements, regulations and codes. Sappi subscribes to full compliance with the Companies Act, and the relevant laws governing its establishment, specifically related to its incorporation.

In compliance with paragraph 7.F.6 of the JSE Listings Requirements, the board confirms that the company continues to comply with the provisions of the Companies Act and operates in conformity with its memorandum of incorporation (MOI) and/or relevant constitutional documents.

The board is constituted in accordance with the company's MOI and the principles of King IV. The majority of board members are Non-executive Directors who bring diverse perspectives to board deliberations and add value by constructively challenging management. We believe that the current composition provides the appropriate leadership to guide the business into the future. However, where necessary, we will appoint new directors whose experience supports the company's strategic direction and industry focus, and who contribute to maintaining the desired diversity on the board.

The board of directors

The basis for good governance at Sappi is laid out in the board charter, which sets out the division of responsibilities between the board and executive management. The board creates and preserves sustainable value by collectively determining strategies, approving major policies and plans, taking responsibility for risk management, and providing oversight as well as monitoring to help ensure accountability. The board is comfortable that the board charter ensures a clear division of responsibilities between management and the board and that no director has unfettered authority. The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

Mr Nkululeko Sowazi, our Non-executive Chairman, leads the board in the objective and effective execution of its governance roles and responsibilities. Mr Mike Fallon strengthens the board's independence in his capacity as the Lead Independent Director. The roles of the Chairman and the CEO are distinct and separate, with this division of responsibilities designed to ensure that no individual holds unfettered decision-making power and that an appropriate balance of authority exists on the board. Two members of executive management – the CEO and the CFO – serve on the board, providing our Non-executive Directors with multiple points of direct engagement with management.

Succession plans

In the last two years, Sappi board has seen a number of important changes, namely the retirement of the Chairman of the board, Sir Nigel Rudd, and appointment of Mr Nkululeko Sowazi, the retirement of the Chairperson of the Audit and Risk Committee, Mr Peter Mageza, and appointment of Ms Zola Malinga, the retirement of Lead Independent Director Mr Valli Moosa and appointment of Mr Mike Fallon who will retire at the AGM in February 2027. In addition, all four sub-committees have new Chairpersons:

- Nomination and Governance – Mr Nkululeko Sowazi (appointed 08 February 2024)
- Audit and Risk – Ms Zola Malinga (appointed 08 February 2024)
- HR and Compensation – Mr Louis von Zeuner (appointed 01 January 2025)
- Social, Ethics, Transformation and Sustainability – Mr Brian Beamish (appointed 01 January 2025).

Linking with the strategic direction and ensuring that Sappi has board members with the appropriate skill sets, experience and corporate knowledge to maintain continuity, we have further developed our succession plans for all key roles, including the Chairpersons of the governing body and committees and the Lead Independent Director. The first of these will be the Lead Independent Director successor to be announced in November 2026. Working with outside agencies to define the skill sets, experience and knowledge that are needed for our future Non-executive Directors, a recruitment programme is in place with the aim to fill future vacancies prior to retirements, ensuring strong transfer of corporate knowledge. Ongoing, we expect to recruit one new Non-executive Director on average per year. Detailed induction plans are developed for each new Non-executive Director tailored for their skill sets and Sappi's corporate needs.

Additional changes to the composition of the board and committee were made on 01 September 2025. Dr Boni Mehlomakulu serves part of her remaining tenure as a member of the HR and Compensation Committee, and after nine months of handover to Mr Louis von Zeuner, Mr Mike Fallon joins the SETS Committee until his retirement in February 2027. We aim to continue to provide cross-committee exposure for non-executive members and enhance overall board effectiveness.

For further information about the board and the board charter, please refer to www.sappi.com/investors/corporate-governance-and-risk.

Non-executive Director retirement

In accordance with the company's MOI, and to ensure accountability while maintaining continuity on the board, one-third of Non-executive Directors are required to retire by rotation and stand for re-election by shareholders at each AGM. Prior to being recommended for re-election, such directors undergo assessment by the board, which considers their interests, independence and continued contribution. Non-executive Directors are not appointed for fixed terms. The Independent Non-executive Directors who have served on the board for nine consecutive years are required to undergo a rigorous independence assessment each year.

Board evaluation

In line with the principles of King IV, the board undertakes an externally facilitated evaluation every two years. During FY2025, an external evaluation was conducted under the guidance of the Nomination and Governance Committee. The purpose of the evaluation was to assess the board's overall performance and effectiveness, recognise strengths, identify areas for development, and encourage constructive board engagement. We believe these robust plans and actions will ensure that the Sappi board has the appropriate governance, skills and experience to drive the company forward. The outcome confirmed that the board continues to operate effectively, while also highlighting areas where further enhancements could be made. Appropriate actions have been initiated to address these findings and support continuous improvement. In addition, there is a rigorous external independence assessment of those directors who have served for more than nine years on the board.

The Sappi board and diversity

Sappi operates globally and across a variety of markets, jurisdictions and cultures, requiring a diverse mix of experience, skills, gender, age and backgrounds. It is important that our board composition reflects this diversity, both in a South African context as well as globally. The board comprises an appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. It has adopted a broad diversity policy, focusing specifically on the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience at board level.

Corporate governance continued

The company remains firmly committed to promoting diversity, equity and inclusion, and has adopted a policy aimed at advancing broader diversity at board level. This policy specifically focuses on attributes such as gender and race and is duly considered and applied when making appointments to the board.

Targets have been set for 2028

- **Gender** – 30% (applicable to all Non-executive Directors); current – (3/9) – 33%
- **Race** – 50% of previously disadvantaged South Africans*; current – (3/4) – 75%.

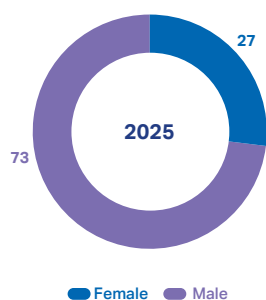
* Geographical region (geographic diversity refers to having a mix of individuals from various geographic locations on the board). For Sappi to leverage the benefits of a globally diverse board that is aligned with its geographic footprint, race was limited to previously disadvantaged South Africans in its South African region only.

Internal 2028 geographic target for Sappi regions

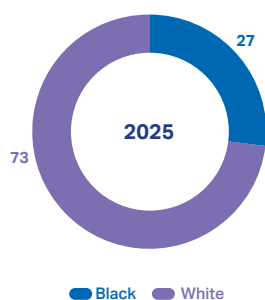
- **South Africa – 50%**; current – (4/9) – 45%
- **Europe (including the UK) – 30%**; current – (3/9) – 33%
- **North America – 20%**; current – (2/9) – 22%.

Diversity

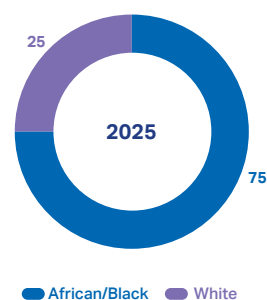
Gender (%)



Race: Board (%)

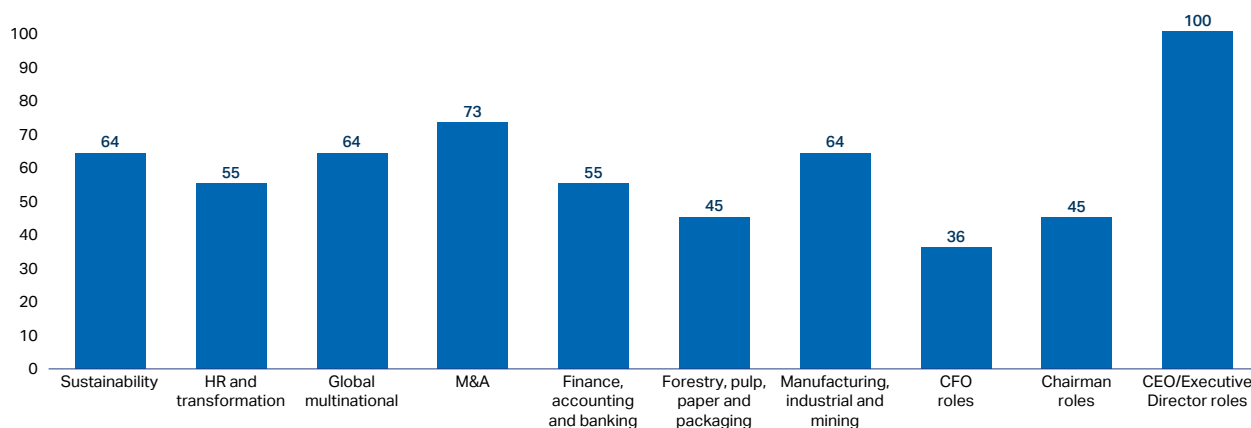


Race: SA context (Transformation) (%)



Board experience (%)

Sappi's board members have experience across multiple industries and leadership roles.

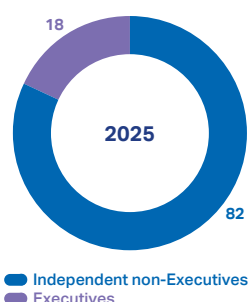


The composition of the board and attendance at board meetings and board committee meetings are set out in the table below for the year ended September 2025:

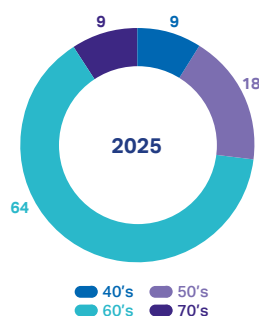
	Board		Board committees					AGM
	Name		Audit and Risk	Nomination and Governance	Human Resources and Compensation	SETS	% attendance during tenure	
Independent Non-executive Directors	BR Beamish	^				A	100	
	MA Fallon	▲			A		100	
	JM Lopez						100	
	ZN Malinga	□	A				100	
	B Mehlomakulu	v					100	
	MV Moosa	*				A	33	
	RJAM Renders						100	
	LL von Zeuner	>			A		100	
	NL Sowazi	A	C	A	C	C	95	
	E Istavridis	»					100	
Executive Directors	SR Binnie (CEO)		B	B	B		100	
	GT Pearce (CFO)		B				100	

✓ Indicates board/committee membership A Indicates board/committee Chairman B Indicates attendance by invitation C Indicates attendance *ex officio*
 * Mr Moosa – retired – **31 December 2024** (Attendance for one quarter only) ▲ Mr Fallon – appointed as Lead Independent Director – **01 January 2025**
 * Mr Fallon – no longer Chairman of Human Resources and Compensation Committee – **01 January 2025** > Mr Von Zeuner – appointed as Chairperson of the Human Resources and Compensation Committee – **01 January 2025** ▲ Mr Beamish – appointed as Chairperson of Social, Ethics, Transformation and Sustainability Committee – **01 January 2025** □ Ms Malinga – appointed as a member to the Nomination and Governance Committee – **01 January 2025**
 » Ms Istavridis – appointed as member of Social, Ethics, Transformation and Sustainability Committee – **01 January 2025** * Mr Fallon – appointed as member of Social, Ethics, Transformation and Sustainability Committee (No longer a member of Human Resources and Compensation Committee) – **01 September 2025**
 (No further SETS meetings after August 2025) v Dr Mehlomakulu – appointed as member of Human Resources and Compensation Committee (No longer a member of Social, Ethics, Transformation and Sustainability Committee) – **01 September 2025**
 Committee member or invitee Absent.

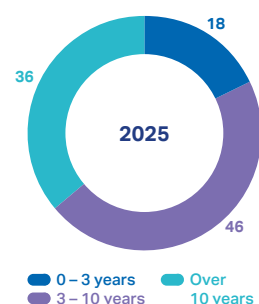
Directors' independence (%)



Directors' ages (%)



Directors' tenure (as at year-end) (%)



The board uses its quarterly meetings as a key platform to discharge its duties under the Companies Act, JSE Listings Requirements and King IV principles. These meetings also provide a forum for setting strategic direction and overseeing risk management. Agendas are thoughtfully prepared in collaboration between the Chairman, CEO and the Company Secretary. In FY2025, the board focused on enhancing and protecting long-term value, while proactively addressing risks that could lead to value erosion.

Corporate governance continued

Strategic and other focus areas

The board focused on the following items in 2025:

- Oversight of progress in executing the **Thrive** strategic plan
- Review and approval of the five-year plan
- Approval of the 2026 business plan
- Director strategy sessions
- Deep dives into the following topics:
 - Tugela Mill lignosulphonate spray dryer project
 - Sappi Europe strategic positioning
 - Sappi North America strategy
 - US tariff impacts and mitigating actions
 - Dividends versus share buybacks
 - Capital project executive methodology learning and update
 - Companies Act amendments learning
 - Global macro-strategy and asset allocation – joining the dots in asset markets
 - Review and approval of the global shipping tender
 - Post-completion audits of major capital projects
 - Tour of Kirkniemi Mill and review of the mill strategy and capex projects
 - South Africa's political and economic prospects
 - Sappi Southern Africa fatalities
 - SBTi gap analysis
 - **Thrive** strategy
- Monitoring of voluntary diversity targets, in accordance with the JSE Listings Requirements, relating to the policy on the promotion of broader diversity at board level
- Monitoring and approval of the restructuring plans for Sappi Europe
- Monitoring the economic environment in Europe and North America, including regional market peculiarities, performance, opportunities and challenges
- A review of the Code of Ethics and related policies
- Review of the safety report, statistics and initiatives
- Oversight of the company's climate transition plan
- Review of IT risks, security and cyber risk developments and monitor technology landscape
- Succession planning (Executive Committee, regional lead teams and other key positions)
- Executive remuneration overview
- Conducted an external board evaluation
- Consider the impacts of the US-announced trade tariffs
- Overview of design and implementation of the Sappi Management Plan (Sappi Future Share)
- Recommendation to shareholders for the approval of the increased headroom for the share incentive scheme
- Refinancing of the 2026 bond and securitisation programme
- Review of share performance
- Consider the opinion of investors in respect of value creation
- Review of technology and innovation projects
- Review and approval of the Group Authorities Framework
- Review of the Stakeholder Relations Report and Corporate Social Responsibility Report
- Review of credit exposure (semi-annual)
- Review of the loan guarantee schedule
- Treasury policy review
- Group insurance renewal
- Consideration of paying a dividend
- Oversight of HR's successful upgrade of the HR system technology and launch of Sappi's employee app
- Oversight of the sale of Lomati Sawmill.

All the top risks, as well as emerging risks, have been focused on by the board during 2025.

The following areas will receive specific focus by the board in 2026:

- Oversight of progress in achieving the **Thrive** strategic plan
- Capital projects execution risks and oversight
- Review the technical and innovation initiatives

- Monitoring of the geopolitical tensions in Europe and the US
- Monitor impact of trade tariffs
- Review the progress of the mill maintenance shuts scheduled for 2026 and its impact on earnings and cash flows
- Oversight of the company's climate transition plan
- Review of Sappi's captive insurance entity (strategy, governance, insurance claims)
- Monitoring of voluntary diversity targets
- Monitor actions resulting from the employee engagement survey
- Monitor developments in the technology landscape
- Monitor operational efficiency and cost management at operational level
- Heightened safety awareness programmes
- Oversight of the implementation of the provisions of the amended Companies Act and King IV
- Oversight of liquidity headroom, covenant levels and increased long-term and short-term debt risk and potential shareholder concerns in that respect
- Renegotiation of covenants
- Monitor progress and outcomes of the board external evaluation action items.

Throughout the year, the board regularly considered capital allocation and soft commodity/exchange rate price volatility. Meetings also included updates from committee chairs on key issues and decisions arising from committee deliberations, as well as comprehensive regional reports covering operational and financial performance and projections, macroeconomic and sociopolitical developments, competitive dynamics, and the broader operating environment. These sessions also addressed progress on strategic implementation, value-creation efforts, key risks and reputational issues, human capital matters and updates on significant projects in progress.

Induction and training of directors

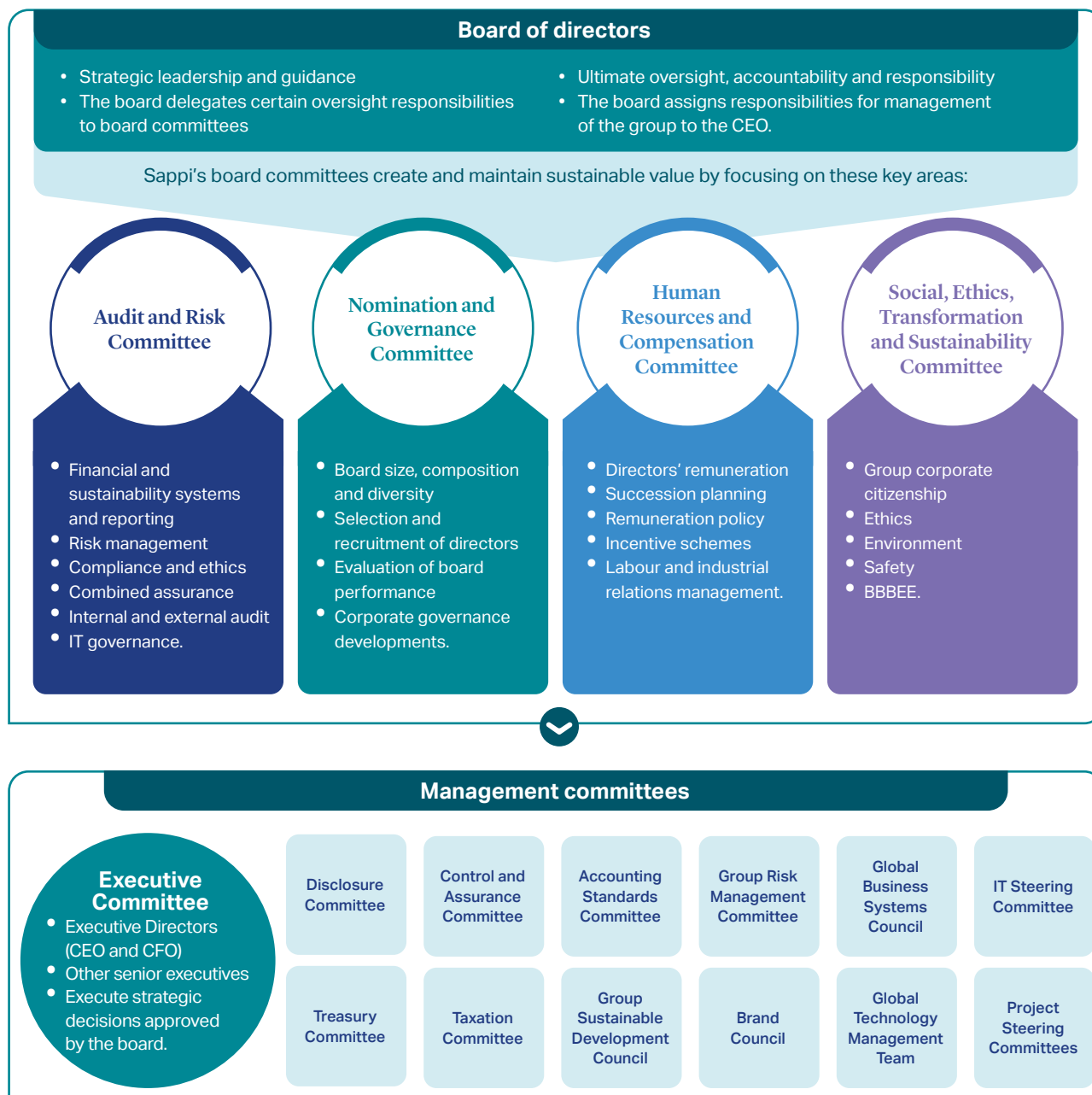
Following appointment to the board, directors receive induction and all directors receive training tailored to their individual needs. When required, RMB (sponsor) provided training for the board on governance topics, such as directors' liability, price sensitivity and dealing in securities. This includes the implementation of online training for officers, executives and Non-executive Directors on various governance, regulatory and risk topics.

Stakeholder communication

The board is responsible for presenting a balanced and understandable assessment of the group's position in reporting to stakeholders. The group's reporting addresses material matters of significant interest and is based on principles of openness and substance over form. The reporting includes information on key trade-offs that have to be made. Various policies have been developed to guide engagement with Sappi's stakeholders such as the **Group Stakeholder Engagement Policy** and **Group Corporate Citizenship Policy** on www.sappi.com/policies . The company website (www.sappi.com) and social media channels (**LinkedIn, Facebook, YouTube**) underpin the stakeholder communication programme. Sappi has a policy addressing alternate dispute resolution (ADR) and relevant ADR clauses are generally included in contracts with customers and suppliers. There have been no requests for information for the period under review in terms of the Promotion of Access to Information Act (South African legislation).

Refer to **Our key relationships** on page  62 for more information.

Board and management committees have been established and are discussed on pages 164 to 175.



The board of directors plays a central role in providing strategic direction and oversight, ensuring that long-term value is created for stakeholders through robust governance and sound control systems. It retains ultimate accountability for the performance and affairs of the group and ensures adherence to high standards of ethical conduct. The board is supported by well-constituted committees, each with clearly defined mandates and formal terms of reference that are approved by the board and reviewed annually. These committees enhance independent judgement, enable the sustainable execution of strategy, and allow the board to leverage the specialised expertise of its members in areas such as audit, risk, sustainability and executive remuneration. While committee members are appointed by the board, the Audit and Risk and Social, Ethics, Transformation and Sustainability Committees require shareholder election following board nomination. Following each meeting, committee chairpersons report back to the board, promoting transparent communication and ensuring that all aspects of the board's mandate are addressed. The minutes of board committee meetings are also made available to all board members. The board remains satisfied that the committees have the competence and capacity to effectively manage the group's current and emerging risks and opportunities.

Delegation of authority

The board's strategic oversight is supported by a formal Limits of Authority Framework, which defines how decision-making powers and responsibilities are allocated throughout the group. Subsidiary boards operate within this framework and are accountable to the board of Sappi Limited.

Board committees

The board has established committees to assist it to discharge its duties. The committees operate within written terms of reference set by the board.

Corporate governance continued



Audit and Risk Committee

Zola Malinga, (Chairperson)

Key roles and responsibilities

The Audit and Risk Committee (ARC) consists of five Independent Non-executive Directors. The committee assists the board in discharging its duties with oversight of:

- The risk management function
- Sustainability and climate change risks, including the quality and transparency of sustainability information presented in the Annual Integrated Report and the external ESG assurance provided by KPMG
- IT risks, related controls and governance. The committee continued its special focus on the increasing threats of cyber attacks and security in the operational technology area and third-party risk
- Non-financial risks and controls
- The safeguarding and efficient use of assets
- Operation of adequate systems and control processes
- The integrity of financial information and the preparing of accurate financial reports in compliance with applicable regulations and accounting standards
- Combined assurance
- Compliance with the group's Code of Ethics and external regulatory requirements
- The external auditors' qualifications, experience, independence and performance, including a review of IRBA reporting
- The review and approval of non-audit services, undertaken by external audit
- The performance of the internal audit function; this included review of the results of the annual Internal Quality Assurance review and the External Quality Assurance Review
- The performance of the finance function
- Group treasury policies, developments, refinancing arrangements and liquidity assessment
- Captive insurance matters
- Risks and governance relating to joint ventures
- Retirement fund risks, developments and independent assurance

Membership details at September 2025

ZN Malinga
RJAM Renders
B Mehlomakulu
LL von Zeuner
E Istavridis

- Review of credit exposures
- Pending litigation and legal compliance programme feedback
- Land claims review, initiatives and outlook
- Taxation policies, congruent with responsible corporate citizenship, including risk management, strategy and transfer pricing
- Asset impairments and treatment of assets held for sale
- An external review of the committee's operating effectiveness and performance every two years by way of an assessment, with feedback being provided to the board
- Review and approval of the Annual Integrated Report in a joint sitting of the ARC and the Disclosure Committee
- The impact of the announced US trade tariffs.

Strategic and other focus areas

The ARC helped to create and preserve value by providing oversight and guidance for a wide range of topics, including the following areas related to Sappi's strategy:

- Governance and risk aspects of projects to accelerate the group's ability to take advantage of opportunities in higher-margin growth segments
- Oversight of restructuring activities, risks and controls relating to the SEU region
- Impact of mill maintenance shutdowns on earnings and cash flows
- Cyber security incidents and disaster recovery plans

- Business and IT continuity arrangements
- The internal quality assurance review and external validation
- Sappi's forensic activities relating to cases reported and whistle-blower arrangements
- Governance and risks relating to joint venture arrangements
- Consider the JSE Proactive Monitoring Report
- Internal Audit GIAS Essential Conditions and how Sappi complies
- Refinancing of the 2026 bond and securitisation programme
- Sappi Southern Africa Limited dividend.

Areas of oversight for the committee in 2026 will include:

- Additional focus on IT cyber security threats and digital developments, with a key focus on third-party risks and controls    
- Sustainability risks and revised reporting for ESG matters and procedures for financial reporting attestations
- The roll-out of the various Global Business Systems projects and related risks and control activities  
- Capital, IT and business projects governance   

- Oversight of funding plans, including liquidity headroom, covenant levels and increased long-term and short-term debt risk
- Capital projects execution risks
- Challenging European environment and impact thereof
- Impairments CGU level, particularly in Europe
- Monitor progress of open issues in Sappi's Internal Control System
- Monitor impact of trade tariffs.

For more information, refer to the **Audit and Risk Committee Report** in our **Annual Financial Statements** on www.sappi.com/investors/corporate-governance-and-risk .

The ARC confirms that it has received and considered sufficient and relevant information to fulfil its duties as set out in the Audit and Risk Committee Report.

The external and internal auditors attended ARC meetings and had unrestricted access to the committee and Chairman. The external and internal auditors met privately with the ARC during 2025.

The committee is satisfied that it has fulfilled its responsibilities as set out in its terms of reference.

100%

overall committee attendance rate

Stakeholders

The ARC has helped to create and protect value for the following stakeholders: employees, customers, shareholders and regulators.

Refer to **Our key relationships** for further details on page  62.

Risks

The ARC has focused on all of the top 10 risks:

- | | |
|--|--|
| 1 Safety | 6 Climate change |
| 2 Cyclical macroeconomic factors | 7 Liquidity |
| 3 Cyber security | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 9 Supply chain disruption |
| 5 Evolving technologies and consumer preferences | 10 Employee and community relations |

For further details, refer to **Risk management** on page  52.

Corporate governance continued



Nomination and Governance Committee

Nkululeko Leonard Sowazi, (Chairman)

Key roles and responsibilities

The Nomination and Governance Committee consists of three Independent Non-executive Directors. The committee's terms of reference outline that all members should possess sufficient qualifications, knowledge, skills and experience to fulfil their duties effectively.

The Nomination and Governance Committee is accountable to the board and shareholders and assists the board with oversight of nomination and governance matters. Key responsibilities include reviewing and recommending the leadership and governance requirements of the company, including board composition and succession planning for the board, identifying and nominating suitable candidates for appointment to the board (and possibly committees), in line with the company's policy on gender and race diversity at board level, and considering the independence of candidates/directors. The committee makes recommendations on corporate governance practices and disclosures, reviewing compliance with applicable governance requirements. The committee oversees the appraisal of the performance of the board and its committees, ensuring the results of evaluations and any recommended improvements are communicated to the relevant Chairman and the board.

Other activities: reviewing shareholdings and dealings of directors; considering rotation and replacement of directors and committee chairmanships, and overseeing internal training of directors.

The committee has oversight of the actions to implement the policy on broader diversity at board level.

Full details of the targets and progress against targets are set out on page 160 of the **Corporate governance** section.

Membership details at September 2025

NL Sowazi
ZN Malinga
MA Fallon

Strategic and other focus areas

Strategic focus and recent highlights

The committee has emphasised governance, board composition, independence, diversity (gender and race) and succession planning for both the board and senior executives.

The functioning and performance of Sappi's board and board committees were assessed externally in 2025 and established that the board and board committees functioned well.

For 2025, some specific focus areas included:

- The handover process from outgoing committee chairpersons to the new chairpersons (HR and Compensation and SETS)
- Validation of gender and race targets for Non-executive Directors, especially in the Southern African region
- Board succession planning, performance evaluation, and optimising board composition in light of a changing business environment (ESG, AI, geopolitics)
- Succession plans for senior executives and the board with a focus on board composition, chairmanships, rotation and replacement of directors, as well as the appointment of replacements for direct reports of the CEO
- Rigorous external independence assessment of those directors who have served for more than nine years on the board
- Review of Sappi Limited's directors' shareholdings and dealings in securities.

Focus areas for 2026 will be:

- Optimise board composition for an increasingly complex and changing business environment
- Consider how best to oversee new and changing risks and opportunities (ESG, AI, geopolitical, etc) relevant to the business and sector
- Board succession planning, performance evaluation and gender and race targets in light of the recent retirements and appointments
- Monitor the progress and outcomes of the board external evaluation.

Significance and value-add

By overseeing nominations, governance practices, board composition and performance evaluation, the committee plays a key role in ensuring that Sappi's leadership and governance structures are well-suited to navigate business, regulatory, sustainability (ESG) and strategic risks.

Its scrutiny of diversity (gender and race) and board succession ensures the company remains aligned with stakeholder expectations and regulatory good practice.

Its role in evaluating governance, training of directors and oversight of board and committee performance helps to maintain high standards of oversight and accountability.

Through regular reviews of governance structures and practices against King IV principles, the committee ensures that Sappi's governance framework remains robust, current and aligned with international best practice.

The board charter confirms that the Nomination and Governance Committee is one of the core board committees. The committee is satisfied that it has fulfilled its responsibilities as set out in its terms of reference.

92%
overall committee
attendance rate

Stakeholders

The Nomination and Governance Committee has helped to protect value primarily for the following stakeholders: shareholders and regulators.

Refer to **Our key relationships** for further details on page 62.

Risks

The Nomination and Governance Committee focused on governance, independence and composition of the board, board committees and executive management positions to effectively address all material risks facing the company, including all of the top 10 risks.

- | | |
|--|--|
| 1 Safety | 6 Climate change |
| 2 Cyclical macroeconomic factors | 7 Liquidity |
| 3 Cyber security | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 9 Supply chain disruption |
| 5 Evolving technologies and consumer preferences | 10 Employee and community relations |

For further details, refer to **Risk management** on page 52.

Corporate governance continued



Human Resources and Compensation Committee

Louis Leon von Zeuner, (Chairman)

Key roles and responsibilities

The Human Resources and Compensation Committee consists of five Independent Non-executive Directors.

The Human Resources and Compensation Committee ensures that the policy governing compensation practices and structures within the group support the group's strategy and performance goals. The policy also enables the attraction, retention and motivation of executives and all employees.

The committee ensures that the compensation philosophy and practices of the group, including the CEO's performance objectives, are aligned with the group's **Thrive** strategy and performance goals. It reviews and agrees the various compensation programmes and, in particular, the compensation of Executive Directors and senior executives, as well as employee benefits. It also reviews and agrees to executive proposals on the compensation of Non-executive Directors for approval by the board and ultimately by shareholders.

On 01 January 2025, Mr MA Fallon was appointed as Lead Independent Director and, as such, resigned from the committee as Chairman but remained as a member until 01 September 2025. Mr LL von Zeuner was appointed Chairman on 01 January 2025. Ms B Mehlomakulu was appointed to the committee as a member effective from 01 September 2025.

Strategic and other focus areas

The 2024 report was supported at the AGM on 05 February 2025 with a vote of 92.29% on the remuneration policy and 94.63% on the implementation report. This has been a significant endorsement by the shareholders in relation to our ongoing commitment to good governance and disclosure.

Membership details at September 2025

LL von Zeuner
RJAM Renders
BR Beamish
JM Lopez
B Mehlomakulu

Apart from its normal annual work plan, the key focus for the committee was on the following:

Recommended and approved

- The allocation of 2025 performance share awards to Executive Directors and all other eligible participants
- Salary increases and bonus payments for Executive Directors and other key senior managers for 2025
- Fee levels for Non-executive Directors of the Sappi Limited board for consideration and recommendation to shareholders for approval
- The allocation model and the comparator peer group for the 2025 performance share plan (PSP)
- Design of the 2025 Sappi Management Plan (Sappi Future Share)
- The cash flow return on net assets (CFRONA) calculation
- The ordinary resolution for the implementation of the Sappi Management Plan (Sappi Future Share)
- Ordinary resolution to increase the minimum number of shares, which may be settled under the long-term incentive plan.

Reviewed

- The 2024 Remuneration Report, including the content of the company's compensation policy and practices, which was put to shareholders for a non-binding vote at the AGM in February 2025
- Development of the 2025 Remuneration Report for shareholder approval in February 2026
- The succession, retirement and development plans for key management positions

- The group's industrial relations policy and implementation
- The group's training and development policy and implementation
- The investor feedback on the 2024 Remuneration Report
- The status of all benefit funds
- The Sappi 2025 Employee Engagement Survey
- The Sappi variable pay plans
- The rules of the 2026 Management Incentive Scheme (MIS) and standardisation across all regions
- The extension of the Minimum Shareholding Requirement (MSR).

Strategic focus areas for the committee in 2026

Key activities for the committee in 2026 will be, *inter alia*:

- The approval of the remuneration and bonuses for Executive Directors and senior management
- Reviewing and approval of measures for both long- and short-term incentives
- Implementation of the Sappi Management Plan (Sappi Future Share)
- Implementation of the new measures for both the long-term and short-term incentive plans
- Succession in key positions across Sappi
- Gender representativity across all Sappi operations
- Implementation of the changes as recommended by the new Companies Act and King IV
- No major expansion projects are planned over the next two years. The committee's primary focus in 2026 will be to support business performance and profitability through acknowledging and rewarding:
 - Improved safety performance across all regions
 - Disciplined cost management

- Ramp-up of PM2 operations at Somerset Mill
- Significant reduction in SEU overhead costs
- Finalisation and execution of restructuring plans to return SEU to profitability
- Production stability in SSA
- Enhanced shareholder value through disciplined debt reduction
- Proactive management of industrial relations during ongoing restructuring
- The committee will be kept updated on the engagement survey action items.

In addition to the annual work plan as approved by the committee, the Chairman of the committee and senior executives from Sappi will visit key shareholders to discuss issues of mutual concern.

The committee is satisfied that it has fulfilled its responsibilities as set out in its terms of reference.

In accordance with section 61 of the amended Companies Act No 71 of 2008, the group's Remuneration Report for the year ended 30 September 2025 is presented to shareholders as part of the 2025 Annual Integrated Report. The report provides a comprehensive overview of Sappi's remuneration policy, its implementation and alignment with performance, shareholder value creation, and good governance practices. Shareholders will be invited to consider and endorse the report at the annual general meeting.

For more information, refer to the **Remuneration Report** on page 182.

100%
overall committee
attendance rate

Stakeholders

The Human Resources and Compensation Committee has helped to protect value primarily for the following stakeholders: employees, shareholders and regulators.

Refer to **Our key relationships** on page 62 and to the **Remuneration Report** on page 182 for further details.

Risks

The Human Resources and Compensation Committee has focused on the following of the top 10 risks:

- | | |
|----------------------------------|--|
| 1 Safety | 6 Climate change |
| 2 Cyclical macroeconomic factors | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 10 Employee and community relations |

For further details, refer to **Risk management** on page 52.

Corporate governance continued



Social, Ethics, Transformation and Sustainability Committee

Brian Beamish, (Chairman)

Key roles and responsibilities

The Social, Ethics, Transformation and Sustainability (SETS) Committee comprises four independent Non-executive Directors and the CEO. A 94% attendance record was achieved by board committee members for 2025. Other executive and group management committee members attend SETS Committee meetings by invitation. It should be noted that a number of other Non-executive Directors attend SETS Committee meetings ex officio. The Chairpersons of the ARC and SETS Committee attend each other's committee meetings to avoid unnecessary repetition of discussions.

The committee's mandate is to oversee the group's sustainability strategies, activities addressing climate change, nature impacts, ethics management, good corporate citizenship, labour and employment practices, health and safety, as well as its contribution to social and economic development and, with regard to the group's South African subsidiaries, the strategic business priority of transformation. The committee monitors progress towards and ensures that appropriate programmes are implemented to achieve the company's sustainability targets. The committee regularly reviews targets to ensure that they are both relevant to our operating context and reflective of an appropriate level of ambition.

As environment, social governance (ESG) reporting and disclosures become increasingly important to stakeholders and aligning with our strategic imperative to enhance trust, the committee is mandated to oversee the company's public disclosures, ensuring that reporting is aligned with appropriate global standards and compliant with regulatory requirements.

The SETS Committee is supported by the Group Sustainable Development Council (GSDC), as well as by Regional Sustainability Committees in dealing with day-to-day sustainability issues and helping to develop and entrench related initiatives in the business.

Membership details at September 2025

BR Beamish
SR Binnie
MA Fallon
E Istavridis
JM Lopez

The recent Companies Amendment Act No 16 of 2024 requires public companies to have members of their Social and Ethics Committee elected by shareholders at each annual general meeting. This change enhances shareholder oversight and transparency in the appointment process. The board nominates suitably qualified and independent candidates, ensuring the committee comprises at least three members, the majority being Non-executive Directors not involved in day-to-day management, in line with King IV principles of accountability and good governance.

The Chairman of the committee and Lead Independent Director, Mr MV Moosa, retired from the board and the committee on 31 December 2024. Mr BR Beamish was appointed as Chairman of the committee from 01 January 2025. Ms E Istavridis was appointed to the committee on 01 January 2025. Dr B Mehloakulu resigned from the committee on 01 September 2025 and Mr MA Fallon was appointed to the committee on 01 September 2025.

Strategic and other focus areas

In 2025, the committee provided oversight of:

- Sappi's social and economic development standing (UNGC and OECD)
- Review of the decent work and working conditions in terms of the International Labour Organization protocol
- Safety performance across the three operating regions, safety incidents, and key safety initiatives and action plans
- Progress towards the 2025 sustainability targets for the three operating regions, Sappi Forests and consolidated group performance

- Progress towards the validated science-based targets (SBTs) and the approved climate change strategy, including the climate action aligned with the TCFD and the transition plan
- External assurance on selected ESG KPIs: group LTIFR, group Scope 1 and Scope 2 emissions, Scope 3 emissions category 1: Purchased goods and services (t CO₂e), group certified fibre, group waste-to-landfill and specific water usage in South Africa
- SSA's performance against the applicable BBBEE legislation, the Employment Equity Act and the Forestry Charter, including unfair discrimination and equality policy
- Sappi's Code of Ethics, ethics training programme and its effectiveness
- Group training and development programmes
- Production unit operating efficiencies, reliability and unscheduled downtime metrics
- Sappi's public sustainability disclosures
- Reviewed and approved various policies:
 - Group Sustainability Charter
 - Group Environmental Policy
 - Group Climate Change Policy
 - Group Water Stewardship Policy
 - Group Woodfibre Procurement Policy
 - Group Product Safety Policy
 - Group Human Rights Policy
 - Group Occupational Health and Safety Policy
 - Group Diversity and Inclusion Policy
- Review and approval of the group Corporate Citizenship Policy and endorsement of the public affairs and social impact programmes
- Review of global public policy development and impact to Sappi
- Review of group safety statistics

- Consolidated HR report on key training and development initiatives
- Review of company policy on diversity and inclusion
- Deep dives were conducted into the following areas:
 - Skills development and compliance training: building Sappi's people for the future
 - Reflecting on 2020 to 2025: Sappi's progress toward **Thrive** 2025 sustainability targets
 - 2030 sustainability targets: strengthening resilience through sustainable action.

Strategic focus areas for the committee in 2026

The committee will provide oversight of the following strategic business areas in 2026: 

- Further development of the approach to nature-related disclosures aligned with the Task Force on Nature-related Financial Disclosure (TNFD)
- Progress towards the validated SBTs and the climate change strategy
- Alignment of group sustainability disclosures to comply with the European Corporate Sustainability Reporting Directive for the FY2028 reporting period
- Progress towards **Thrive** sustainability targets for 2030
- Production efficiencies and events
- Employee Engagement Survey action plans.

The committee is satisfied that it has fulfilled its responsibilities as set out in its terms of reference.

For more information, refer to the **SETS Committee Report** on page  206 and to **Our global sustainability goals** www.sappi.com/sustainable-purpose .

94%
overall committee
attendance rate

Stakeholders

The SETS Committee has a broad spread of stakeholders for whom it helps protect (or create) value: suppliers, customers, employees, regulators, shareholders and society.

Refer to **Our key relationships** for further details on page  62.

Risks

The SETS has focused on these top 10 risks:

- | | |
|---|---|
| 1 Safety | 8 Uncertain and evolving regulatory and public landscape |
| 4 Sustainability expectations | 9 Supply chain disruption |
| 5 Evolving technologies and consumer preferences | 10 Employee and community relations |
| 6 Climate change | |

For further details, refer to **Risk management** on page  52.

Corporate governance continued

Management committees

The board assigns responsibility for the day-to-day management of the group to the CEO. To assist the CEO in discharging his duties, a number of management committees have been formed. Some of these committees also provide support for specific board committees. The management committees are a key component of Sappi's second line of defence and assurance. Refer to page 177 for additional details of Sappi's approach to risk, controls and assurance.

Executive Committee

This committee comprises Executive Directors and senior management from Sappi Limited, as well as the CEOs of the three main regional business operations and the dissolving wood pulp business. The CEO has assigned responsibility to the Executive Committee for a number of functional areas relating to the management of the group, including the development of policies and alignment of initiatives regarding strategic, operational, financial, governance, sustainability, social and risk processes. The Executive Committee meets at least five times per annum. All key topics discussed at board level are subject to review and discussions by the Executive Committee.

Group Risk Management Committee



The committee is known as the Group Risk Management Team (GRMT) and is mandated by the board to establish, coordinate and drive the risk management process throughout Sappi. It has established a risk management system to identify and manage significant risks. The GRMT regularly reports on risks to the ARC and the board. Risk management software is used to support and report on the risk management process. During 2025, ongoing key initiatives included updating the regional risk registers and business continuity plans, including IT security risks. A new major project aligned with GRMT focuses on manufacturing operational technology (OT) security and is jointly led by manufacturing and IT. The GRMT will continue reviewing policy, procedures and assurance, and provide oversight of group, regional and unit-level emerging risks. This includes risk assessments and analysis required for climate change and ESG-related risks and exposures, as well as any new emerging risks.

Group Sustainable Development Council



The Sappi Group Sustainable Development Council (GSDC) leads on all sustainability-related policies and practices and provides support to the SETS Committee. Members meet quarterly to report progress against sustainability goals and key initiatives, share best practices, and exchange information on emerging issues. Members review regional information for various disclosure mechanisms, including the CDP's Climate Change, Forests and Water Programmes and the annual 2025 Sappi Group Sustainability Report.

Key focus areas in 2025 included:

- Oversight and review of the **Thrive** sustainability targets
- Sappi's climate change strategy and action plans, including:
 - Alignment of Sappi's decarbonisation road map with the Science Based Targets initiative (SBTi)
 - Assessment, and improvement, of our resiliency to risks and opportunities posed by climate change, as framed by the TCFD
- Sustainable procurement, roll-out of EcoVadis to our top suppliers
- Social impact strategy for South Africa
- Identifying collaboration opportunities to further Sappi's sustainability objectives and leverage Sappi's expertise to contribute to the SDGs.

Brand Council



The Brand Council's mission is to strengthen Sappi's brand awareness and reputation by ensuring that its values and identity are consistently expressed across all touchpoints and regions. The council drives cohesion and strategic alignment across the organisation, supporting sustainable growth through more impactful and efficient communication. By evaluating the effectiveness of marketing and corporate communications, it shares insights and best practices that enable continuous improvement and deliver value to both corporate and commercial teams. Annual brand and corporate identity audits reinforce alignment and excellence, while monthly meetings provide a platform for cross-functional collaboration that inspires action and strengthens Sappi's brand in line with its purpose, vision, and business strategy.

Key initiatives in 2025 included:

- Finalisation of a global brand health tracking framework and refinement of brand positioning to strengthen competitiveness and customer relevance
- Development of an employer brand programme to enhance Sappi's attractiveness as an employer
- Launch of a new website and internal communication app, increasing brand visibility – internally and externally – and employee engagement
- Reinforcement of the sustainability narrative across brands and communications
- Execution of a comprehensive brand audit – expanded beyond visual identity to include content strategy – to harmonise brand execution across geographies, channels and messaging.

Project steering committees



For key strategic projects, steering committees are established to oversee the successful execution of the project. Project development follows Sappi's documented project execution methodology. Scrutineering teams are assigned to strategic projects from the initiation phase to assist projects under development in identifying alternatives and eliminating bias related to technical and market assumptions. Post-completion project audits feedback to capture any learnings.

Global Technology Management Team



The Global Technology Management Team (GTMT) is a global team of managers from operations through to R&D, constituted to coordinate technology management at Sappi. The committee is accountable to the group Executive Committee under terms of reference, which includes the following key accountabilities: management of technical knowledge sharing, establishing best practice, enhancing manufacturing efficiencies, cost reduction and lean manufacturing processes, and accelerating innovation to support our **Thrive** strategy.

The GTMT is supported by a number of technology clusters to create value as follows:

- Assisting the group Executive Committee and the Sappi board with the coordination and oversight of the group technology strategy planning and execution
- Provide oversight of the global innovation portfolio based on business priority and value delivery metrics
- Recommend resource allocation and review skills requirements to deliver the **Thrive** goals
- Provide oversight of the interregional progress and projects undertaken by the technology clusters to advance knowledge sharing, best practice development and performance achievement in the area of focus of the respective clusters
- The GTMT provides support to identify best-available technology and share best practice to optimise return on investment, as well as to harmonise procedures and processes towards application of best practice adoption of common standards and measurements via a OneSappi approach
- Review new-to-the-world technology trends, futures and scout for new and disruptive technology developments in order to recommend how Sappi acts or exploits the same
- Review manufacturing efficiencies and develop processes and procedures to deliver continuous improvement and reverse negative trends
- Provide oversight of the safety and operational risk mitigation programmes
- Coordinate technical scrutineering of capital investments to enhance value delivery and mitigate risk
- Coordinate the Sappi Technical Excellence Awards, which recognise innovation and technical excellence across the group
- Coordinate global deployment of skills, on a needs basis, to make the most effective use of group skills and experience to deliver material value opportunities.

The GTMT and technology clusters focus on global technical alignment, performance and efficiency measurement as well as new product development.

Corporate governance continued

Disclosure Committee



The Disclosure Committee comprises members of the Executive Committee and senior management from various disciplines. Its objective is to review and discuss financial and other information prepared for public release. It is the ultimate decision-making body, apart from the board, with regard to disclosure.

IT Steering Committee



The IT Steering Committee, assisted operationally by the Group IT Council (GITCO), promotes IT governance throughout the group and is the highest authority responsible for this aspect of Sappi's business, apart from the board. The committee has a charter approved by the ARC and the board. An IT governance framework has been developed and IT feedback reports are presented to the ARC and the board. Sappi IT has implemented a standardised approach to IT risk management through a group-wide risk framework supported by the use of risk management software. The committee has helped to create value for shareholders in 2025 by its oversight of:

- The implementation of major strategic projects to drive operational excellence in manufacturing, sales, supply chain, finance and logistics, among other functions
- The digital strategy and governance model to drive innovation at scale across all divisions, expanding into higher value use cases
- The expansion of the group security function and talent pipeline and tangible progress toward the security strategy, including formal manufacturing security governance and roadmap
- The framework to evaluate enhanced third-party IT security risks assessment capabilities
- The delivery of a cohesive expanded cloud infrastructure and security capabilities strategy, inclusive of security resilience
- The deployment of global operational technology (OT) security solutions across the manufacturing landscape
- Refreshed strategic planning around core enterprise solutions.

A significant part of the IT Steering Committee's responsibility is to monitor and direct Sappi's information and cyber security activities. The ARC oversees these activities. Security matters are shared and discussed with the board at least quarterly. Sappi does have cyber risk insurance. Sappi's internal IT audit team undertakes reviews of information and cyber security.

Oversight by the committee will continue in 2026 for these IT initiatives, as well as:

- Support for new business priorities to address evolving market conditions in alignment with **Thrive** priorities
- Capitalising on innovative new solutions to maximise value realisation
- Additional security improvements, including enhanced data analytics, recovery capabilities, global OT security standards, central vulnerability management and further smart partnerships to extend security best practices and capacity
- Infrastructure simplification through further global harmonisation opportunities and cloud consolidation.

Treasury Committee



The Treasury Committee meets monthly to assess financial risks on treasury and finance-related matters. Specific focus areas in 2025 related to:

- Refinancing the Sappi Papier Holding EUR240.3 million 2026 bond maturity, with a new EUR300 million 2032 bond
- Renewal of the Sappi Papier Holding EUR280 million securitisation programme to 2028
- Focus on liquidity and short-term debt in the context of the final capex phase for the Somerset Mill conversion and expansion project.

Key focus areas in 2026 will be:

- The renewal and extension of the Sappi Papier Holding and Sappi Southern Africa Revolving Credit Facilities
- Consider appropriate term debt structures to term out a portion of the short-term debt
- Consider appropriate action for upcoming debt maturities.

Sappi Accounting Standards Committee



The Sappi Accounting Standards Committee (SASC) meets regularly to discuss and decide on the accounting treatment and the application of accounting standards at Sappi. SASC comprises finance, treasury and accounting officers throughout the group. Internal and external audit attend meetings by invitation.

Taxation Committee



The Taxation Committee meets quarterly to discuss and address global taxation matters. The main focus areas of the committee for 2025 included:

- Tax accounting and reporting
- Tax compliance, including transfer pricing and Base Erosion and Profit Shifting (BEPS) reporting
- Tax audits and international mitigation measures to avoid double taxation
- Tax implications of strategic projects
- New tax legislation.

These topics will continue to receive oversight from the committee in 2026.

Control and Assurance Committee



The Control and Assurance Committee (CAC) comprises group and regional heads of department representing all the main operating and support functions at Sappi. CAC is supported by the internal control function and internal audit. A multi-disciplinary Combined Assurance Workgroup (CAW) provides insight, foresight and guidance to the business on internal controls and combined assurance for financial, strategic and operational risks. CAW provides input to CAC, which, in turn, is accountable to the GRMT and the ARC.

Corporate governance continued

Ensuring leadership through ethics and integrity

Sappi is committed to doing business the right way. Trust is created by operating from a commonly accepted set of values, thereby enhancing and protecting our reputation. We require our directors and employees to act with integrity, to be courageous, to make smart decisions, and to execute them with speed in their dealings with all business partners and stakeholders.

Code of Ethics

Our values underpin the group's Code of Ethics (the code) and commit the group and its employees to sound business practices and compliance with applicable legislation, which helps promote our legitimacy.

All new employees receive training on the Code of Ethics and related topics, such as anti-bribery and corruption and anti-competitive practices, as part of their onboarding. Employees receive refresher training on these courses every three years.

To reinforce key ethical principles, we highlighted international observances such as Global Ethics Day, International Fraud Awareness Week and World Whistle-blower Day during 2025.

A group Supplier Code of Conduct (Code) has been developed and communicated to help ensure that Sappi's values and ethical standards are understood and supported by our suppliers, their first-tier suppliers and other stakeholders.

Steps are taken against employees and suppliers who do not abide by the spirit and provisions of our code. This may include the termination of contractual arrangements and criminal actions.

Refer to www.sappi.com  for the **Code of Ethics**.

Legal compliance programme

Sappi's group Legal Compliance Programme (LPC) is designed to increase awareness, and enhance compliance with, applicable legislation in place. The group compliance officer reports twice per annum to the ARC.

The LPC has been boosted by:

- The licensing of legal compliance software, including Exclaim for Sappi Southern Africa SA, Etor Compliance Management for Sappi's German mills, Syneris, in Austria and Policy Passport for group policies and procedures
- The provision of online training in 2025 to employees on relevant legal compliance topics, including our social media policy, occupational health and safety, and the Code of Ethics.

Key focus areas in 2026 will be:

- Competition law training
- Global privacy law training
- Anti-bribery and corruption training.

Conflicts of interest

The group has a conflicts of interest policy that obliges all employees to disclose any interest in contracts or business dealings with Sappi to assess any possible conflict of interest. The policy also dictates that directors and senior officers of the group must disclose any interest in contracts, as well as other appointments, to assess any conflict of interest that may affect their fiduciary duties. In July 2025, an initiative was launched in South Africa, requiring employees to declare any conflicts of interest annually via a dedicated software platform – even in instances where they have no conflicts to report.

During the year under review, apart from that disclosed in the financial statements, none of the directors had a significant interest in any material contract or arrangement entered into by the company or its subsidiaries.

For more information on how Sappi addresses conflicts of interest, please refer to the **Preventing fraud and corruption** section of the Code of Ethics at www.sappi.com/about-us/code-of-ethics .

Insider trading

The group has a Code of Conduct for dealing with company securities and follows the JSE Limited Listings Requirements and Companies Act in this regard.

For further information, please refer to the **Insider trading** section of the Code of Ethics, which can be found at www.sappi.com/about-us/code-of-ethics .

Reporting on compliance and ethics concerns

Sappi employees and stakeholders can report any potential illegal or non-compliant behaviour they observe directly to senior management, internal audit or legal counsel. Alternatively, they can report to Sappi Ethics Hotline either anonymously, via telephone or by completing an online web-portal form. Whistle-blower 'hotlines' have been implemented in all the regions in which the group operates. The hotline and web-portal service, operated by an independent service provider, enables all stakeholders to anonymously report environmental, safety, ethics, accounting, auditing, control issues or other concerns. Retaliation against whistle-blowers is not tolerated. The follow-up on all reported matters is coordinated either by legal counsel or internal audit and reported to the ARC. The majority of calls and ethics reports received related to the Southern African region.

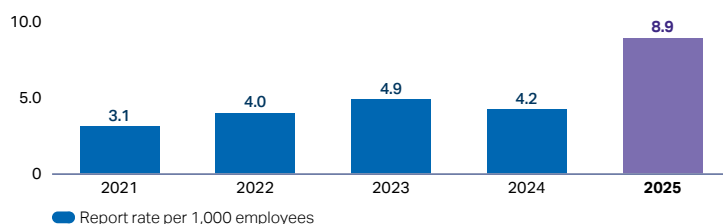
Please refer to the whistle-blower hotline and ethics report graphs (refer to page  177) for information on the following:

- Number of hotline calls per 1,000 employees
- Number of forensic cases closed and average time spent per case
- Categories of hotline calls and ethics reports
- Outcome of the investigations.

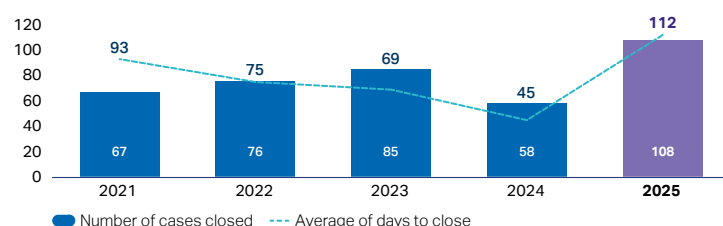
There has been an increase in the hotline report rate per 1,000 employees and forensic cases closed in FY2025, as a result of multiple calls received for the same issues. This does not imply an increase in risk. Sappi considers improved utilisation of the hotline as a positive development. An additional factor is the decrease in the number of employees at Sappi. The increase in average days to close forensic cases is primarily related to employment-related matters.

Sappi's hotline report rates, categories of reports, and outcomes of cases broadly align with international whistle-blower benchmark data. For more information, refer to the **Reporting and whistle-blowing** section of the Code of Ethics at www.sappi.com/about-us/code-of-ethics .

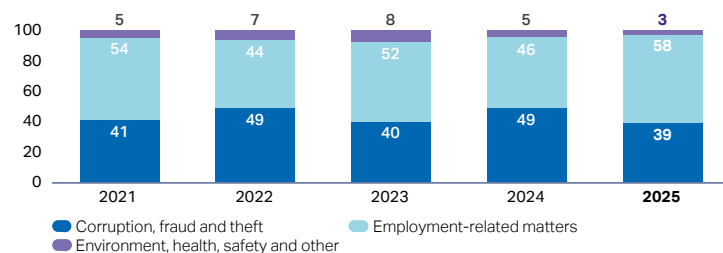
Hotline report rate per 1,000 employees per annum



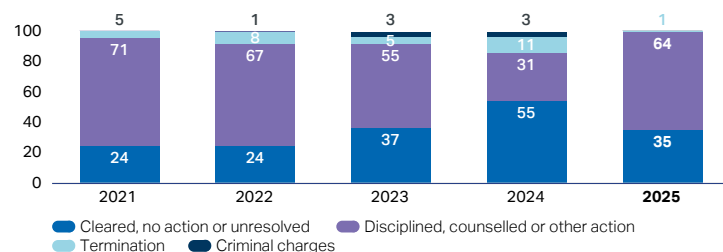
Forensic cases closed and average time taken to close



Hotline and ethics cases by category (%)



Hotline and ethics case outcomes (%)



Financial statements

The directors are responsible for overseeing the preparation and final approval of the group's Annual Financial Statements, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The group's results are reviewed prior to submission to the board, as follows:

- All quarterly results – by the Disclosure Committee as well as the ARC
- The half-year and preliminary annual results are reviewed by external audit. The interim results for Q1 and Q3 are reviewed upon request
- The annual financial results are also reviewed by the Disclosure Committee, ARC, and are audited by external audit.

Risk, controls and assurance at Sappi

Risks facing the group are identified, evaluated and managed by implementing risk mitigations such as insurance, strategic actions or specific internal controls. Sappi maintains a robust framework of risks and controls that assists in the application of the King IV guidelines and the achievement of governance outcomes by helping to create an ethical culture establishing effective control and promoting legitimacy, all of which help Sappi and its stakeholders to benefit from good performance. The framework includes controls addressing our material matters by focusing on the main drivers of Sappi and comprises both financial and non-financial controls, which support the achievement of our strategy, within our risk appetite and tolerance levels, across the economic, social and environmental context in which the organisation operates as well as each of the six capitals set out in the International Integrated Reporting Council's model. More information on these capitals and integrated thinking in the context of Sappi's sustainable business model can be found in **Our strategy and performance** on page 119, as well as **Our global sustainability goals** www.sappi.com/sustainable-purpose.

The group's internal controls and systems are designed in accordance with the Committee of Sponsoring Organizations' control framework to support the achievement of the group's objectives, including strategic, operational and financial performance goals, effective and efficient use of resources, safeguarding assets against material loss, integrity and reliability of internal and external financial and non-financial reporting, and compliance with applicable laws and regulations.

Sappi operates a combined assurance framework, which aims to optimise the assurance coverage obtained from management and internal and external assurance providers on the risk areas affecting the group. Combined assurance is overseen by CAC. The committee and its CAW provide holistic feedback to the GRMT and ARC on the state of controls and the quality and coverage of assurance from the various assurance providers across Sappi's three lines of assurance. The workgroup focused on the following risk topics in 2025: fibre certification, fraud and ethics management, cyber security, operational technology, legal compliance, business continuity, contractors and maintenance, energy, waste and safety.

In FY2026, the CAW will assist the CAC to create and protect value by further developing combined assurance, risks and controls relating to IT security, regulatory compliance and sustainability.

Corporate governance continued

Sappi's combined assurance framework, incorporating three lines of assurance and oversight by the board and board sub-committees:

Risk areas and value drivers, capitals	First line of assurance	Second line of assurance	Third line of assurance	Oversight by the board
	Business management operations supported by appropriate controls and systems	Monitoring and oversight functions	Independent assurance provided by external audit, internal audit and other assurance providers through the audit of certifications	Board and board sub-committees
Governance, risk and controls – general (core business cycles)	- Day-to-day risk management activity - Established risk and control environment - Executive, corporate and regional lead teams - Corporate and regional business functions, eg sales, finance, IT, HR, purchasing - Business units, eg forestry, mills, sales offices - Business unit operations, eg production, engineering, controlling, materials management.	CAC, management self-assessments	Internal audit	Audit and Risk sub-committee
Strategy and vision, competition and markets, sociopolitical		Executive Committee, Group Head Strategy, Global Business Council, CAC, management self-assessments	Internal audit	Nomination and Governance Committee
Financial, tax and treasury		Control and assurance, accounting standards, taxation, treasury and Disclosure Committees, management self-assessments	KPMG, tax authorities, internal audit	ARC
Legal and compliance		Legal compliance programme, Group Compliance Manager	Legal compliance audits, internal audit	ARC, SETS Committee, and Human Resources and Compensation Committee
IT		IT Steering Committee, group IT governance functions, management self-assessments	KPMG, ISA 3402s, penetration testing, internal audit	ARC
Planet, environment, natural capital		Sustainability Councils, Global E4 Committee (GEC), GRMT	ISO 14001, FSC™, PEFC, SFI®, EMAS, KPMG, EcoVadis Government reviews emissions effluent etc, internal audit	SETS Committee
Ethics		Group Compliance Manager, ethics surveys, management self-assessments	Internal audit	SETS Committee, ARC
People, HR and transformation		Global Human Resource Committee, regional labour forums, employee engagement surveys, management self-assessments	BBBEE audits, internal audit	ARC, SETS Committee, and Human Resources and Compensation Committee
R&D, intellectual property		Group technical cluster, management self-assessments	ISO 17025, internal audit	SETS Committee
Manufacturing, supply chain management, quality, forestry		Technical clusters and platforms, regional safety, health, environment and quality audits, supplier audits, management self-assessments	ISO 9001, ISO 50001, FSC™, PEFC, SFI®, matrix, internal audit	SETS Committee
Stakeholders, communication, reputation, society		Group corporate affairs, sustainability and investor relations functions	Internal audit	SETS Committee
Safety		Group and regional risk management teams, safety audits	ISO 45001, ISO 22000, regulatory inspections, internal audit	SETS Committee

A key element of combined assurance at Sappi is derived from the annual control self-assessments completed by control owners, which helps to protect value for stakeholders by providing management and the board with assurance on the state of controls throughout the group. The remediation of control gaps identified through this process is monitored by management, relevant committees, auditors and the board.

The ARC advises the board on the state of risk management and controls, as well as assurance, in Sappi's operating environment. This information is used as the basis for the board's review, sign-off and reporting to stakeholders, via the Annual Integrated Report and Annual Financial Statements, on risk management and the effectiveness of internal controls and assurance within Sappi.

As part of combined assurance with respect to reported information, Sappi has obtained assurance on the data in the Annual Integrated Report from the following sources:

- Financial data is independently audited by KPMG
- External sustainability assurance was obtained from KPMG in 2025 for Scope 1 and 2 emissions information, water usage in South Africa, fibre certification, waste, as well as specific safety information

- Specific planet (environment) related processes are subject to review by third parties during the year. Certain local environmental and safety reporting is subject to audit by local regulators
- Reviews of sustainability information were undertaken by central technical management and internal audit.

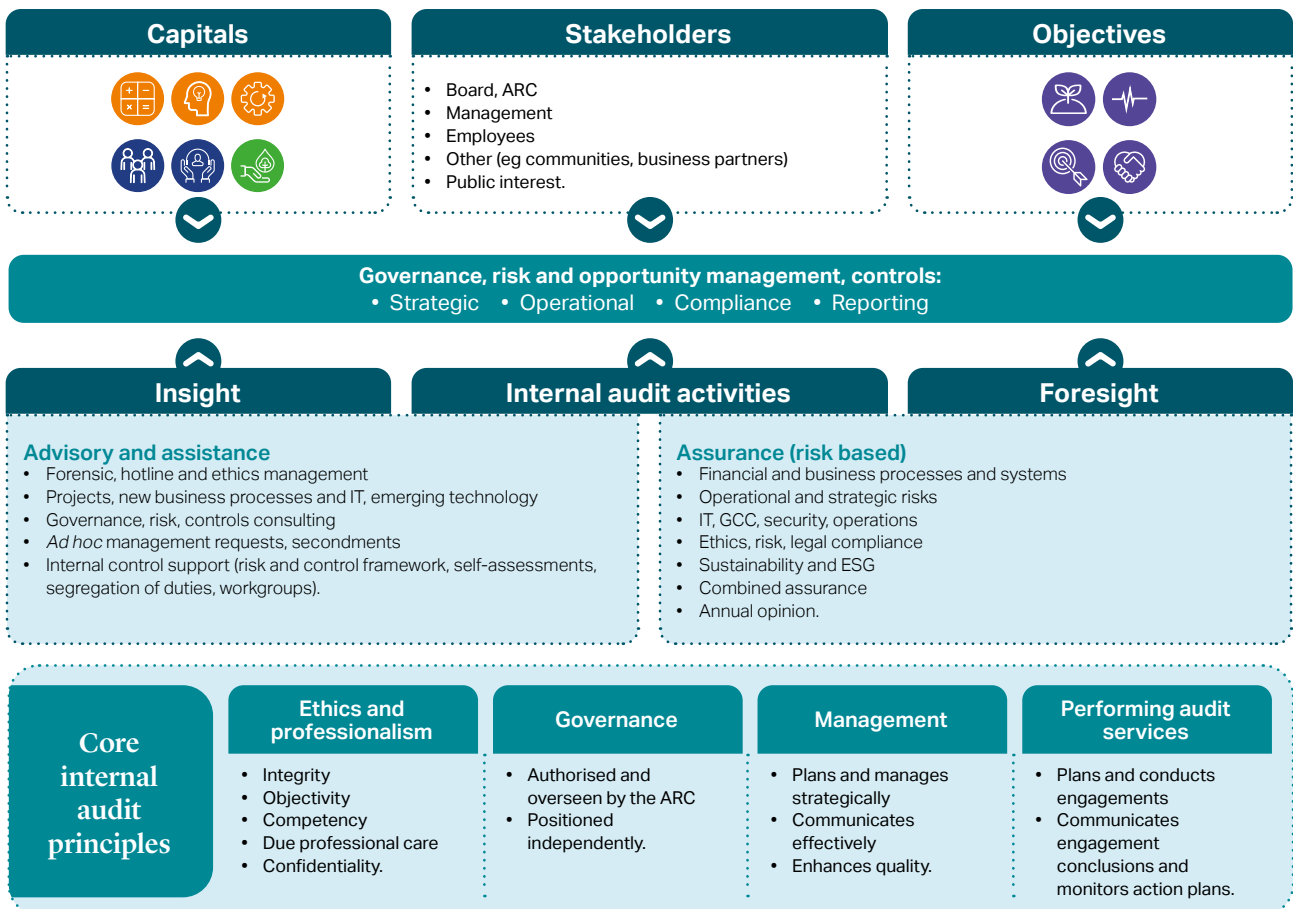
Internal audit

The group has an effective, suitably resourced, risk-based Internal Audit department. The department operates in terms of a specific charter from the ARC and independently appraises the adequacy and effectiveness of the group's governance, risk management, systems, internal controls and accounting records. Internal audit coordinates combined assurance and reports the findings to local and divisional management, the external auditors, and the ARC.

The Head of Internal Audit reports to the ARC, meets with board members, has direct access to executive management and is invited to attend certain management meetings.

The role of the internal audit function at Sappi is set out in the following diagram:

Internal audit value proposition



Corporate governance continued

During 2025, the risk-based coverage plan was substantially achieved. Apart from the ongoing focus on financial controls, internal audit helped to create and protect value for Sappi and our stakeholders by completing reviews in support of the following strategic objectives:

- Achieve cost advantages: advisory services to the global business systems projects (requisition to pay, sales order to cash, implementation of advanced analytics, procurement, as well as contractor charges)
- Rationalising declining businesses: project management reviews for business optimisation projects
- Accelerate growth in higher-margin products: assurance reviews of sales, R&D, and Somerset Mill conversion and expansion project in SNA.

In 2026, internal audit will support the achievement of Sappi's **Thrive** strategic objectives by completing advisory and assurance projects in the following areas:



Grow our business: R&D, packaging and speciality papers



Sustain our financial health: sales, procurement, treasury, working capital processes and activities



Drive operational excellence: sales and operations, maintenance, energy, strategic business and IT projects, including global Mill Execution System (MES) projects



Enhance trust: ethics, governance, sustainability, regulatory compliance and cyber security reviews

Internal audit maintains an internal quality assurance programme. Our last external quality assurance review was conducted by the Institute of Internal Auditors (IIA) in 2025. A Fully Conforms rating was received, which is the highest of the four levels of conformance to the IIA's standards. The

external review commended internal audit on its credibility, technical expertise, deep knowledge of the business, and ability to operate as a cohesive 'OneSappi' global audit team. Stakeholders consistently highlighted the constructive, collaborative nature of their interactions with GIA, as well as the relevance and quality of the assurance provided. The function is not only trusted as an assurance provider but also respected as a strategic partner in governance, risk and control enhancement. Matters that arose and have been addressed include enhancing root cause analyses and improving report turnaround.

A focus for 2026 will be further updated to internal audit's approach to leverage technology (AI and advanced analytics).

Board assessment of the company's risk management, compliance function and effectiveness of internal controls, and combined assurance

The board is responsible for the group's systems of internal financial and operational control. As part of an ongoing comprehensive evaluation process, control self-assessments, independent reviews by internal audit, external audit and other assurance providers were undertaken across the group to test the effectiveness of various elements of the group's financial, disclosure and other internal controls as well as procedures and systems. Identified areas of improvement are being addressed to strengthen the group's controls further. The board has assessed the combined assurance provided in 2025. The results of the reviews did not indicate any material breakdown in the functioning of these controls, procedures and systems during the year. The internal controls in place, including the financial controls and financial control environment, are considered to be effective and provide a sound basis for the preparation of the Annual Financial Statements, Annual Integrated Report, and other reports used internally for management's decision-making.

Company Secretary

The Company Secretary does not fulfil executive management functions outside of the duties of Company Secretary and is not a director. During the year, the board has assessed the independence, competence, qualifications and experience of the Company Secretary and has concluded that she is sufficiently independent (ie maintained an arm's length relationship with the executive team, the board and individual directors), qualified, competent and experienced to hold this position. The Company Secretary is responsible for the duties set out in section 88 of the Companies Act 71 of 2008 (as amended) of South Africa. Specific responsibilities include providing guidance to directors on discharging their duties in the best interests of the group, informing directors of new laws affecting the group, as well as arranging for the induction of new directors.



Remuneration Report



On behalf of the board, I am pleased to present the Remuneration Report for the financial year ended 30 September 2025. This report outlines how we have implemented the remuneration policy, as approved by shareholders at the annual general meeting (AGM) in February 2025.

Louis von Zeuner, (*Chairman of the Human Resources and Compensation Committee*)

The report has been prepared in accordance with relevant regulatory and statutory requirements in all countries where Sappi operates. It is aligned with the principles and recommended practices of the King IV Report on Corporate Governance.

The report comprises the following sections:

- Section A Voting and governance
- Section B Key functions of the Human Resources and Compensation Committee
- Section C Overview of the remuneration policy
- Section D Remuneration Implementation Report

The year in review – business environment and remuneration context

The 2025 financial year proved challenging for Sappi, with performance falling short of expectations due to a confluence of internal and external factors. The weak global economic outlook, coupled with ongoing trade tensions and a sluggish European economy, led to softer demand and declining selling prices.

In this context, the Human Resources and Compensation Committee faced the responsibility of balancing company performance rewards with maintaining employee motivation. This included ensuring accountability and adopting appropriate and responsible remuneration practices.

A key milestone during the year was the completion of the **Somerset Mill conversion and expansion project** in North America. Despite unplanned project delays and cost overruns, the subsequent successful commissioning and ramping up production of Paper Machine 2 (PM2) at Somerset Mill represent a strategic investment in our long-term profitability in the region.

Conversely, our **European** operations continued to face structural challenges, including declining demand for graphic papers. We have initiated consultation processes, which were concluded shortly after year-end, for closure of several paper machines and headcount reductions across four sites affecting approximately 500 employees. The committee's role was to ensure leadership stability and effective execution of these difficult, but necessary, decisions.

In **South Africa**, the business focused on stabilising production and meeting customer volume commitments. Although operational issues persisted early in the year, a strong management focus has led to improved performance in recent quarters.

The investments in **North America** and **South Africa** reflect Sappi's long-term strategy to drive cost efficiencies in graphic paper and enable future growth in packaging papers and dissolving wood pulp (DWP).

Health and safety

Despite record-breaking performances in prior years, our safety outcomes in 2025 were disappointing. Tragically, two fatalities occurred in our South African operations. The group remains deeply committed to a **zero-harm** approach, and management continues to prioritise safety improvements across all regions.

Incentive scheme updates

In line with our evolving strategy and performance expectations, 2025 saw significant changes to our long- and short-term incentive schemes, following shareholder approval at the 2025 AGM:

- **Sappi Future Share:** a new long-term incentive scheme (formerly the Sappi Management Plan) was introduced and communicated to participants. First vesting will occur in 2029
- **Performance Share Plan (PSP):** updated to focus on fewer participants who have a greater impact on company performance. Revised performance measures include:
 - Total shareholder return (TSR)
 - Cash flow return on net assets (CFRONA)
 - Return on capital employed (ROCE)
 - Sustainability (aligned to Sappi's Decarbonisation Plan)
 - Participation in the Sappi Future Share Scheme
- **Minimum shareholding requirements (MSR):** extended to all regional leadership teams and selected corporate employees (~30 individuals)
- **Management Incentive Scheme (MIS):** simplified across the regions, replacing ROCE with working capital as a key measure.

Leadership changes

All key leadership changes during the year have been successfully implemented. Notably, **Graeme Wild** succeeded **Alex Thiel** as CEO of Sappi Southern Africa. This seamless transition is a testimony to the key work done by the committee. Changes to the board and its sub-committees have been finalised, with future appointments to be made in line with King IV principles and shareholder expectations. Further details are provided in the **Governance Report** on pages 158.

Sappi recognised

As testimony to the key human resources work that the committee oversees, I'm very pleased to share that Sappi has once again been named in Forbes magazine and Statista World's Best Employers 2025 (ranked number 289 globally and number 5 in South Africa) and Top Companies for Women 2025 (ranked number 144 globally and number 2 in South Africa) lists.

The Forbes ranking for Best Employers, managed in partnership with Statista, is based on independent surveys of over 300,000 employees worldwide across 50 countries

who rated their employers on factors such as trust, growth, benefits, and workplace culture. The Forbes ranking for Top Companies for Women, also in partnership with Statista, is based on independent surveys of over 120,000 women working for multinational corporations in more than 36 countries. Participants evaluated their employers on both general workplace practices as well as on gender-specific issues. In addition, other companies were scored on public perceptions of their actions and attitudes towards gender issues. Finally, a leadership score was calculated based on women in executive and board positions.

Focus areas for 2026

No major expansion projects are planned over the next two years. The committee's primary focus in 2026 will be to support business performance and profitability through acknowledging and rewarding:

- Improved safety performance across all regions
- Disciplined cost management
- Ramp-up of PM2 operations at Somerset Mill
- Significant reduction in Sappi Europe (SEU) overhead costs
- Finalisation and execution of restructuring plans to return SEU to profitability
- Production stability in Sappi Southern Africa (SSA)
- Enhanced shareholder value through disciplined debt reduction
- Proactive management of industrial relations during ongoing restructuring.

Compliance statement

The committee remains committed to high standards of corporate governance and continues to align with the principles of King IV. Our remuneration approach is fully compliant with legal and regulatory requirements in all jurisdictions in which we operate.

We are satisfied that the objectives set out in the remuneration policy have been met for the reporting period, and that the committee has fulfilled its responsibilities in accordance with its terms of reference.

Conclusion

Our remuneration practices remain competitive and aligned with market benchmarks. They are designed to support the delivery of Sappi's strategy, reward sustainable performance, and create long-term shareholder value.

We appreciate the strong support received from shareholders at the last AGM regarding our remuneration policy and Implementation Report. We remain committed to ongoing engagement with our shareholders to ensure continued alignment of our remuneration practices with their expectations.

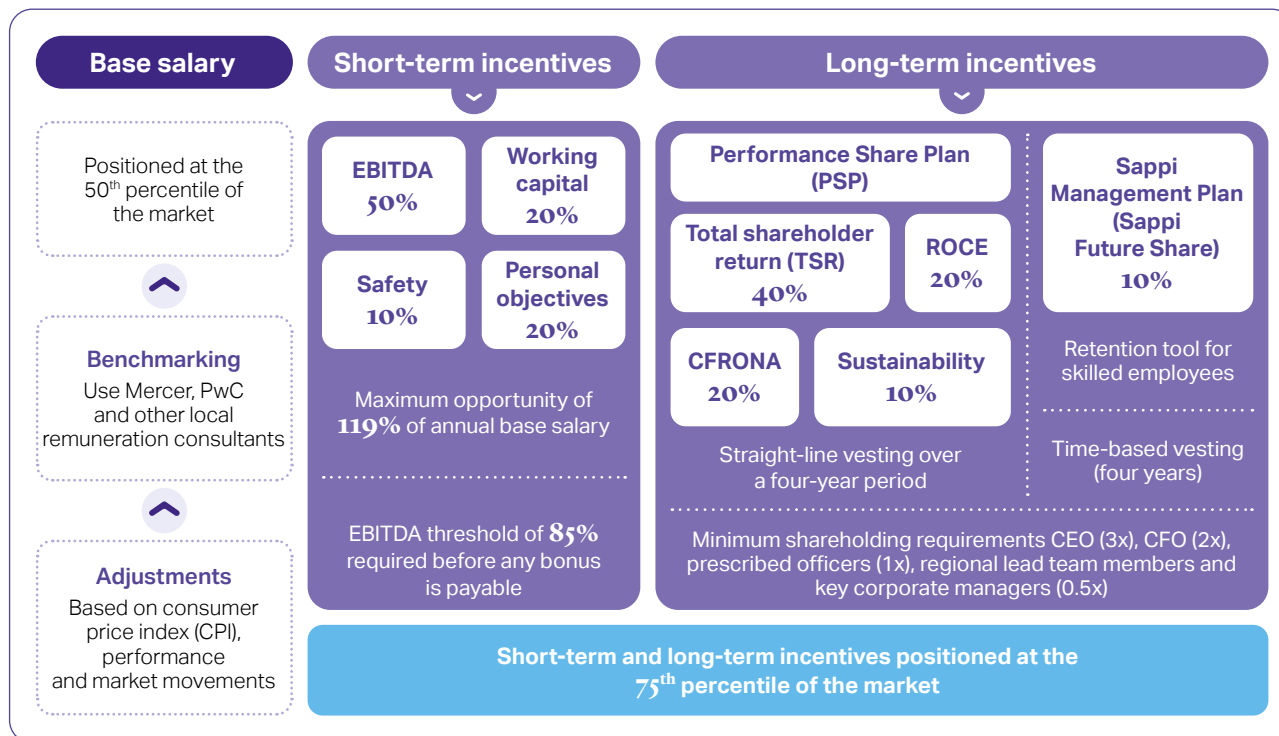
Finally, I extend my sincere thanks to my fellow committee members for their commitment and support throughout the year.

Louis von Zeuner

Chairman of the Human Resources and Compensation Committee

Remuneration Report continued

Sappi remuneration at a glance from 01 October 2025



Summary of our executive remuneration policy and implementation report for 2025

Remuneration component	Base salary	Annual bonus (MIS)	Long-term variable pay (PSP)	Current voluntary minimum shareholding requirement
Executive Directors	- Mr SR Binnie – local South African salary increased by 5.5% and offshore salary increased by 3.0% - Mr GT Pearce – local South African salary increased by 7.0% and offshore salary increased by 3.0% - In line with the increases applied to wider South African workforce.	- Maximum opportunity unchanged at 119% for the CEO and CFO of annual base pay - Resultant points of the 2025 performance measures: EBITDA (0), ROCE (0), safety (0).	Performance measures, TSR (25%) and CFRONA (100%).	Mr SR Binnie (1.7x annual base salary) and Mr GT Pearce (1.4x annual base salary).

Section A:

Voting and governance

Statement of voting at AGM

The AGM of Sappi Limited was held on 05 February 2025, and the requisite resolutions endorsing the remuneration policy and the implementation report were passed as follows:

Resolution	Vote for
Ordinary resolution number 11: Non-binding endorsement of remuneration policy	92.29%
Ordinary resolution number 12: Non-binding endorsement of implementation report	94.63%

Voting on remuneration

As required by King IV, Sappi's remuneration policy and implementation report, as detailed in this remuneration report, need to be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights entitled to be exercised by shareholders at such AGM, the committee will ensure that the following measures are taken in good faith and with best reasonable efforts:

- An engagement process to ascertain the reasons for the dissenting votes
- Appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy or clarifying or adjusting remuneration governance and/or processes.

Statement by the board regarding compliance with the remuneration policy

The board annually receives a report from the Human Resources and Compensation Committee on pay practices across the group, including salary levels and trends, collective bargaining outcomes, and bonus participation.

The board endorses the Human Resources and Compensation Committee position that Sappi's remuneration policy is set taking appropriate account of remuneration and employment conditions of other employees in the group and external factors. It is the view of the board that this policy, as detailed herein, drives business performance and value creation for all stakeholders.

Statement of fair and responsible remuneration

The group's compensation policy for the remuneration of Executive Directors and other senior executives is set taking appropriate account of remuneration and employment conditions of other employees in the group.

The committee annually receives a report from management on pay practices across the group, including salary levels and trends, collective bargaining outcomes, and bonus participation. At the time that salary increases are considered, the committee additionally receives a report on the approach management proposes to adopt for general staff increases. Both these reports are considered in the committee's decisions regarding the remuneration of Executive Directors and other senior executives.

In some countries where the group operates, more formal consultation arrangements with employee representatives are in place relating to employment terms and conditions, in accordance with local legislation and practice. The group also conducts employee engagement surveys every two years, which gauge employees' satisfaction with their working conditions. The Sappi board is given feedback on these survey results.

Remuneration Report continued

Section B:

Key functions of the Human Resources and Compensation Committee

Human Resources and Compensation Committee

The purpose of the committee is to oversee remuneration matters for all controlled subsidiaries of Sappi Limited. Its key objectives are to:

- Make recommendations on remuneration policies and practices, including Sappi's employee share schemes
- Ensure effective executive succession planning
- Review compliance with all statutory and best practice requirements on labour and industrial relations management.

The committee consisted of five Independent Non-executive Directors

Mr LL von Zeuner – Chairman

Mr BR Beamish

Mr JM Lopez

Mr RJAM Renders

Dr B Mehlomakulu

(effective 01 September 2025)

Mr MA Fallon

(stepped down from 01 September 2025)

The Chairman of the company, Mr Nkululeko Sowazi, attends committee meetings *ex officio* while the Group CEO, Mr SR Binnie, together with Group Head Human Resources, Mr Fergus Marupen, attend meetings by invitation.

Mrs A Mahendranath, Company Secretary, attends the meeting as secretary to the committee.

The Human Resources and Compensation Committee met four times during the year and held one telephone conference.

Attendance at meetings by individual members is detailed on page 161.

None of the committee members has any significant personal financial interest, or conflict of interest, or any form of cross-directorship, or day-to-day involvement in the running of the business.

Executive Directors and managers are not present during committee discussions relating to their own compensation.

The Human Resources and Compensation Committee ensures that the policy governing compensation practices and structures within the group supports the group's strategy and performance goals. The policy also enables the attraction, retention and motivation of executives and employees.

Key decisions taken regarding directors' remuneration are summarised as follows:

Recommended and approved

- The allocation of 2025 performance share awards to Executive Directors and all other eligible participants
- Salary increases and bonus payments for Executive Directors and other key senior managers for 2025
- Fee levels for Non-executive Directors of the Sappi Limited board for consideration and recommendation to shareholders for approval
- The allocation model and the comparator peer group for the 2025 PSP
- Design of the 2025 Sappi Management Plan (Sappi Future Share)
- The CFRONA calculation
- The ordinary resolution for the implementation of the Sappi Management Plan (Sappi Future Share)
- Ordinary resolution to increase the minimum number of shares, which may be settled under the long-term incentive plan.

Reviewed

- The 2024 remuneration report, including the content of the company's compensation policy and practices, which was put to shareholders for a non-binding vote at the AGM in February 2025
- Development of the 2025 Remuneration Report for shareholder approval in February 2026
- The succession, retirement and development plans for key management positions
- The group's industrial relations policy and implementation
- The group's training and development policy and implementation
- The investor feedback on the 2024 Remuneration Report
- The status of all benefit funds
- The Sappi 2025 Employee Engagement Survey
- The Sappi variable pay plans
- The rules of the 2026 Management Incentive Scheme (MIS)
- The extension of the minimum shareholding requirement (MSR).

Section B continued:

Key functions of the Human Resources and
Compensation Committee continued**Independent advice**

Management engaged the services of the following organisations to assist in compensation work during the year:

Consultancy	Engagement
Mercer	Recommendations in relation to the PSP with reference to: • Allocations and calculation of the TSR performance condition • Peer group additions.
KPMG	Verification and sign-off on the MIS measures, ie EBITDA and ROCE. Verification and auditing of the CFRONA performance condition of the PSPs.
PricewaterhouseCoopers Tax Services, South Africa	Tax advice to Non-executive Directors.

Areas of focus for 2026

Key activities for the committee in 2026 will be, *inter alia*, the approval of the remuneration and bonuses for Executive Directors and senior management. Review and approval of measures for both long- and short-term incentives.

Some other areas of focus will be:

- Gender representativity across all Sappi operations
- Implementation of the changes as recommended by the new Companies Act and King IV
- Succession in key positions across Sappi.

In addition to the annual work plan as approved by the committee, the Chairman of the committee and senior executives from Sappi will, if required, also visit key shareholders to discuss issues of mutual concern.

Remuneration Report continued

Section C:

Overview of the remuneration policy

Compensation strategy and policy

Our compensation packages:

- Are designed to attract, retain and motivate executives and all employees to deliver on performance goals and strategy
- Are simple, transparent, and aligned with the interests of shareholders
- Reflect the views of our investors, shareholder bodies and stakeholders
- Are structured in a way that substantial rewards are only paid for exceptional performance and that poor performance does not earn an incentive award
- Encourage behaviour consistent with the group's risk and reward philosophy
- Have an appropriate and balanced reward mix for Executive Directors and other executive managers based on base pay, benefits, and short- and long-term incentives within the context of the industry sector
- Are applied consistently across the group to promote alignment and fairness
- Are designed to pay at the **market median** for all components of pay, except for short-term incentives, which are targeted at the 75th percentile
- Are designed to support our **Thrive** ambitions.

Summary of reward components of Executive Directors and other members of the group Executive Committee for 2025

The compensation of Executive Directors and other Executive Committee members comprises fixed and variable components.

	Purpose	Structure	Opportunity
Fixed			
Component – base salary	• To reflect market value of the role, individuals' skills, contribution, experience and performance • To attract and retain key talent.	• Paid monthly in cash • Reviewed annually, with any increases to be effective from 01 January each year • Base salary reviews consider prevailing market practices, economic conditions, and the levels of base salary increase mandates provided to the general employee population.	• Increases are applied in line with outcomes of performance discussions with the individuals concerned and market conditions.
Component – benefits	• To provide protection and market competitive benefits to aid recruitment and retention.	• Private medical insurance • Income in the event of death or disability. These are: • Appropriate in terms of level of seniority • Market-related • Death benefit is a multiple of base salary • Non-pensionable.	• None.
Component – pension	• To provide market-related benefits • Facilitate the accumulation of savings for post-retirement years.	• Comprises defined benefit and defined contribution plans • Many defined benefit plans are closed to new hires • Employees in legacy-defined benefit plans continue to accrue benefits in such plans for both past and future service • Retirement plans differ by region.	• Executive members of defined contribution plans receive a company contribution of up to 18.47% of salary.

Section C continued:

Overview of the remuneration policy continued

	Purpose	Structure	Opportunity
Variable			
Component – annual cash incentive	• Focus participants on targets relevant to the group's strategic goals • Drive performance • Motivate executives to achieve specific and stretching short-term goals • Reward individuals for their personal contribution and performance.	• All measures and objectives are reviewed and set at the beginning of the financial year • Payments are reviewed and approved at year-end by the committee based on performance against the targets • Threshold is required to be met for any bonus payment to occur • Target level of bonuses varies from 65% to 85% of base salary. See page 193 • Weightings for 2025 were: EBITDA – 50%; ROCE – 20% and Safety – 10%; Individual – 20% • If the agreed target for EBITDA is achieved, a bonus award percentage of 100% will be paid for that component. A bonus award percentage of up to 150% can be earned if 110% or more of the agreed target is achieved. If the EBITDA is less than 85% of target, no bonus is paid • If the group achieves the agreed target for ROCE, a bonus award percentage of 100% will be paid. A bonus award percentage of up to 150% can be earned if the group achieves 115% or more of the agreed target • If the group achieves less than 75% of the target, then no bonus award will be paid. ROCE is only measured at a group level • Safety performance is measured against LTIFR and the lost-time injury severity rate (LTISR) • Contractor hours and injuries are combined with own employees for the calculation of LTIFR. The combined LTIFR accounts for 50% of the MIS safety target • Severity rate is measured by LTISR for both own employees and contractors. This amounts to the other 50% of the MIS safety target • An additional bonus award of 100% can be earned on the combined LTIFR portion only if the region achieves an LTIFR better than the best ever achieved during the past five years. No bonus award will be paid if the region's safety performance actual measures are higher than 110% of the best ever achieved during the past five years. If a region achieves between 100% and 110% of the best ever achieved, a straight-line prorated percentage will be awarded • Bonuses are paid in cash • Non-pensionable • Malus and clawback may be applied in the following circumstances: – Financial results of the group or a company/ business unit in the Sappi group have been materially misstated – A participant has ceased to be a director or employee by reason of gross misconduct and has resulted in significant losses to the business – There has been a material breach of Code of Ethics/law – There has been an erroneous assessment of the extent to which any performance conditions have been satisfied, resulting in a higher vesting outcome.	• If targets are exceeded, the maximum bonus for Executive Directors is 119% of base salary • Regional CEOs can earn a maximum bonus of 98% of base salary • Executive Committee members and other senior managers may earn a maximum bonus of up to 91% of base salary • A cash award is made.

Remuneration Report continued

Section C continued:

Overview of the remuneration policy continued

	Purpose	Structure	Opportunity
	Variable		
Component – long-term share incentive plans	- Align the interests of the executive members with those of the shareholders - Reward the execution of the strategy and long-term outperformance of our competitors - Encourage long-term commitment to the company - Is a wealth creation mechanism for executive members if the company outperforms the peer group.	- Conditional grants awarded annually to Executive Directors, Executive Committee members and other key senior managers of the company - Straight-line vesting after four years - Performance is measured relative to a peer group of 16 other industry-related companies - The number of conditional shares allocated varies between the group CEO and each of the Executive Committee members - Measures for 2025 awards were relative TSR – 50%, relative CFRONA – 40%, and sustainability (decarbonisation – progress against SBTi targets) – 10% - Malus and clawback may be applied in the following circumstances: - Financial results of the group or a company/ business unit in the Sappi group have been materially misstated - A participant has ceased to be a director or employee by reason of gross misconduct and has resulted in significant losses to the business - There has been a material breach of Code of Ethics/law - There has been an erroneous assessment of the extent to which any performance conditions have been satisfied, resulting in a higher vesting outcome.	A higher share price will benefit the participants.
	Minimum shareholding requirement for prescribed officers and other regional lead team members.	- The target holding as a multiple of annual base salary. The requirement is that the CEO should hold three times annual base salary, the CFO two times, and all other prescribed officers at one times annual base salary - Regional lead team members should hold 0.5x annual base salary - The acquisition of shares will primarily be achieved by vesting PSPs.	
Component – service contracts	Provide an appropriate level of protection to both the executive and to Sappi.	- Executive Committee members have notice periods by the company of 12 months or less - Separation agreements, when appropriate, are negotiated with the individual concerned, with prior approval being obtained in terms of our governance structures.	In circumstances where there is a significant likelihood of a transaction involving the Sappi group or a business unit, limited change in control protections may be agreed and implemented, if deemed necessary, for retention purposes.

Section C continued:

Overview of the remuneration policy continued

Approach to remuneration benchmarks

Executive compensation is benchmarked on data provided in national executive compensation surveys, for countries in which executives are domiciled, as well as information disclosed in the annual reports of listed companies of the Johannesburg Stock Exchange. Sappi participates in and uses data from global remuneration surveys, ie PwC, Mercer, Kornferry, Remchannel et al, to determine appropriate remuneration levels. Ensuring appropriate peer information to retain the integrity and appropriateness of the benchmark data is a key task of the Human Resources and Compensation Committee. Executive pay is benchmarked every alternate year.

When the committee considered the Executive Director increases for 2025, the committee looked at data from all the above survey houses matching the respective Hay Reward Levels and job to the market 50th percentile, which is Sappi's compensation philosophy. The committee applies judgement when considering such data to ensure competitive salary structures as well as internal and external equity are maintained.

The remuneration package for a newly appointed Executive Director is set in accordance with the terms of the group's approved remuneration policy in force at the time of appointment. The variable remuneration for a new Executive Director is determined in the same way as for existing Executive Directors. For internal and external appointments, the group may meet certain relocation expenses, as appropriate.

Service contracts

Mr Binnie and Mr Pearce have ongoing employment contracts that require six months' notice of termination by the employee and 12-months' notice of termination by the company.

Depending on their location, Executive Committee members have ongoing employment contracts that require between three to six months' notice of termination by the employee and six to 12-months' notice of termination by the company.

Other than in the case of termination for cause, the company may terminate the Executive Directors' service contracts by making payment in lieu of notice equal to the value of the base salary plus benefits that they would have received during the notice period.

Executive Directors are required to retire from the company at the age of 65 years. The retirement age of Executive Committee members is generally between the ages of 65 years and 67 years and differs by region.

Choice of performance measures and approach to target setting**Short-term incentive: Management Incentive Scheme (MIS) for 2025**

The table below shows the metrics and why they were chosen, and how targets are set.

Metric	Relevance	How do we set the targets?
EBITDA 50%	A key indicator of the underlying profit performance of the group, reflecting both revenues and costs. Aligns closely with our strategic goals of achieving cost advantages and growth. More efficient water, energy and raw material usage is also encouraged.	Targets and ranges are set each year by the board, taking account of required progress towards strategic goals and the prevailing market conditions. The EBITDA will be as reported in the income statement and the items below will be excluded from the target and actual: • Plantations fair value by adding back both the 'fair value plantations adjustment – volume', 'price' and 'fellings' • External securitisation costs • MIS, share scheme costs and production bonus.

Remuneration Report continued

Section C continued:

Overview of the remuneration policy continued

Metric	Relevance	How do we set the targets?
ROCE 20%	A key indicator of the underlying returns that the group achieves on its capital employed. Achieving a ROCE over time that outperforms the group's WACC + 2% over the cycle will ensure alignment of the group's returns targets with those expected by the group's shareholders. A key measure for capital expenditure decision-making. ROCE will be defined as operating profit excluding special items divided by average capital employed: - Operating profit achieved will be as reported in the income statement, including any adjustments and excluding other non-operating costs and special items - Capital employed is shareholders' equity plus net debt, less spend on capex projects that are not yet in production - Average capital employed will be defined as the trailing 12-month average capital employed as defined above - Fair value price adjustment will be excluded from operating profit for this calculation (this is excluded because of the short-term nature of this incentive scheme) - Over time, Sappi will deliver returns outperforming our cost of capital.	Targets and ranges are set each year by the board, taking account of the required progress towards strategic goals and the prevailing market conditions.
Safety 10%	A core value of the company and one of the key indicators of whether the business is meeting its sustainability goal of zero harm.	The committee considers input from the Social, Ethics, Transformation and Sustainability (SETS) Committee and sets appropriate standards and goals. Safety performance is measured against LTIFR (50%) as well as LTISR (50%). An additional bonus award of 100% can be earned on the combined LTIFR portion only if the region achieves an LTIFR better than the best ever achieved during the past five years. No bonus award will be paid if the region's safety performance actual measures are higher than 110% of the best ever achieved during the past five years. If a region achieves between 100% and 110% of the best ever achieved a straight-line prorated percentage will be awarded.
Individual performance 20%	An indicator of the contribution of each Executive Director, individual performance for relevant managers. Includes several key non-financial targets in relation to ESG, major capital projects, gender equality, and BBBEE in the case of South Africa.	Priorities are set for the CEO by the Chairman of the board in line with the business plan for the applicable year. Targets and ranges are then cascaded to the rest of the business teams. These are reviewed as part of an annual review with the Chairman.

Section C continued:

Overview of the remuneration policy continued

The bonus payment opportunity available to Executive Directors and Executive Committee members is as follows:

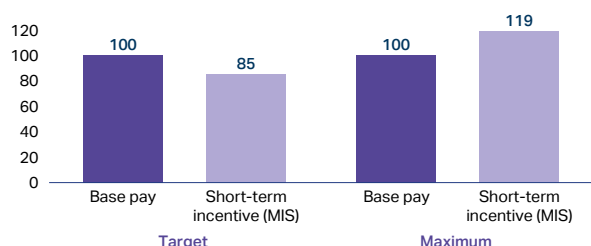
	On-target bonus	Maximum bonus potential
Executive Director	85% of base salary	119% of annual base salary
Regional CEO	70% of base salary	98% of annual base salary
Other prescribed officers (ie Executive Committee members)	65% of base salary	91% of annual base salary

See pages 202 and 203 for remuneration details.

Remuneration at different performance levels

The chart below illustrates the total potential remuneration (base pay and short-term incentives) for Executive Director at different performance levels.

Remuneration levels (CEO and CFO) (%)



Long-term incentives are excluded from these scenarios as their vesting depends on longer-term performance conditions being met.

Performance share plan (PSP)

The PSP provides for annual awards of conditional performance shares, which are subject to meeting performance targets measured over a four-year period. These awards will only vest if Sappi's performance, relative to a peer group of 16 other industry-related companies, is ranked at median or above the median.

The performance criteria are relative TSR, relative CFRONA, and sustainability.

The table below shows the 2025 performance metrics and, why they were chosen and how targets are set.

Metric	Relevance	How do we set the targets?
TSR 50%	TSR measures the total returns to Sappi's shareholders, providing close alignment with shareholder interests.	The committee sets the performance requirements for each grant. A peer group of pulp, packaging and paper sector companies is used. Nothing vests in positions 10 to 17 of the peer group. Vesting increases from 25% at position nine to 100% for positions one to five.
CFRONA 40%	A key indicator of the effective use of capital. CFRONA is calculated as cash available from operating activities, divided by average total assets (excluding cash) less interest-free liabilities. This measure is calculated using a simple annual average over the previous four-year period.	The committee sets the performance requirements for each grant. A peer group of pulp, packaging and paper sector companies is used. No vesting occurs in positions 10 to 17 of the peer group. Vesting increases from 25% at position nine to 100% for positions one to five.
Sustainability 10%	The commitment is to reduce Scope 1 and Scope 2 GHG emission intensity by 41.5% per ton of product by 2030 from a 2019 base year.	Average over a four-year period against the SBTi externally validated well-below-two-degree decarbonisation pathway.

Remuneration Report continued

Section C continued:

Overview of the remuneration policy continued

The Sappi Future Share (Sappi Management plan) – key features

01	02	03	04	05	06	07	08
Participants Employees who previously participated in the PSP (approximately 460)	Allocation Fixed number of shares to be allocated to all participants, excluding lead teams	Performance conditions No performance conditions as per the PSP scheme, ie TSR or CFRONA	Time-based Time-based, ie the participant should be in the employment of Sappi on the date of vesting, will be prorated in the case of good leaver status	Shares Shares will be delivered to participants. Allocations will be determined based on historical vesting of PSP	Value Total value = number of shares allocated x the share price at date of vesting	Vesting Full vesting of all shares after four years. Strong retention tool	Tax Tax treatment as per the region/country

Summary of PSP measures introduced in October 2025

Metric	Relevance	Application
TSR 40%	TSR measures the total returns to Sappi's shareholders, providing close alignment with shareholder interests.	Long-term time frame of four years and will be measured against the peer group. Externally measured by a third party.
ROCE 20%	ROCE will be measured: - As operating profit, including fair value price adjustment, excluding special items, divided by average capital employed. This calculation will be over a four-year average - Capital employed is shareholders' equity plus net debt - Average four-year capital employed will be defined as the sum of the opening and closing capital employed for each year divided by two.	Achievement of this performance condition will be against the WACC. The WACC will be nominal pre-tax at the end of September (not trend WACC), applying a <i>pro-rata</i> weighting of the regional net assets, to determine the consolidated net WACC. The target will be an average of the last four years' September WACC. Target vesting of 100% will be at WACC + 2%.
CFRONA 20%	A key indicator of the effective use of capital. CFRONA is calculated as cash available from operating activities, divided by average total assets (excluding cash), less interest-free liabilities. This measure is calculated using a simple annual average over the previous four-year period.	This measure is against a peer group. Internally calculated and signed off by the external auditors.
Sustainability (Sappi's science-based decarbonisation targets) 10%	Sustainability measured against SBTi validated decarbonisation target.	Internally measured and verified by external auditors against the approved SBTi path.
Sappi management plan 10%	New plan introduced for employees below the group and regional lead teams. Group and regional lead teams will participate at 10%. Plan is focused on the retention of skills in the business. Allowing a portion of the vesting of the total PSP allocation under this scheme would enhance retention and the minimum shareholding requirement for senior employees.	Part of the total allocation will be based on this scheme.

All calculations and disclosures were audited by KPMG.

Section C continued:

Overview of the remuneration policy continued

Peer group

The peer group for the 2025 PSP consisted of the following industry-related companies

- BillerudKorsnäs
- Borregaard
- Clearwater Paper
- Graphic Packaging International
- Holmen
- International Paper
- Klabin
- Lenzing
- Metsä Board
- Mondi Plc
- Navigator Company SA
- Rayonier Advance Materials
- Smurfit WestRock
- Stora Enso
- Suzano
- UPM-Kymmene

Vesting schedule

The original vesting schedule for 2021 allocation for both TSR and CFRONA is as follows:

Position	Vesting
1 – 5	100%
6	80%
7	65%
8	45%
9	25%
10 – 17	0%

Adjusted vesting schedule for 2021 allocations

There has been an increase in Mergers & Acquisitions (M&A) activity in Sappi's peer group. Various peer group companies have been replaced or removed.

To date, Sappi has applied the 'follow the money' methodology for all in-flight PSPs impacted by M&A, by removing peers that have been subject to M&A activity and adjusting the vesting schedule. This ensured that the TSR targets remain as challenging as before. The recalibration of this kind follows a set of standard principles that will ensure fairness for shareholders and participants. This will result in fewer peers for the mentioned outstanding cycles.

The adjusted schedule for the 2021 allocation for both TSR and CFRONA is as follows:

Position	Vesting
1 – 4	100%
5	90%
6	68%
7	47%
8	25%
9 – 15	0%

Disclosure

Sappi discloses vested as well as granted performance share values.

Malus and clawback

Awards made to the CEO, CFO and prescribed officers under Sappi's MIS and PSP are subject to both malus and clawback provisions, which may be applied during the period of two years after the date of vesting or granting. Clawback refers to the recovery of paid or vested amounts, and malus refers to the reduction, including to nil, of unvested or unpaid amounts. Malus and clawback may be applied in the following circumstances:

- Financial results of the group or a company/business unit in the Sappi group have been materially misstated
- A participant has ceased to be a director or employee by reason of gross misconduct and has resulted in significant losses to the business
- There has been a material breach of Code of Ethics/law
- There has been an erroneous assessment of the extent to which any performance conditions have been satisfied, resulting in a higher vesting outcome.

Remuneration Report continued

Section C continued:

Overview of the remuneration policy continued

Remuneration policy for Non-executive Directors (fees)

Sappi may reimburse the reasonable expenses of board directors that relate to their duties on behalf of Sappi. Sappi may also provide advice and assistance with board directors' tax returns where these are impacted by the duties they undertake on behalf of Sappi.

All Non-executive Directors have letters of appointment with Sappi Limited for an initial period of three years. In accordance with best practice, Non-executive Directors are subject to re-election at the AGMs after the three-year period. Appointments may be terminated by Sappi with six months' notice. No compensation is payable on termination, other than accrued fees and expenses.

Element	Purpose	How it works	Fees
Non-executive Chairman (fees)	- To attract and retain a high-calibre Chairman, with the necessary experience and skills - To provide fees that take into account the time commitment and responsibilities of the role.	The Chairman receives an all-inclusive fee.	- The Chairman's fees are reviewed periodically by the committee - Fees are set by reference to market median data for companies of similar size and complexity to Sappi.
Other Non-executive Directors (fees)	- To attract and retain high-calibre Non-executives, with the necessary experience and skills - To provide fees that take into account the time commitment and responsibilities of the role.	- The non-executives are paid a basic fee - Attendance fees are also paid to reflect the requirement for Non-executive Directors to attend meetings in various international locations - The chairmen of the main board committees and the Lead Independent Director are paid additional fees to reflect their extra responsibilities.	- Non-executive Directors' fees are reviewed periodically by the Chairman and Human Resources and Compensation Committee - Fees are set by reference to market median data for companies of similar size and complexity to Sappi.

Section C continued:

Overview of the remuneration policy continued

Non-executive Director succession: an overview

A. Key considerations

Expertise

Relevant business skills and expertise.

Tenure

Having the right mix of Non-executive Directors, with a focus on experience, knowledge and new thinking.

Diversity and inclusion considered

Gender, race and location.

Understanding the Sappi business environment

Understanding the cyclical nature of the pulp and paper industry.

B. Annual review of the composition and effectiveness of the board

- Every second year, an independent evaluation of the board and individual member's effectiveness is undertaken
- Nomination and Governance Committee reviews the composition of the board three times per annum, looking at size, knowledge, experience, tenure, expertise, diversity, and overall mix of the board
- The independence of the Non-executive Directors is subject to a robust annual review by the Nomination and Governance Committee.

C. Process

Succession/vacancy

Nomination and Governance Committee considers the key issues and criteria.

Appointment of a specialist recruitment agency

Provide a shortlist on candidates to the Nomination and Governance Committee.

Interviews

Completed by the Nomination and Governance Committee.

Appointment

Followed by a detailed induction plan.

Remuneration Report continued

Section D:

Remuneration Implementation Report

Remuneration structure

Total remuneration comprises fixed pay (ie base salary and benefits) and variable performance-related pay, which is divided further into short-term incentives, with a one-year performance period and long-term incentives, which have a four-year performance period as detailed in section C. Our compensation policy aims to have a balance between guaranteed package, short- and long-term incentives. All of these are verified by external service providers.

Reward mix

The five elements of our reward mix and the remuneration outcomes for Executive Directors and Executive Committee members are detailed in the following section:

Base salary

The Human Resources and Compensation Committee approved the base salary level for each Executive Director, Executive Committee member and other key senior managers.

The salary increases were based on individuals' performances and contributions, internal relativities, inflation rates in the countries of operation, general market salary movement, and overall affordability.

In January 2025, Mr Binnie received a salary increase of 5.5% on the South African portion of his salary and 3.0% on the offshore portion of his salary. Mr Pearce received a salary increase of 7.0% on the South African portion of his salary and 3.0% on the offshore portion of his salary. Their salaries were US\$633,852 per annum and US\$357,804 per annum, respectively.

The same salary increase percentages were applied to determine the salary increases for Executive Committee members and general staff, dependent on location.

Retirement benefits

Retirement benefits are largely in the form of defined contribution schemes. In some instances, legacy-defined benefit schemes exist. Almost all the defined benefit schemes are closed to new hires.

Mr Binnie and Mr Pearce are both members of defined contribution funds, and the total employee and company contribution is R350,000 each.

Short-term incentive

A performance threshold of 85% of budgeted EBITDA for the group is required before any bonus can be paid to participants in the group scheme.

For the MIS purposes, the group achieved an adjusted EBITDA of US\$515 million and a ROCE of 5.45%.

Section D continued:

Remuneration Implementation Report continued

The table below summarises the scoring methodology for the short-term incentive measures (MIS) and maximum potential points allocation.

Metric	Points allocated for 100% achievement of target	Potential bonus points for exceeding target	Total possible points
EBITDA	50	Additional 25 points if EBITDA achievement is 110% of target; linear sliding scale allocation of the 25 bonus points between 100% to 110% achievement	75
ROCE	20	Additional 10 points if ROCE achievement is 115% of target; linear sliding scale allocation of the 10 bonus points between 100% to 115% achievement	30
Safety – LTIFR	5	Additional 5 points if LTIFR is best ever during last five years	10
Safety – LTISR	5	n/a	5
Personal	20	n/a	20
Total	100		140

If targets are exceeded:

- The maximum bonus for Executive Directors is 119% of base salary
- The maximum bonus for regional CEOs is 98% of base salary
- The maximum bonus for Executive Committee members and other senior managers is 91% of base salary.

The table below summarises the FY2025 targets and outcomes on each of the short-term incentive measures (MIS) and points allocated.

Metric ¹	FY2025 target	FY2025 actual	% achievement	Points allocated	Bonus points exceeding target	Total points
EBITDA	US\$751m	US\$515m	69%	0	0	0
ROCE	9.82%	5.45%	56%	0	0	0
Safety – LTIFR	0.22	0.19	No points awarded for safety due to fatalities			0
Safety – LTISR	15.51	48.44				0
Personal	See details on page  200.					13

¹ Refer to definitions of metrics for MIS purposes on page 191 and 192.

Remuneration Report continued

Section D continued:

Remuneration Implementation Report continued

Personal objectives of executives for 2025 MIS

The Executive Directors share many key objectives and also have individual objectives that are specific to their roles. Key objectives, and achievements against these objectives during 2025, included:

Thrive objectives	Achievements
Grow our business	- Major capital expenditure projects included and subject to ongoing assessment and evaluation are: - Converting and expanding PM2 at Somerset Mill - Forestry investments in SSA - Investigate growth opportunities in the packaging papers and dissolving wood pulp segments - Define Ngodwana Mill's long-term solution - Executing the short-term SEU strategy.
Sustain our financial health	Further reduce debt.
Drive operational excellence	- Reduce graphic papers exposure in Europe further by managing capacity utilisation or converting capacity and reducing central overheads - Drive our safety first culture across Sappi, with continuous improvement on overall severity rates measured by the Injury Index II and Severity Index of Own and Contractors (lower of 10% improvement on previous three years' real actual averages, or 10% improvement on 2024 established target).
Enhance trust	- Achieve our science-based targets (reduction of GHG by 41%) - Continue with our employee engagement and talent programmes - Continue to manage key retirements over the near term - Maintain SSA Level 1 BBBEE rating.

As detailed in the remuneration policy, the short-term incentive opportunity for Mr Binnie and Mr Pearce for 2025 was:

- Mr Binnie – 85% of annual salary x 13% (personal performance) = 11% of total annual salary
- Mr Pearce – 85% of annual salary x 13% (personal performance) = 11% of total annual salary.

PSP outcomes for 2025

For the four-year period ended September 2025, Sappi's performance relative to the peer group measured on TSR was ranked eighth, resulting in a 25% vesting on the TSR component. The determination of the vesting of the shares was provided by Mercer, an independent third party.

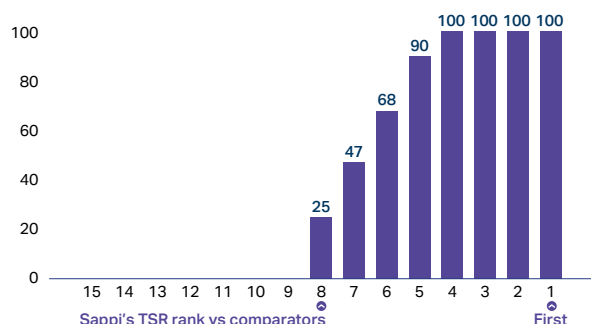
For the four-year period ended September 2025, Sappi's performance relative to the peer group measured on CFRONA was ranked fourth, resulting in 100% vesting on the CFRONA component. This result was verified by KPMG, our external auditors.

Section D continued:

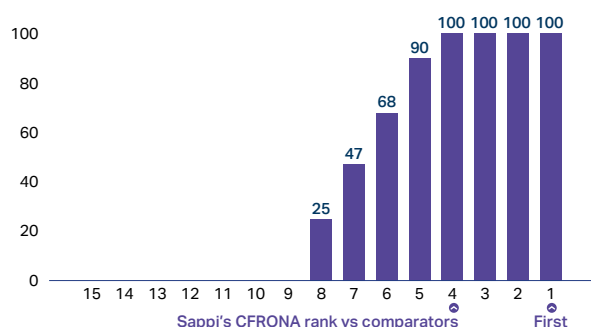
Remuneration Implementation Report continued

In aggregate, therefore 62.5% of the total 2021 awards vested. This is detailed in the two graphs below.

2021 TSR vesting schedule (% of awards vesting)



2021 CFRONA vesting schedule (% of awards vesting)



In November 2021, Mr Binnie was granted 180,000 conditional performance plan shares, of which 62.5% of the allocation vested in November 2025.

In November 2021, Mr Pearce was granted 85,000 conditional performance plan shares, of which 62.5% of the allocation vested in November 2025.

The historical vesting of PSP awards:

Share awards	2021 %	2022 %	2023 %	2024 %	2025 %
TSR	0	0	0	100	25
CFRONA	25	100	75	100	100
Aggregate	12.5	50	37.5	100	62.5

PSP allocations for 2025

Each year, Mercer Kepler provides management with a recommendation for an appropriate pool size. For the 2025 allocation, it was approved to grant the number of shares implied by the same ZAR value of the previous year PSP awards, where share value is based on trailing long-run average share price at grant (ie 12 months). This approach has been applied for the last five years and is consistent with recommendations by our shareholders, to disclose the allocation method.

Mr Binnie was awarded 280,000 conditional performance plan shares in November 2025 that will vest in November 2029.

Mr Pearce was awarded 180,000 conditional performance plan shares in November 2025 that will vest in November 2029.

Dilution

If all outstanding plan shares were to vest as at September 2025, the resulting dilution effect would be 3.40% (2024: 3.11%, 2023: 2.98%, 2022: 2.79%, 2021: 2.53%) of issued ordinary share capital, excluding treasury shares.

Minimum shareholding

A minimum requirement has been introduced for all prescribed officers. The target holding as a multiple of annual base salary needs to be achieved within a period of five years from date of appointment.

The requirement is that the CEO should hold three times annual base salary, up from his previous two times, the CFO two times, and all other prescribed officers at one times annual base salary.

All regional lead team members and key corporate managers are required to hold 0.5 times annual base salary. This is a total of 40 employees.

Remuneration Report continued

Section D continued:

Remuneration Implementation Report continued

The acquisition of shares will primarily be achieved by vesting PSPs. However, individuals can also purchase shares during the normal open period with the appropriate approvals. SENS announcements will be applicable. Good progress has been made on this requirement, despite low vesting on the PSPs and minimal short-term incentive payments.

Prescribed officer	Shareholding			Actual multiple	Requirement achieved
	Target minimum	Number of shares (Sept 2025)	Value of shares US\$		
SR Binnie	3x	620,260	973,808	1.7	N
GT Pearce	2x	286,106	449,186	1.4	N
M Eikelenboom*	1x	110,118	172,885	0.3	N
M Haws	1x	229,600	360,472	0.9	N
G Wild***	1x	73,047	114,684	0.4	N
M v Hoven	1x	277,537	435,733	2.4	Y
F Marupen	1x	163,172	256,180	1.3	Y
M Mansoor	1x	180,050	282,679	0.9	N
L Kruyshaar**	1x	93,517	146,822	0.7	N

Average share price of US\$1.57 (ZAR26.28) for September 2025.

Based on the base salary as at 01 January 2021.

* Based on base salary as at 01 April 2021 for M Eikelenboom.

** Based on base salary as at 01 January 2024 for L Kruyshaar.

*** Based on base salary as at 01 January 2025 for G Wild.

Overall summary of the remuneration disclosure for Executive Directors and prescribed officers

Executive Directors' emoluments for 2025 (US Dollar)

Executive Director	Short-term compensation (STC)				Subtotal STC	LTIP (value of shares vested this year*)	Total
	Base salary US\$	Annual cash award US\$	Other allowances US\$	Benefits and pension US\$	A US\$	B US\$	A + B US\$
SR Binnie	626,879	94,084	94,494	86,454	901,911	155,663	1,057,574
GT Pearce	365,459	51,128	47,014	60,326	523,927	73,508	597,435
Total	992,338	145,212	141,508	146,780	1,425,838	229,171	1,655,009

* LTIP, also referred to as PSP.

- Local earnings are translated into the reporting currency (US\$) using the average exchange rate over the financial year. The average ZAR and Euro exchange rates strengthened by 2.5% and 4.0% against the US\$, respectively, which will have the effect of showing earnings in USD to be higher than the prior year
- Due to the earnings currencies (ZAR) weakening against the reporting currency (US\$) over the year, this had the effect of showing earnings in US\$ terms to be lower
- Base salary – the actual salary earned during 2025
- Performance-related remuneration – the actual value earned in 2025 based on the rules of the MIS. Payments based on three months of 2024 (October to December) and nine months (January to September) of 2025 base salary
- Contributions paid under pension and medical aid schemes – the annual contribution paid by the company into a defined benefit fund on behalf of the members, determined as a percentage of their base salary
- Long-term shares vested in November 2025.

Section D continued:

Remuneration Implementation Report continued

LTIP benefit: 2025 allocation (will vest in 2029)

	Number of shares	Share price at allocation ZAR	Total awarded benefit* US\$
Executive Director			
SR Binnie	280,000	25.00	387,426
GT Pearce	180,000	25.00	249,061

* Assuming 100% vesting on both performance conditions.

Executive Directors' emoluments for 2024 (US Dollar)

Executive Director	Short-term compensation (STC)				Subtotal STC	LTIP (value of shares vested this year*)	Total
	Base salary US\$	Annual cash award US\$	Other allowances US\$	Benefits and pension US\$	A US\$	B US\$	A + B US\$
SR Binnie	581,824	585,119	85,625	81,471	1,334,039	683,412	2,017,451
GT Pearce	336,539	335,583	41,568	56,492	770,182	314,369	1,084,551
Total	918,363	920,702	127,193	137,963	2,104,221	997,781	3,102,002

* LTIP, also referred to as PSP.

- Local earnings are translated into the reporting currency (US\$) using the average exchange rate over the financial year. The average ZAR exchange rate strengthened by 2% against the US Dollar
- Due to the earnings currencies (ZAR) weakening against the reporting currency (US\$) over the year, this had the effect of showing earnings in US\$ terms to be lower
- Base salary – the actual salary earned during 2024
- Performance-related remuneration – the actual value earned in 2024 based on the rules of the MIS. Payments based on three months of 2023 (October to December) and nine months (January to September) of 2024 base salary
- Contributions paid under pension and medical aid schemes – the annual contribution paid by the company into a defined benefit fund on behalf of the members determined as a percentage of their base salary
- Long-term shares vested in November 2024.

Prescribed officers/Executive Committee members (US Dollar)

Prescribed officers are members of the group Executive Committee.

The table below sets out the remuneration for prescribed officers for 2025:

Prescribed officer	Short-term compensation (STC)				Subtotal STC	LTIP (value of shares vested this year)	Total
	Base salary US\$	Annual cash award US\$	Other income (excess over ZAR350,000 pension) US\$	Benefits and pension US\$	A US\$	B US\$	A + B US\$
M Eikelenboom	611,453	68,433	182,930	146,035	1,008,851	86,480	1,095,331
M Haws	514,052	58,172	–	62,429	634,653	86,480	721,133
G Wild	253,674	24,834	–	53,673	332,181	32,862	365,043
M van Hoven	199,220	21,406	16,689	47,388	284,703	69,184	353,887
F Marupen	211,193	22,656	18,990	45,722	298,561	58,806	357,367
M Mansoor	349,617	40,282	146,195	103,478	639,572	51,888	691,460
L Kruyshaar	230,585	20,982	–	72,456	324,023	43,240	367,263
Total	2,429,921	256,765	372,602	540,662	3,599,950	515,420	4,115,370

Remuneration Report continued

Section D continued:

Remuneration Implementation Report continued

LTIP benefit: 2025 allocation (will vest in 2029)

Prescribed officer	Number of shares	Share price at allocation ZAR	Total awarded benefit* US\$
M Eikelenboom	155,000	25.00	214,470
M Haws	155,000	25.00	214,470
G Wild	155,000	25.00	214,470
M van Hoven	120,000	25.00	166,041
F Marupen	115,000	25.00	159,123
M Mansoor	95,000	25.00	131,449
L Kruyshaar	115,000	25.00	159,123

* Assuming 100% vesting on the three performance conditions.

The table below sets out the remuneration for prescribed officers for 2024:

Prescribed officer	Short-term compensation (STC)				Subtotal STC	LTIP (value of shares vested this year)	Total
	Base salary US\$	Annual cash award US\$	Other income (excess over ZAR350,000 pension) US\$	Benefits and pension US\$	A US\$	B US\$	A + B US\$
M Eikelenboom	715,926	343,563	–	158,992	1,218,481	377,243	1,595,724
M Haws	494,646	392,283	–	58,531	945,460	377,243	1,322,703
A Thiel	345,886	289,568	44,001	55,138	734,593	377,243	1,111,836
M van Hoven	185,333	141,324	14,615	44,503	385,775	292,500	678,275
G Bowles	89,628	73,341	9,351	16,544	188,864	300,701	489,565
F Marupen	195,999	149,457	16,307	43,106	404,869	251,495	656,364
M Mansoor	336,786	306,563	142,347	89,111	874,807	218,692	1,093,499
L Kruyshaar	210,115	160,051	–	65,107	435,273	177,687	612,960
Total	2,574,319	1,856,150	226,621	531,032	5,188,122	2,372,804	7,560,926

Non-executive Directors' fees

Directors are normally remunerated in the currency of the country in which they live or work. Directors' fees are established in local currencies to reflect market conditions in those countries.

Non-executive Directors' fees reflect their services as directors and services on various sub-committees on which they serve. The quantum of committee fees depends on whether the director is an ordinary member or the Chairman of the committee. Non-executive Directors do not earn attendance fees, however, additional fees are paid for attendance at board meetings in excess of the five scheduled meetings per annum.

The Chairman of the Sappi Limited board receives a flat director's fee and does not earn committee fees. Non-executive Directors do not participate in any incentive schemes or plans of any kind.

In determining the fees for Non-executive Directors, due consideration is given to the fee practice of companies of similar size and complexity in the countries in which the directors are based. The extreme volatility of currencies, in particular the ZAR/US Dollar exchange rate in the past few years, caused distortions of the relative fees in US Dollar paid to individual directors.

All Sappi's Non-executive Directors' fees will be adjusted in line with executive management increases globally. These increases were estimated between 1.5% and 4%. Details of the fees can be found below.

We will continue to review our Non-executive Directors' fees against the market and our comparator group to ensure that our fees are at the appropriate levels, taking into account the size and complexity of Sappi.

Non-executive Directors' fees are proposed by the Executive Committee, agreed by the Human Resources and Compensation Committee, recommended by the board and approved at the AGM by the shareholders.

Shareholders approved the Non-executive Directors' fees for the 2025 financial year. The table below sets out the remuneration for Non-executive Directors for 2025:

2025

Name	Board fees	Committee fees	Travel allowance	Total
MA Fallon	GBP73,316	GBP47,454	GBP8,887	GBP129,657
BR Beamish	GBP53,280	GBP52,266	GBP8,887	GBP114,433
NL Sowazi	ZAR2,426,500	ZAR0	ZAR138,523	ZAR2,565,023
MV Moosa	ZAR209,853	ZAR133,124	ZAR0	ZAR342,977
B Mehloakulu	ZAR560,996	ZAR473,539	ZAR138,523	ZAR1,173,058
ZN Malinga	ZAR560,996	ZAR670,283	ZAR138,523	ZAR1,369,802
LL von Zeuner	ZAR560,996	ZAR605,507	ZAR138,523	ZAR1,305,026
RJAM Renders	EUR70,762	EUR66,025	EUR10,529	EUR147,316
JM Lopez	US\$81,331	US\$58,802	US\$19,000	US\$159,133
E Istavridis	US\$81,331	US\$63,089	US\$15,200	US\$159,618

Fees are benchmarked and comparable to the market fees payable to the director's residence.

2024

Name	Board fees	Committee fees	Travel allowance	Total
ANR Rudd	GBP113,082	GBP0	GBP9,252	GBP122,334
MA Fallon	GBP51,728	GBP73,212	GBP14,919	GBP139,859
BR Beamish	GBP51,728	GBP43,736	GBP12,086	GBP107,550
NL Sowazi	ZAR1,675,015	ZAR97,581	ZAR140,733	ZAR1,913,329
NP Mageza	ZAR187,946	ZAR256,223	ZAR0	ZAR444,169
MV Moosa	ZAR795,649	ZAR504,735	ZAR140,724	ZAR1,441,108
B Mehloakulu	ZAR531,750	ZAR448,852	ZAR140,724	ZAR1,121,326
ZN Malinga	ZAR531,750	ZAR454,581	ZAR140,724	ZAR1,127,055
LL von Zeuner	ZAR531,750	ZAR344,820	ZAR140,790	ZAR1,017,360
RJAM Renders	EUR68,701	EUR64,102	EUR14,113	EUR146,916
JM Lopez	US\$78,203	US\$39,517	US\$22,800	US\$140,520
E Istavridis	US\$78,203	US\$39,556	US\$22,800	US\$140,559

Fees are benchmarked and comparable to the market fees payable to the director's residence.

ANR Rudd and NP Mageza retired in February 2024.

Social, Ethics, Transformation and Sustainability Committee Report

for the year ended September 2025



The members of the Social, Ethics, Transformation and Sustainability (SETS) Committee during the 2025 financial year were:

Mr MV Moosa – Chairman (retired 31 December 2024)
 Mr BR Beamish – Chairman (appointed 01 January 2025)
 Mr SR Binnie
 Mr JM Lopez
 Dr B Mehlomakulu (resigned 01 September 2025)
 Ms E Istavridis (appointed 01 January 2025)
 Mr MA Fallon (appointed 01 September 2025)

Brian Beamish, (Chairman, SETS Committee)

Introduction

The SETS Committee presents its report for the financial year ended September 2025. This committee is a statutory committee with a majority of independent non-executive members, whose duties are delegated to them by the board of directors. The committee conducted its affairs in compliance with board-approved terms of reference and discharged all its responsibilities contained therein.

Multi-functional Regional Sustainability Councils provide strategic and operational support to a Group Sustainable Development Council which in turn provides support to the SETS Committee in dealing with key sustainability issues.

For more information refer to the governance section of our **2025 Sappi Group Sustainability Report** www.sappi.com/2025GSDR .

During the financial year the committee formally met three times at which meetings it deliberated on all aspects relating to its terms. A 94% attendance record was achieved by all board committee members for 2025.

Objectives of the committee

In recent years, the world has faced a convergence of urgent and interrelated challenges: climate change has accelerated, driving global temperatures higher and triggering a cascade of extreme weather events – from devastating wildfires and floods to prolonged droughts and powerful hurricanes. These disruptions have strained ecosystems, endangered species, and reshaped the natural landscape, highlighting the pressing need for environmental stewardship. Beyond these impacts on nature, social inequalities are deepening, with income disparity growing, while geopolitical tensions and conflicts escalate. Additionally, unprecedented inflation has pushed economies to the brink of recession, exacerbating socioeconomic divides and impacting communities worldwide.

These events have upended life as we know it, affecting not just our health, economy and society but the very ecosystems that sustain us. At Sappi, we recognise that the private sector has a pivotal role to play in confronting these shared global challenges. The SETS Committee takes on this responsibility by guiding our social and environmental initiatives, ensuring that the company upholds its commitment as a responsible corporate citizen. Through the SETS Committee's oversight, we focus on generating long-term stakeholder value by fostering sustainable, shared outcomes that protect and support both society and the environment.

The SETS Committee plays a critical role within Sappi's corporate governance structure by providing diligent oversight on matters affecting not only the company but also its wider stakeholders, including communities and natural ecosystems. In supporting the board, the SETS Committee directs management's focus on responsibilities within social responsibility, ethics, transformation and sustainability. This commitment goes beyond regulatory compliance; the committee promotes adherence to best practices in global standards, striving to lead with integrity and accountability.

Through initiatives such as corporate social investment, ethical governance, diversity and inclusion, transformation and sustainability programmes, the SETS Committee helps drive Sappi's efforts to minimise environmental impacts and create shared value. By setting and monitoring our objectives, assessing legal requirements, and applying industry standards, the committee ensures that Sappi continues to operate in a way that benefits not only our business but also the environment and communities in which we operate. Meeting at least three times a year, the SETS Committee diligently assesses progress, guiding Sappi's sustainable growth and commitment to a responsible, resilient future.

Membership of the committee

The SETS Committee comprises four Independent Non-executive Directors and the CEO. In addition, the Chairman of the board attends committee meetings *ex officio*. The regional CEOs, the Group Head Strategy and Legal, the Group Head of Manufacturing and Innovation, the Group Head Human Resources, the Group Head Corporate Affairs, the Executive Vice President Sappi Pulp and the Group Head Investor Relations and Sustainability attend meetings by invitation.

The board approved the following changes to the committee during the course of 2025:

- Mr MV Moosa retired from the board and as Chairman of the committee on 31 December 2024
- Mr BR Beamish was appointed as Chairman on 01 January 2025
- Ms E Istavidis was appointed to the committee on 01 January 2025
- Dr B Mehlomakulu resigned from the committee on 01 September 2025
- Mr MA Fallon appointed to the committee on 01 September 2025.

Committee activities reviewed and actioned for FY2025

- Reviewed and revised the committee terms of reference and annual work plan
- Reviewed and approved the Group Sustainability Charter
- Reviewed and approved the Group Environmental Policy, Group Climate Change Policy, Group Water Stewardship Policy and the Group Woodfibre Procurement Policy
- Reviewed and approved the Group Product Safety Policy
- Reviewed and approved the Group Human Rights Policy and Group Occupational Health and Safety Policy
- Reviewed and approved the Group Corporate Citizenship Policy
- Reviewed and approved the Group Diversity and Inclusion Policy
- Reviewed Sappi's standing in terms of:
 - The principles set out in the United Global Compact Principles
 - The OECD recommendations regarding corruption
- Reviewed and endorsed the Public Affairs and Social Impact programmes
- Reviewed the Code of Ethics, ethics training programme and its effectiveness
- Reviewed ethics risks, opportunities and actions
- Reviewed statistics from various ethics reporting lines and actions taken
- Reviewed the group training and development programmes
- Reviewed the policy on transformation in Sappi Southern Africa (SSA)
- Reviewed SSA's performance relative to the Employment Equity Act, Forest Sector Transformation Charter and the company's transformation strategies
- Reviewed SSA's progress on enterprise and supplier development (ESD)
- Reviewed Sappi's policy and standing in terms of the International Labour Organization protocol on decent work and working conditions
- Reviewed the group safety programmes, safety performance and actions being taken to improve the safety performance of the group

- Reviewed the production efficiencies and significant unplanned production events and planned maintenance shuts
- Reviewed the material indicators of the group's environmental performance
- Reviewed regional sustainability performance against goals for 2025
- Reviewed the company's progress on climate action and performance against climate KPIs using the TCFD framework
- Reviewed regional and global public policy matters affecting the group and its operations
- Reviewed the various production unit operating efficiencies, reliability and unscheduled downtime metrics for 2025
- Reviewed the sustainability content for the Annual Integrated Report
- Reviewed the external assurance report on selected group sustainability metrics. Expansion of assurance scope to include Scope 3 Category 1: Purchased goods and services (t CO₂e)
- Approved the sustainability targets for the period 2026 – 2030
- Biennial review of global ESG reporting standards and their relevance for Sappi.

Topics are regularly selected for an in-depth review. Typically, the subject of these reviews are matters which the committee believes represent key risks or opportunities for the business. The review topics in 2025 were:

- Skills development and compliance training: Building Sappi's people for the future
- Reflecting on 2020 to 2025: Sappi's progress toward **Thrive** (2025) sustainability targets
- 2030 sustainability targets: Strengthening resilience through sustainable action.

Conclusion

The committee affirms that the group is fully committed to its responsibilities in social, ethics, transformation and sustainability. We have implemented comprehensive policies and programmes that contribute meaningfully to social and economic development, promote ethical behaviour among staff in their interactions with colleagues and stakeholders, uphold fair labour practices, prioritise environmental stewardship and foster strong customer relationships.

In carrying out its mandate, the committee remains focused on addressing the diverse needs of a broad group of stakeholders, including employees, local communities, customers and shareholders, and ensuring that key sustainability risks are carefully identified and effectively managed.

Over the past year, there were no significant instances of non-compliance with applicable laws, regulations, or codes of best practice in areas within the committee's oversight. No concerns were brought to the committee's attention, nor is there any reason to believe that such issues have occurred. This reflects our ongoing commitment to integrity and transparency in our operations.

BR Beamish
Chairman
SETS Committee



Path

Just as rivers carve their course over centuries – shaping landscapes through persistence and adaptability – our journey begins with a path defined by nearly 90 years of resilience, reinvention, and purpose. Sappi's **Thrive** business strategy is more than a roadmap; it is a long-term commitment to sustainable growth, operational excellence, and enduring trust, all while creating meaningful value for our stakeholders.

As **Thrive** evolves, we stand at an inflection point. The environment around us is shifting – reshaped by global forces that continue to redefine business: climate change, resource scarcity, consumer and employee expectations, and the rapid pace of technological innovation. Our strategy evolves in response, slightly adjusted to remain fit for purpose, reaffirming our commitment to building a thriving world through renewable innovation and shared prosperity.

Our path is not static – it adapts with intention. Whether responding to market pressures or environmental imperatives, we remain focused on long-term value creation. Strategic clarity, technological innovation, and disciplined execution keep us on course – propelling us forward with purpose.

As we look ahead, our focus sharpens: sustaining financial health, deepening stakeholder value, and unlocking opportunity through collaboration and eco-effective ingenuity. The river may change course, but its direction remains true.



Share statistics

as at September 2025

Shareholding

Ordinary shares in issue	Number of shareholders	%	Number of shares ¹	% of shares in issue
1 – 5,000	8,158	86.6	3,285,179	0.5
5,001 – 10,000	249	2.6	1,849,810	0.3
10,001 – 50,000	418	4.4	10,166,976	1.7
50,001 – 100,000	183	1.9	13,543,412	2.2
100,001 – 1,000,000	330	3.5	105,630,779	17.5
Over 1,000,000	81	0.9	470,106,299	77.8
	9,419	99.9	604,582,455	100.0

¹ The number of shares excludes 59,008 treasury shares held by the group.

Shareholder spread

Type of shareholder	% of shares in issue
Non-public	0.6
Sappi Limited directors and prescribed officers	0.6
Associates of group directors	–
Trustees of the company's share and retirement funding schemes	–
Share owners who, by virtue of any agreement, have the right to nominate board members	–
Share owners interested in 10% or more of the issued shares	–
Public (the number of public shareholders as at September 2025 was 9,408)	99.4
	100.0

Sappi has a primary listing on the JSE Limited and a Level 1 ADR programme that trades in the over-the-counter market in the United States.

A large number of shares are held by nominee companies for beneficial shareholders. Pursuant to section 56(7) of the Companies Act 71 of 2008 of South Africa, the directors have investigated the beneficial ownership of shares in Sappi Limited, including those which are registered in the nominee holdings. These investigations revealed as of September 2025 the following are beneficial holders of more than 5% of the issued share capital of Sappi Limited:

Beneficial holder	Shares	%
Public Investment Corporation	122,375,823	20.2
Allan Gray Balanced Fund	42,884,662	7.1

Further, as a result of these investigations, the directors have ascertained that some of the shares registered in the names of the nominee holders are managed by various fund managers and that, as of September 2025, the following fund managers were responsible for managing 5% or more of the share capital of Sappi Limited:

Fund manager	Shares	%
Allan Gray Pty Limited	121,384,373	20.1
Public Investment Corporation	102,105,845	16.9
M&G plc	51,295,590	8.5
Ninety One Plc	46,564,305	7.7

Share statistics	2025	2024	2023	2022	2021
Ordinary shares in issue (millions) ¹	604.6	599.4	558.8	565.2	561.5
Net asset value per share (US cents)	382	430	438	417	351
Number of shares traded (millions)					
JSE	492.3	447.5	546.6	590.9	444.5
New York	0.1	0.5	0.6	0.5	0.7
Value of shares traded					
JSE (ZAR million)	18,127	20,709	24,991.5	29,491.0	17,073.0
New York (US\$ million)	0.1	1.4	1.7	1.6	1.6
Percentage of issued shares traded	81.4	74.7	97.9	104.6	79.3
Market price per share					
– year-end JSE (South African cents)	2,312	4,806	4,404	4,402	3,861
New York (US cents)	140	281	230	268	260
– highest JSE (South African cents)	5,526	5,761	5,835	6,348	5,269
New York (US cents)	320	316	350	420	359
– lowest JSE (South African cents)	2,237	3,776	3,627	3,785	2,265
New York (US cents)	136	205	201	235	135
Earnings yield (%) ²	negative	2.14	19.77	39.18	0.78
Price/earnings ratio (times) ²	negative	46.80	5.06	2.55	128.99
Total market capitalisation (US\$ million) ²	809	1,683	1,300	1,371	1,449

¹ The number of shares excludes 59,008 treasury shares held by the group.

² Based on financial year-end closing prices on the JSE Limited. Income statement amounts have been converted at average year-to-date exchange rates.

Note: Definitions for various terms and ratios used above are included in the **Glossary** section.

Glossary

General definitions

AF&PA	American Forest and Paper Association.
AGM	Annual general meeting.
air dry tons (ADT)	Meaning dry solids content of 90% and moisture content of 10%.
ARC	Audit and Risk Committee.
BBBEE	Broad-based black economic empowerment.
biochemicals	In the pulp and paper sector, biochemicals refer to renewable, biobased chemicals derived from wood and other biomass during the pulping process. These compounds, such as lignin, hemicellulose, and tall oil, are extracted or synthesised into valuable products, including adhesives, resins, biofuels and bioplastics, offering sustainable alternatives to fossil-based chemicals.
biofuels	Organic material such as wood, organic waste and alcohol fuels, as well as gaseous and liquid fuels produced from these biomass feedstocks.
biogenic emissions	Emissions of carbon dioxide (CO ₂), methane (CH ₄), and nitrous oxide (N ₂ O) that originate from natural biological sources or the combustion/processing of biogenic materials such as wood, biomass, paper residues and other plant-based materials.
biomaterials	New developments in wood processing supports the move to a biobased economy that utilises materials that are renewable and biodegradable and, in the case of wood feedstocks, do not compete with food sources.
black liquor	The spent cooking liquor from the pulping process which arises when pulpwood is cooked in a digester thereby removing lignin, and other extractives from the wood to free the cellulose fibres. The resulting black liquor is an aqueous solution of lignin residues and the inorganic chemicals used in the pulping process. Black liquor contains slightly more than half of the energy content of the wood fed into the digester.
bleached pulp	Pulp that has been bleached by means of chemical additives to make it suitable for higher brightness fine paper production.
CAC	Control and Assurance Committee.
capital expenditures (CAPEX)	Funds spent on acquiring, upgrading, or maintaining physical assets, including property, plant and equipment, to support long-term operations.
casting and release paper	Embossed paper used to impart texture in polyurethane or polyvinyl chloride plastic films for the production of synthetic leather and other textured surfaces.
CAW	Combined Assurance Workgroup.
CDP	CDP (formerly the Carbon Disclosure Project) is a global non-profit organisation that runs a system for companies, cities, states and regions to disclose their environmental impacts related to climate, forests and water.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
chemical pulp	A generic term for pulp made from woodfibre that has been produced in a chemical process.
coated mechanical paper (CM)	Coated paper made from groundwood pulp which has been produced in a mechanical process, primarily used for magazines, catalogues and advertising material.
coated paper	Papers that contain a layer of coating material on one or both sides. The coating consisting of pigments and binders, which act as a filler to improve the printing surface of the paper.
coated woodfree paper (CWF)	Coated paper made from chemical pulp which is made from woodfibre that has been produced in a chemical process, primarily used for high-end publications and advertising material.
corrugating medium	Paperboard made from chemical and semi-chemical pulp, or waste paper, which is to be converted to a corrugated board by passing it through corrugating cylinders. Corrugating medium between layers of linerboard form the board from which corrugated boxes are produced.
CSI and CSR	Corporate social investment and corporate social responsibility.
dissolving wood pulp (DWP)	Highly purified chemical pulp derived primarily from wood and in some instances cotton linters, intended primarily for conversion into chemical derivatives of cellulose and used mainly in the manufacture of viscose staple fibre, solvent spun fibre and filament.
DWP market price	Market price for imported hardwood dissolving wood pulp into China issued daily by the CCF Group.

energy	Is present in many forms such as solar, mechanical, thermal, electrical and chemical. Any source of energy can be tapped to perform work. In power plants, coal is burned and its chemical energy is converted into electrical energy. To generate steam, coal and other fossil fuels are burned, thus converting stored chemical energy into thermal energy.
ESD	Enterprise and supplier development.
ESG	Environmental, social and governance.
Eskom	Eskom is the South African national electricity public utility.
EUDR	European Union Deforestation Regulation.
fibre	Fibre refers to a long, thread-like structure that can be natural or synthetic and is used in various industries, including textiles, paper, and construction. In the context of the pulp and paper sector, fibre primarily refers to the cellulose fibres extracted from wood or other plant materials, which are the key component in paper production.
Forest Stewardship Council™ (FSC™)	Is a global, not-for-profit organisation dedicated to the promotion of responsible forest management worldwide (FSC™ N003159). www.fsc.org  .
FSA	Forestry South Africa.
FSG	Forest Solutions Group which is a technical working group part of the World Business Council for Sustainable Development (WBCSD).
full-time equivalent employee	The number of total hours worked divided by the maximum number of compensable hours in a full-time schedule as defined by law.
Global E4 Committee (GEC)	The E4 (Energy, Environment, Emissions and Effluent) Committee tracks key metrics. The Committee issues a detailed quarterly questionnaire covering environmental performance parameters, compiles mill data into a long-term database and utilises the data to compare performance.
graphic papers	A generic term for a group of papers intended for commercial printing use such as coated woodfree, coated mechanical, uncoated woodfree and newsprint.
greenhouse gases (GHG)	The GHGs included in the Kyoto Protocol are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
GRMT	Group Risk Management Team.
GSDC	Group Sustainable Development Council.
hemicellulose sugars	The biorefinery process for second generation hemicellulose sugars involves recovering them from the prehydrolysate liquor, and then separating them mostly from lignin.
high-yield pulp (HYP)	Pulp that has a higher yield from wood logs than pure chemical pulps. High-yield pulp is processed either through mechanical processes or combined mechanical chemical processes such as Matane high-yield bleached chemi-thermo mechanical pulp (BCTMP).
ISO	The International Organization for Standardization.
JSE Limited	The main securities exchange in South Africa.
KPI	Key performance indicator.
kraft paper	Packaging or other paper (bleached or unbleached) made from kraft pulp.
kraft pulp	Chemical wood pulp produced by digesting wood by means of the sulphate pulping process.
lignosulphonate	Lignosulphonate is a highly soluble lignin derivative and a product of the sulphite pulping process.
linerboard	The grade of paperboard used for the exterior facings of corrugated board. Linerboard is combined with corrugating medium by converters to produce corrugated board used in boxes.
liquor	White liquor is the aqueous solution of chemicals used in the wood pulping process. Black liquor is the resultant combination of lignin, water and chemicals, after the pulping process is complete.
lost-time injury frequency rate (LTIFR)	Number of lost-time injuries x 200,000 divided by man hours.
lost-time injury severity rate (LTISR)	Total days lost due to injuries x 1,000,000 divided by the total hours worked.

Glossary continued

General definitions continued

managed forest	Naturally occurring forests that are harvested commercially.
mechanical pulp	Pulp produced by means of the mechanical grinding or refining of wood or woodchips.
MIS	Management incentive scheme.
MOI	Memorandum of incorporation.
natural/ indigenous forest	Natural forests include old-growth and primary forests as well as managed forests where most of the principal characteristics and key elements of native ecosystems such as complexity, structure, wildlife and biological diversity are present.
newsprint	Paper produced for the printing of newspapers mainly from mechanical pulp and/or recycled waste paper.
NGO	Non-governmental organisation.
NPO	Non-profit organisation.
packaging and speciality papers	A generic term for a group of papers intended for commercial and industrial use such as flexible packaging, label papers, functional papers, containerboard, paperboard, silicone-base papers, casting and release papers, dye sublimation papers, inkjet papers and tissue paper.
packaging paper	Paper used for packaging purposes.
PAMSA	Paper Manufacturers' Association of South Africa.
plantation	Large scale planted forests, intensively managed, highly productive and grown primarily for wood and fibre production.
Programme for the Endorsement of Forest Certification (PEFC)	An international non-profit, NGO dedicated to promoting sustainable forest management (SFM) through independent third-party certification. PEFC works by endorsing national forest certification systems and is represented in 49 countries through national organisations such as SFI® in North America. www.pefc.org  .
PM	Paper machine.
power	The rate at which energy is used or produced.
PSP	Performance share plan.
pulpwood	Wood suitable for producing pulp – usually not of sufficient standard for sawmilling.
R&D	Research and development.
release paper/ liner	The backing paper for self-adhesive labels.
Sappi Biotech	The business unit within Sappi which drives innovation and commercialisation of biomaterials and biochemicals.
Sappi Europe (SEU)	The business unit within Sappi which oversees operations in the European region.
Sappi North America (SNA)	The business unit within Sappi which oversees operations in the North American region.
Sappi Pulp	The business unit within Sappi which oversees the production and marketing of DWP and HYP.
Sappi Southern Africa (SSA)	The business unit within Sappi which oversees operations in the Southern Africa region.
SBS	Solid bleached sulphate paperboard typically used in food service or folding carton applications.
SBT	Science-based target.
SBTi	The Science Based Targets initiative (SBTi) is a partnership between Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The objective of SBTi is to drive ambitious climate action in the private sector by enabling companies to set science-based GHG emissions reduction targets. SBTi provides technical assistance and expert resources to companies who set science-based targets in line with the latest climate science and provides companies with independent assessment and validation of decarbonisation targets.

Scope 1 and 2 GHG emissions	The Greenhouse Gas Protocol defines Scope 1 (direct) and Scope 2 (indirect) emissions as follows: • Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity • Indirect GHG emissions are emissions from purchased electricity, steam, heat or cooling.
Scope 3	Refers to all other indirect emissions that occur in the upstream and downstream activities of an organisation, such as purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, and transportation.
SDGs	See UN SDGs.
SETS Committee	Social, Ethics, Transformation and Sustainability Committee.
solid waste	Organic and inorganic waste materials.
SFM	Sustainable forest management.
specific	When data is expressed in specific form, this means that the actual quantity consumed during the year indicated, whether energy, water, emissions or solid waste, is expressed in terms of a production parameter. For Sappi, as with other pulp and paper companies, this parameter is per air dry tons of saleable product.
specific purchased energy	The term 'specific' indicates that the actual quantity during the year indicated, is expressed in terms of a production parameter. For Sappi, as with other pulp and paper companies, the parameter is per air dry tons of product.
specific total energy (STE)	The energy intensity ratio defined by the total energy consumption in the context of the saleable production.
Sustainable Forestry Initiative® (SFI®)	Is a solutions-oriented sustainability organisation that collaborates on forest-based conservation and community initiatives. The SFI® forest management standard is the largest forestry certification standard within the PEFC programme. www.forests.org  .
TCFD	Task Force on Climate-related Financial Disclosures.
thermo-mechanical pulp	Pulp produced by processing woodfibres using heat and mechanical grinding or refining wood or woodchips.
TNFD	Taskforce on Nature-related Financial Disclosures.
ton	Metric ton of 1,000 kg.
tons per annum (tpa)	Term used in this report to denote tons per annum (tons a year). Capacity figures in this report denote tons per annum at maximum continuous run rate.
total suspended solids (TSS)	Refers to matter suspended or dissolved in effluent.
Transnet	Transnet is the state-owned South African rail, port and pipeline company.
TSR	Total shareholder return.
uncoated woodfree paper	Printing and writing paper made from bleached chemical pulp used for general printing, photocopying and stationery, etc. Referred to as uncoated as it does not contain a layer of pigment to give it a coated surface.
United Nations Global Compact (UNGC)	A principle-based framework for businesses, stating 10 principles in the areas of human rights, labour, environment and anti-corruption.
UN SDGs	United Nations Sustainable Development Goals.
Verve	Brand name for Sappi dissolving wood pulp.
viscose staple fibre (VSF)	A natural fibre made from purified cellulose, primarily from DWP that can be twisted to form yarn.
WBCSD	World Business Council for Sustainable Development.
woodfibre	For Sappi, this term includes both wood and pulp derived from wood that is used in our operations.
woodfree paper	Paper made from chemical pulp.
World Wildlife Fund (WWF)	The world's largest conservation organisation, focused on supporting biological diversity.

Glossary continued

General financial definitions

acquisition date	The date on which control in respect of subsidiaries, joint control in respect of joint arrangements and significant influence in associates commences.
associate	An entity over which the investor has significant influence.
basic earnings per share	Net profit for the year divided by the weighted average number of shares in issue during the year.
CFRONA	Cash flow return on net assets.
commissioning date	The date that an item of property, plant and equipment, whether acquired or constructed, is brought into use.
control	An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
diluted earnings per share	Is calculated by assuming conversion or exercise of all potentially dilutive shares, share options and share awards unless these are anti-dilutive.
discount rate	This is the pre-tax interest rate that reflects the current market assessment of the time value of money for the purposes of determining discounted cash flows. In determining the cash flows the risks specific to the asset or liability are taken into account in determining those cash flows and are not included in determining the discount rate.
disposal date	The date on which control in respect of subsidiaries, joint arrangements and significant influence in associates ceases.
fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
financial results	Comprise the financial position (assets, liabilities and equity), results of operations (revenue and expenses) and cash flows of an entity and of the group.
foreign operation	An entity whose activities are based or conducted in a country or currency other than that of the reporting entity.
functional currency	The currency of the primary economic environment in which the entity operates.
group	The group comprises Sappi Limited, its subsidiaries and its interest in joint ventures and associates.
joint arrangement	Is an arrangement of which two or more parties have joint control.
joint venture	Is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
operating profit	A profit from business operations before deduction of net finance costs and taxes.
presentation currency	The currency in which the financial results of an entity are presented.
qualifying asset	An asset that necessarily takes a substantial period (normally in excess of six months) to get ready for its intended use.
recoverable amount	The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In determining the value in use, expected future cash flows are discounted to their net present values using the discount rate.
related party	Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management of Sappi Limited.
share-based payment	A transaction in which Sappi Limited issues shares or share options to group employees as compensation for services rendered.
significant influence	Is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control of those policies.

Non-GAAP financial definitions

The group believes that it is useful to report certain non-generally accepted accounting principles (GAAP) measures for the following reasons:

- These measures are used by the group for internal performance analysis
- The presentation by the group's reported business segments of these measures facilitates comparability with other companies in our industry, although the group's measures may not be comparable with similarly titled profit measurements reported by other companies
- It is useful in connection with discussions with the investment analyst community and debt rating agencies.

These non-GAAP measures should not be considered in isolation or construed as a substitute for GAAP measures in accordance with IFRS.

Adjusted EBITDA	EBITDA excluding special items and the plantation fair value price adjustment.
Adjusted EPS	Earnings per share excluding special items and the plantation fair value price adjustment and special finance and tax items.
asset turnover (times)	Sales divided by total assets.
average	Averages are calculated as the sum of the opening and closing balances for the relevant period divided by two.
black economic empowerment (BEE) charge	Represents the IFRS 2 non-cash charge associated with the BEE transaction implemented in 2010 in terms of BEE legislation in South Africa.
capital employed	Shareholders' equity plus net debt.
cash interest cover	Cash generated by operations divided by finance costs less finance revenue.
current asset ratio	Current assets divided by current liabilities.
dividend yield	Dividends per share, which were declared after year-end, in US cents divided by the financial year-end closing prices on the JSE Limited converted to US cents using the closing financial year-end exchange rate.
earnings yield	Earnings per share divided by the financial year-end closing prices on the JSE Limited converted to US cents using the closing financial year-end exchange rate.
EBITDA excluding special items (EBITDA)	Earnings before interest (net finance costs), taxes, depreciation, amortisation and special items.
fellings	The amount charged against the income statement representing the standing value of the plantations harvested.
headline earnings	As defined in Circular 1/2019, issued by the South African Institute of Chartered Accountants, which separates from earnings all separately identifiable remeasurements. It is not necessarily a measure of sustainable earnings. It is a Listings Requirement of the JSE Limited to disclose headline earnings per share.
inventory turnover (times)	Cost of sales divided by inventory on hand at balance sheet date.
net assets	Total assets less total liabilities.
net asset value per share	Net assets divided by the number of shares in issue at balance sheet date.
net cash (utilised) generated	Cash flows from operating activities less cash flows from investing activities.

Glossary continued

Non-GAAP financial definitions continued

net debt	Current and non-current interest-bearing borrowings and lease liabilities, and bank overdraft (net of cash, cash equivalents and short-term deposits).
net debt to total capitalisation	Net debt divided by capital employed.
net operating assets	Total assets (excluding deferred taxation and cash and cash equivalents) less current liabilities (excluding interest-bearing borrowings, lease liabilities and overdraft).
ordinary dividend cover	Profit for the period divided by the ordinary dividend declared, multiplied by the actual number of shares in issue at year-end.
ordinary shareholders' interest per share	Shareholders' equity divided by the actual number of shares in issue at year-end.
price/earnings ratio	The financial year-end closing prices on the JSE Limited converted to US cents using the closing financial year-end exchange rate divided by earnings per share.
revolving credit facility (RCF)	A variable line of credit used by public and private businesses.
ROCE	Return on average capital employed. Operating profit excluding special items divided by average capital employed.
ROE	Return on average equity. Profit for the period divided by average shareholders' equity.
RONOA	Return on average net operating assets. Operating profit excluding special items divided by average net operating assets.
SG&A	Selling, general and administrative expenses.
special items	Special items cover those items which management believe are material by nature or amount to the operating results and require separate disclosure. Such items would generally include profit or loss on disposal of property, investments and businesses, asset impairments, restructuring charges, non-recurring integration costs related to acquisitions, financial impacts of natural disasters and settlement gains or losses on defined benefit obligations.
total market capitalisation	Ordinary number of shares in issue (excluding treasury shares held by the group) multiplied by the financial year-end closing prices on the JSE Limited converted to US cents using the closing financial year-end exchange rate.
trade receivables days outstanding (including securitised balances)	Gross trade receivables, including receivables securitised, divided by sales multiplied by the number of days in the year.

Notice to shareholders

Notice of annual general meeting

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, please consult your broker, Central Securities Depository Participant (CSDP), legal adviser, accountant or other professional adviser immediately.

If you have disposed or otherwise transferred all your shares in Sappi Limited (Sappi or the company) with the Johannesburg Stock Exchange Limited (JSE), please forward the proposals, together with the accompanying documents to the purchaser or transferee of such shares or the broker, banker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Sappi Limited

(Registration number: 1936/008963/06)
JSE share code: SAP
ISIN: ZAE000006284
(Sappi or the company)

Notice is hereby given to the shareholders of the Company (Shareholders) in terms of section 62(1) of the Companies Act, No 71 of 2008 as amended (Companies Act) that the eighty-ninth (89th) annual general meeting (AGM) of the company will be held at Sappi's registered office, in the Oxford Room, Ground Floor, 108 Oxford Road (entrance on Ninth Street), Houghton Estate, Johannesburg, 2198, Republic of South Africa and through electronic communication on Wednesday, 04 February 2026 at 14:00 (South African Standard Time). This AGM, and any resumption thereof pursuant to an adjournment or recommencement thereof pursuant to a postponement, is referred to hereinafter as the AGM.

Record dates

The record date on which shareholders must be recorded as such in the company's securities register, maintained by Computershare Investor Services Proprietary Limited, the transfer secretaries of the company (Transfer Secretaries), in order to be entitled to receive this notice of AGM is Friday, 05 December 2025. This notice of AGM is being distributed to shareholders on Friday, 12 December 2025 and this will be announced on the Stock Exchange News Service of the JSE, on the same date.

The last day to trade in order to be eligible to attend, participate in and vote at the AGM is Tuesday, 27 January 2026.

The record date to determine which shareholders are entitled to attend, participate in and vote at the AGM is Friday, 30 January 2026 (attendance record date).

Order of business

- A To present:
- i. as required in terms of section 30(3)(d) read with section 61(8)(a) of the Companies Act, the audited consolidated annual financial statements of the company for the financial year ended September 2025, including the reports of the auditors, the directors and the Audit and Risk Committee, such consolidated annual financial statements having been approved by the board of directors of the company (board) as required by section 30(3)(c) of the Companies Act
 - ii. the report of the Social, Ethics, Transformation and Sustainability Committee in terms of regulation 43(5)(c) of the Companies Regulations, 2011, as contained in the company's 2025 Annual Integrated Report (Annual Integrated Report) (see page 206)
 - iii. the Remuneration Report of the group for the year ended 30 September 2025, in terms of section 61 of the amended Companies Act, as contained in the company's 2025 Annual Integrated Report (see page 182).

The complete audited consolidated annual financial statements of the company for the financial year ended September 2025 are available on the Sappi website: www.sappi.com.

- B To present the Annual Integrated Report, containing the disclosures required as per the JSE Listings Requirements. The Annual Integrated Report is available on the Sappi website: www.sappi.com.

Notice to shareholders continued

C To consider and, if deemed fit, pass (with or without modification) the ordinary and special resolutions set out below:

1. Re-election of the directors retiring by rotation in terms of Sappi's memorandum of incorporation (Sappi's MOI)

The following ordinary resolutions numbers 1, 2, 3 and 4 propose the re-election of those directors of the company who retire as directors by rotation in accordance with Sappi's MOI and who, being eligible for re-election, offer themselves for re-election.

Each of the board and the Nomination and Governance Committee has evaluated the performance of each of the following directors who are retiring by rotation and recommends and supports the re-election of each of them. For brief biographical details of these directors, refer to note 1 to this notice of AGM on pages 232 and 233.

It is intended that all the directors who retire by rotation will, if possible, attend the AGM, either in person or by means of video conferencing.

In order for these ordinary resolutions numbers 1, 2, 3 and 4 to be adopted, in each case the support of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Ordinary resolution number 1

"Resolved that Ms E Istavridis, who retires by rotation in terms of article 7.1.6 of the MOI, being eligible and offering herself for re-election, be and is hereby re-elected as a director of Sappi."

Ordinary resolution number 2

"Resolved that Dr B Mehlomakulu, who retires by rotation in terms of article 7.1.6 of MOI, being eligible and offering herself for re-election, be and is hereby re-elected as a director of Sappi."

Ordinary resolution number 3

"Resolved that Mr NL Sowazi, who retires by rotation in terms of article 7.1.6 of the MOI, being eligible and offering himself for re-election, be and is hereby re-elected as a director of Sappi."

Ordinary resolution number 4

"Resolved that Mr LL von Zeuner, who retires by rotation in terms of article 7.1.6 of the MOI, being eligible and offering himself for re-election, be and is hereby re-elected as a director of Sappi."

2. Election of Audit and Risk Committee members

The following ordinary resolutions numbers 5 to 9 are proposed to elect the members of the Audit and Risk Committee in accordance with section 94(2) of the Companies Act and the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™).

Section 94 of the Companies Act requires that, at each AGM, shareholders must elect an audit committee comprising at least three members.

The Nomination and Governance Committee has assessed the performance and independence of each of the directors proposed to be members of the Audit and Risk Committee and recommends their election to the Audit and Risk Committee. The board has considered and accepted the findings of the Nomination and Governance Committee in this regard. The board is satisfied that the proposed members meet the requirements of section 94(4) of the Companies Act, that they are independent according to King IV™ and that they possess the required qualifications and experience as prescribed in regulation 42 of the Companies Regulations, 2011, which requires that at least one-third of the members of a company's audit committee at any particular time must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

Brief biographical details of each proposed member of the Audit and Risk Committee are included in the biographies of the directors contained under "Our Leadership" in the Annual Integrated Report (see page 152).

Ordinary resolution number 5

"Resolved that Ms ZN Malinga, being eligible and offering herself for election, be and is hereby elected as a member (and Chairperson) of the Audit and Risk Committee."

Ordinary resolution number 6

"Resolved that Dr B Mehlomakulu, being eligible and offering herself for election, be and is hereby elected as a member of the Audit and Risk Committee."

Ordinary resolution number 7

"Resolved that Mr RJAM Renders, being eligible and offering himself for election, be and is hereby elected as a member of the Audit and Risk Committee."

Ordinary resolution number 8

"Resolved that Mr LL von Zeuner, being eligible and offering himself for election, be and is hereby elected as a member of the Audit and Risk Committee."

Ordinary resolution number 9

"Resolved that Ms E Istavridis, being eligible and offering herself for election, be and is hereby elected as a member of the Audit and Risk Committee."

In terms of the Companies Act, each proposed member of the Audit and Risk Committee will, if elected, hold office until the conclusion of the next annual general meeting and perform the duties and responsibilities stipulated in section 94(7) of the Companies Act, the JSE Listings Requirements and King IV™ and such other duties and responsibilities as may from time to time be determined by the board.

In order for ordinary resolutions numbers 5 to 9 to be adopted, the support in each case of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

3. Election of Social, Ethics, Transformation and Sustainability Committee members

The following ordinary resolutions numbers 10 to 14 are proposed to elect the members of the Social, Ethics, Transformation and Sustainability Committee in accordance with sections 61(8) and 72(9A) of the Companies Act and King IV™.

Sections 72(7A) and 72(9A) of the Companies Act requires that at each AGM, shareholders must elect a social and ethics committee comprising at least three members, the majority of whom must be directors who are not involved in the day-to-day management of the business of the company and must not have been so involved at any time during the previous three financial years.

The board has assessed the performance and independence of each of the directors proposed to be members of the Social, Ethics, Transformation and Sustainability Committee and recommends their election to the Social, Ethics, Transformation and Sustainability Committee. The board is satisfied that the proposed members meet the requirements of section 72(7A) of the Companies Act and the majority of the directors proposed to be members of the Social, Ethics, Transformation and Sustainability Committee are independent non-executive directors of the company and are independent according to King IV™.

Brief biographical details of each proposed member of the Social, Ethics, Transformation and Sustainability Committee are included in the biographies of the directors contained under "Our Leadership" in the Annual Integrated Report (see page  152).

Ordinary resolution number 10

"Resolved that, Mr BR Beamish being eligible and offering himself for election, be and is hereby elected as a member (and Chairperson) of the Social, Ethics, Transformation and Sustainability Committee."

Ordinary resolution number 11

"Resolved that Mr MA Fallon, being eligible and offering himself for election, be and is hereby elected as a member of the Social, Ethics, Transformation and Sustainability Committee."*

Ordinary resolution number 12

"Resolved that Ms E Istavridis, being eligible and offering herself for election, be and is hereby elected as a member of the Social, Ethics, Transformation and Sustainability Committee."

Ordinary resolution number 13

"Resolved that Mr JM Lopez, being eligible and offering himself for election, be and is hereby elected as a member of the Social, Ethics, Transformation and Sustainability Committee."

* Retiring at the annual general meeting in February 2027, as previously announced.

Notice to shareholders continued

Ordinary resolution number 14

"Resolved that Mr SR Binnie, being eligible and offering himself for election, be and is hereby elected as a member of the Social, Ethics, Transformation and Sustainability Committee."

In terms of the Companies Act, each proposed member of the Social, Ethics, Transformation and Sustainability Committee will, if elected, hold office until the conclusion of the next annual general meeting and perform the duties and responsibilities stipulated in the Companies Act, the JSE Listings Requirements and King IV™ and such other duties and responsibilities as may from time to time be determined by the board.

In order for ordinary resolutions numbers 10 to 14 to be adopted, the support in each case of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

4. Appointment of independent external auditors

In compliance with section 90(1) of the Companies Act, each year, at its AGM, the company must appoint an auditor who meets the requirements of section 90(2) of the Companies Act.

The board has evaluated the performance of KPMG Inc. and recommends its re-appointment as auditors of Sappi. The Audit and Risk Committee has considered and is satisfied as to the independence of KPMG Inc. in accordance with section 94(8) of the Companies Act. The board has also considered and is satisfied as to the suitability of KPMG Inc. pursuant to paragraph 3.84(g) of the JSE Listings Requirements

Ordinary resolution number 15

"Resolved that KPMG Inc. (with the designated registered auditor to be Ms Giuseppina Aldrighetti) be and is hereby re-appointed as the independent external auditors of Sappi for the financial year ending September 2026 and remain in office until the conclusion of the next annual general meeting."

In order for this ordinary resolution number 15 to be adopted, the support of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

5. Remuneration policy

Ordinary resolution number 16

"Resolved that the company's remuneration policy as contained in the Remuneration Report in the Annual Integrated Report (see page 182), be and is hereby endorsed by way of a non-binding advisory vote."

6. Remuneration Implementation Report

Ordinary resolution number 17

"Resolved that the company's Remuneration Implementation Report as contained in the Remuneration Report in the Annual Integrated Report (see page 182), be and is hereby endorsed by way of a non-binding advisory vote."

In terms of the JSE Listing Requirements, the company's remuneration policy and implementation report in regard to its remuneration policy must be tabled every year for separate non-binding advisory votes by the shareholders of the company at the AGM. In the event that either the remuneration policy or the implementation report (ordinary resolutions 16 and 17), or both are voted against by the shareholders exercising 25% or more of the voting rights exercised, the company shall engage with the dissenting shareholders in the manner set out in the Remuneration Report (see page 182).

Ordinary resolutions numbers 16 and 17 require the approval of more than 50% of the total votes exercised on the respective resolutions by shareholders present or represented by proxy at the AGM, subject to the provisions of the Companies Act, the MOI and the JSE Listings Requirements. Ordinary resolutions numbers 16 and 17 are non-binding advisory votes.

7. Authority from shareholders to set the maximum number of shares which may be settled under the Sappi Limited Performance Share Incentive Plan (the Plan) for future awards and to set the maximum number of shares which may be settled to an individual for future awards, and to delete Rule 1.1.3 and amend Rules 12.1, 12.2 and 12.3 of the Plan accordingly

Shareholders last approved the maximum number of ordinary shares (**Shares**) which could be allocated under the Plan at **27,402,673** Shares (being **5%** of the issued capital of the company at the time) at Sappi's AGM held on 05 February 2020. Over the past six years since this limit was approved, **7,630,783** Shares have vested and **19,204,501** Shares have been allocated but not yet vested. The current approval will provide for the settlement of these allocated Conditional

Awards up to the 2029 financial year. Historically, only around 60% of the number of allocated awards have vested, due to appropriately stretching performance conditions, and so approximately **11,522,701** Shares are expected to be used for settlement during the period from 2026 to 2029. However, the current Plan rules limit the number of Shares which can be awarded, so in order to grant future Conditional Awards that will vest from the 2030 financial year onwards, a further shareholder approval is required. The company expects that this approval will permit the effective operation of the Plan well into the 2030s. Accordingly, and only in respect of Shares which may be needed to settle future Conditional Awards, the company wishes to seek the requisite approval and authority from shareholders to:

- i. increase and re-set the maximum number of Shares which may be settled to all participants under the Plan to **30,357,073 Shares (Maximum Approved Shares)** being **5%** of the issued capital of the company as at 30 November 2025 and which maximum number excludes Shares awarded and/or settled to participants under the Plan prior to 30 November 2025
- ii. increase the maximum number of Shares which may be settled to any individual participant to 3,033,000 Shares being **0.5%** of the issued capital of the company as at 30 November 2025
- iii. amend the rules of the Plan to increase the limit of Shares to the Maximum Approved Shares, to clarify the basis on which the Share limits under the Plan are calculated, and to update the rules of the Plan to better align with current practice
- iv. place the Maximum Approved Shares under the control of the directors of the company for purposes of the Plan and to settle the obligations to participating employees in the years ahead.

The Plan is available for inspection by shareholders during normal business hours at the company's registered office from the date of issue of this notice up to and including the date of the AGM and is also available on the company's website.

Ordinary resolution number 18

"Resolved that:

- 1.1 From the date of the passing of this ordinary resolution number 18, the maximum number of Shares which may be Settled to all Participants under the Plan for future Conditional Awards is set at **30,357,073** Shares, being **5%** of the issued capital of the company as at 30 November 2025 and which maximum number excludes Shares awarded and/or Settled to Participants under the Plan prior to 30 November 2025
- 1.2 Rule 1.1.3 of the Plan be deleted
- 1.3 Rules 12.1, 12.2 and 12.3 of the Plan be accordingly amended as highlighted in **bold** below:
- 12.1 *Subject to 12.4, the prior authority of the shareholders of the company in general meeting shall be required if the aggregate number of Shares which may be **Settled** to all Participants under this Plan (and any other group share incentive plan) is to exceed **30,357,073 (thirty million, three-hundred and fifty-seven thousand and seventy-three)** Shares being 5% (five percent) of the company's issued share capital as at 30 November 2025. In the event of a discrepancy between the number of Shares and the percentage of issued Shares it represents, the number of Shares shall prevail over the stated percentage*
- 12.2 *Subject to 12.4, the aggregate number of Shares that may be Settled to any one Participant in terms of this Plan (and any other group share incentive plan) shall not exceed **3,033,000 (three million and thirty-three thousand)** Shares being **0.5% (zero point five percent)** of the company's issued Share capital as at **30 November 2025**. In the event of a discrepancy between the number of shares and the percentage of issued shares it represents, the number of shares shall prevail over the stated percentage. 14.1(c)*
 - 12.2.1 *The limit referred to in clause 12.1 shall include:*
 - 12.2.1.1** *new Shares allotted and issued by the Company in Settlement of this Plan (and any other group share incentive plan)*
 - 12.2.1.2** ***Shares held in treasury by a subsidiary of the Company that have been used to Settle Conditional Awards***
- 12.3 *The **limit referred to in clause 12.1** shall exclude:*
 - 12.3.1 *Shares purchased in the market in Settlement of this Plan; 14.9(c)*
 - 12.3.2 *Shares in respect of **awards** under this Plan which are not subsequently Settled to a Participant as a result of the forfeiture thereof; **and** 14.3(f)*
 - 12.3.3 *Shares in respect of awards under this Plan (and all other group share incentive Plans) which were Settled and/or Awarded before 30 November 2025.*

In terms of Schedules 14.1 and 14.2 of the JSE Listings Requirements and the Plan rules, the percentage of voting rights required for ordinary resolution number 18 to be adopted is a 75% (seventy-five percent) majority of the votes cast in favour of ordinary resolution number 18 by all shareholders present or represented by proxy at the AGM, excluding all the votes attaching to securities owned or controlled by persons who are existing participants in the Plan.

Notice to shareholders continued

8. General authority to place shares under the control of the directors for purposes of the Plan

The passing of this ordinary resolution number 19 is a specific authority by the shareholders which will give the directors, subject to the provisions of the Plan, the company's MOI, the Companies Act and the JSE Listings Requirements, flexibility to issue authorised shares up to the Maximum Approved Shares to meet the requirements of the Plan.

Ordinary resolution number 19

"Resolved that, subject to the passing of ordinary resolution number 18, the Maximum Approved Shares, required for Settlement under the Plan, be and are hereby placed under the control of the directors, who are hereby, as a specific authority, authorised, subject to the provisions of the Plan, the company's MOI, the Companies Act and the JSE Listings Requirements, to issue shares up to the Maximum Approved Shares in terms of the Rules of the Plan."

In order for ordinary resolution number 19 to be adopted, the support of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

9. Non-executive directors' fees

Special resolution number 1

"Resolved that, for the financial year 2026 and until otherwise determined at a general meeting, the remuneration of the non-executive directors for their services shall be approved as follows:

	From	To
1. Sappi board fees¹		
Chairperson		
If United Kingdom resident		
If South African resident	ZAR2,426,500 ²	ZAR2,523,560 ²
If United Kingdom resident		
If United States of America resident		
If European resident		
Lead Independent Director		
If South African resident	ZAR839,410	ZAR921,001
If United Kingdom resident	GBP79,994	GBP81,194
If United States of America resident	US\$122,009	US\$125,669
If European resident	EUR106,217	EUR107,810
Other directors		
If South African resident	ZAR560,996	ZAR583,436
If United Kingdom resident	GBP53,280	GBP54,079
If United States of America resident	US\$81,331	US\$83,771
If European resident	EUR70,762	EUR71,823
2. Audit and Risk Committee fees¹		
Chairperson		
If South African resident	ZAR582,528	ZAR605,829
If United Kingdom resident	GBP54,102	GBP54,914
If United States of America resident	US\$84,237	US\$86,764
If European resident	EUR71,841	EUR72,919
Other directors		
If South African resident	ZAR291,270	ZAR302,921
If United Kingdom resident	GBP27,205	GBP27,613
If United States of America resident	US\$41,138	US\$42,372
If European resident	EUR36,114	EUR36,656

	From	To
3. Fees of Human Resources and Compensation Committee, Nomination and Governance Committee, Social, Ethics, Sustainability and Transformation Committee and any other committee established from time to time (<i>ad hoc</i> or otherwise)¹		
Chairperson		
If South African resident	ZAR350,226	ZAR364,235
If United Kingdom resident	GBP32,148	GBP32,630
If United States of America resident	US\$48,137	US\$49,581
If European resident	EUR42,680	EUR43,320
Other directors		
If South African resident	ZAR182,269	ZAR189,560
If United Kingdom resident	GBP22,524	GBP22,862
If United States of America resident	US\$29,401	US\$30,283
If European resident	EUR29,911	EUR30,360
4. Additional meeting fees for board meetings in excess of five meetings per financial year whether attended in person or by teleconference/ videoconference and other <i>ad hoc</i> duties		
If South African resident	ZAR56,243 per meeting	ZAR58,493 per meeting
If United Kingdom resident	GBP5,286 per meeting	GBP5,365 per meeting
If United States of America resident	US\$8,129 per meeting	US\$8,373 per meeting
If European resident	EUR7,009 per meeting	EUR7,114 per meeting
5. Travel compensation (applicable to long-haul flights with a duration of at least 10 hours)		
If South African resident	US\$3,800 per meeting	US\$3,800 per meeting
If United Kingdom resident	US\$3,800 per meeting	US\$3,800 per meeting
If United States of America resident	US\$3,800 per meeting	US\$3,800 per meeting
If European resident	US\$3,800 per meeting	US\$3,800 per meeting

¹ Fees per annum unless otherwise indicated.

² Inclusive of all board committee fees.

Sappi's practice, as advised previously, is to review directors' fees annually. Special resolution number 1 increases the fees currently paid to non-executive directors and board committee members. The recommendation is that all non-executive directors' fees will be adjusted in line with executive management increases globally. The fees would be increased by between 1,5% and 4% per annum, depending on the domicile of the director, for the financial year 2026.

The review takes into account that the responsibilities of non-executive directors continue to increase substantially flowing from legislative, regulatory and corporate governance developments and requirements in South Africa and elsewhere.

Notice to shareholders continued

Non-executive directors' fees are paid quarterly (in March, June, September, and December each year) and the proposed increase, if approved, will accordingly be applicable to payments to be made in December 2025 onwards. Initially the December 2025 payment will be made on the basis of the existing fee structure, and following shareholder approval of the proposed increases, the shortfall in the December 2025 payment will be made up in the March 2026 payment.

Directors' fees and board committee fees are paid to non-executive directors only.

In order for this special resolution number 1 to be adopted, the support of at least 75% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

10. Loans or other financial assistance to related or inter-related companies

Section 45 of the Companies Act provides that the board of directors of a company may authorise that company to provide direct or indirect financial assistance (which includes, without limitation, lending money, guaranteeing a loan or other obligation and securing any debt or obligation) to a related or inter-related company, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category. The board of directors of a company can only approve financial assistance if it is satisfied that:

- i. immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contained in the Companies Act
- ii. the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

From the adoption of certain sections of the Companies Amendment Act 16 in December 2024, the provisions of section 45 of the Companies Act are not applicable to financial assistance to or for the benefit of the company's subsidiaries which, for purposes of the Companies Act, are those subsidiaries that are registered, incorporated or domesticated in South Africa. Section 45 is still applicable to financial assistance granted to those subsidiaries of the company registered, incorporated or domesticated outside of South Africa. The company accordingly seeks approval from shareholders to provide financial assistance to any company or corporation which is related or inter-related to the company, to the extent now required under section 45 of the Companies Act.

Special resolution number 2

"Resolved that the board be and is hereby authorised, in accordance with and subject to the requirements of the Companies Act, the JSE Listings Requirements and the company's MOI, to authorise the company to provide direct or indirect financial assistance which the board may deem fit to any company or corporation (wheresoever incorporated or registered) which is or becomes from time to time related or inter-related to the company (as defined in the Companies Act) on such terms and conditions and in such amounts as the board may determine, subject to the board being satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contained in the Companies Act
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company."

In order for this special resolution number 2 to be adopted, the support of at least 75% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

11. General authority to repurchase shares

Special resolution number 3

"Resolved, that the board be and is hereby authorised, by way of a general authority, to approve the repurchase from time to time by the company of its own issued ordinary shares (Sappi shares), and to approve the purchase from time to time of Sappi shares in the company by any subsidiary from time to time of the company upon such terms and conditions and in such amounts as the board may from time to time determine, but subject to (re)purchases by the company and/or its subsidiaries pursuant to this general authority not exceeding in total 10% (ten percent) of the number of Sappi shares in issue on the date on which this general authority is granted, and subject to the provisions of the Companies Act, Sappi's MOI and the JSE Listings Requirements, when applicable, and any other relevant authority."

It is recorded that the JSE Listings Requirements currently require, *inter alia*, the following in relation to a general authority to repurchase securities:

- (a) this general authority shall be valid until the next annual general meeting or for 15 months from the date on which the general authority is granted, whichever period is shorter
- (b) authorisation thereto must be given by the company's MOI
- (c) no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market price of the Sappi shares for the 5 (five) business days immediately preceding the date of such acquisition
- (d) the repurchase of the Sappi shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited)
- (e) the company may only appoint one agent at any point in time to effect any repurchase(s) on the company's behalf
- (f) the company and/or any of its subsidiaries may not acquire Sappi shares during a prohibited period as defined in the JSE Listings Requirements unless a repurchase programme is in place. The company must instruct only one independent third party, which makes its investment decisions in relation to the Sappi shares independently of, and uninfluenced by, the company prior to the commencement of the prohibited period to execute the repurchase programme. The repurchase programme must be submitted to the JSE in writing prior to the commencement of the prohibited period and must include certain details including (i) the name of the independent agent; (ii) the date on which the independent agent was appointed by the company; and (iii) the commencement and termination date of the repurchase programme
- (g) the general authority may be varied or revoked by special resolution of the shareholders prior to the next annual general meeting of the company
- (h) should the company and/or its subsidiaries cumulatively repurchase 3% of the initial number of Sappi shares (ie the number of Sappi shares in issue at the time that the general authority from shareholders is granted), and for each 3% in aggregate of the initial number acquired thereafter, an announcement must be made in terms of paragraph 11.27 of the JSE Listings Requirements
- (i) the board must have resolved to authorise the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test contained in the Companies Act and that, since the test was performed, there have been no material changes in the financial position of the group.

The company will not effect a repurchase of Sappi shares under the general authority as contemplated in special resolution number 3 unless the following requirements are met:

- the company will meet the solvency and liquidity test as contemplated in the Companies Act
- each of the company and the group will be able to pay its debts for a period of 12 (twelve) months following the date of the repurchase
- the assets of each of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 (twelve) months following the date of the repurchase, such assets and liabilities having been valued in accordance with the accounting policies used in the audited consolidated annual financial statements of the company for the year ended 30 September 2025
- the share capital and reserves of each of the company and the group will be adequate for the ordinary course of business purposes for a period of 12 (twelve) months following the date of the repurchase
- the working capital of each of the company and group is considered adequate for ordinary business purposes for a period of 12 (twelve) months following the date of the repurchase.

In order for this special resolution number 3 to be adopted, the support of at least 75% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

The board will exercise the general authority to repurchase Sappi shares should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such shares.

Notice to shareholders continued

Disclosure in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures in relation to special resolution number 3, which are included in the Integrated Annual Report:

- major shareholders of the company – page 210 of the Annual Integrated Report
- share capital of the company – page 210 of the Annual Integrated Report.

Directors' responsibility statement

The directors, whose names are set out on pages 152 and 153 of the Annual Integrated Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 3 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the abovementioned resolution contains all information required by the JSE Listings Requirements.

No material change

There has been no material change in the financial or trading position of the company and the group since the financial year ended September 2025.

Statement of board's intention

The board has not passed any resolution to effect, and has no current specific intention to effect, a repurchase pursuant to the general authority as contemplated in special resolution number 3. The board will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect such a repurchase.

12. Signature of documents

Ordinary resolution number 20

"Resolved that any director and the Group Company Secretary of Sappi (each being entitled to act individually) is authorised to sign all such documents and do all such things as may be necessary or reasonably desirable for or incidental to the implementation of the resolutions passed at this AGM."

In order for this ordinary resolution number 20 to be adopted, the support of more than 50% of the total voting rights exercised on the resolution by shareholders present or represented by representative or proxy at the AGM and entitled to exercise voting rights on the resolution is required.

Other matters:

To transact such other business as may be transacted at an AGM.

Identification

In terms of section 63(1) of the Companies Act, before any person (shareholder or proxy) may be entitled to attend or participate in the AGM, that person must present reasonable satisfactory identification to the chairperson of the meeting, who must be reasonably satisfied that such person has the right to listen in to, participate in, and vote at, the meeting, either as a shareholder or as a representative or proxy for a shareholder. Acceptable forms of identification include a valid identity document, passport or driver's license.

Certificated shareholders and own-name dematerialised shareholders

Shareholders who are recorded as such in the securities register on the attendance record date (qualifying shareholders) and who:

- hold Sappi shares in certificated form, or
- have dematerialised their shares (ie have replaced the paper share certificates with electronic records of ownership under the JSE's electronic settlement system) and are recorded in the sub-register in own name dematerialised form (ie shareholders who have specifically instructed their Central Securities Depository Participant (CSDP) or broker to hold their shares in their own name on Sappi's sub-register), are entitled to:
 - participate in, speak at, and/or vote at, the AGM, or
 - appoint one or more proxies to participate in, speak at, and/or vote at, the AGM in their stead. A proxy need not be a shareholder. The form of proxy is enclosed.

It is requested, for administrative reasons, that forms of proxy be emailed, posted or delivered to the Transfer Secretaries at the following addresses to be received by no later than 14:00 (South African Standard Time) on Monday, 02 February 2026.

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196
South Africa

Postal deliveries to:

Computershare Investor Services Proprietary Limited
Private Bag X9000
Saxonwold
Johannesburg
2132
South Africa

Email deliveries to:

proxy@computershare.co.za

If a certificated shareholder or own-name dematerialised shareholder does not email, post or deliver forms of proxy to the Transfer Secretaries so as to be received by that time, such shareholder will nevertheless be entitled to email the form of proxy to the Transfer Secretaries at proxy@computershare.co.za to be received prior to the commencement of the AGM.

Beneficial owners of dematerialised shares (other than own-name dematerialised shareholders)

Beneficial owners of Sappi shares who have dematerialised their Sappi shares and who are not registered as own name dematerialised shareholders and who:

- wish to attend, participate in, speak at, and/or vote at, or wish their representatives to participate in, speak at, and/or vote at, the AGM must instruct their CSDPs or brokers to provide them or their representatives with a letter of representation to enable them or their representatives to participate in, speak at, and/or vote at the AGM; or
- do not wish to participate in, speak at, and vote at, the AGM, should provide their CSDPs or brokers with their voting instructions in terms of the relevant custody agreement between them and their CSDPs or brokers.

Such a beneficial owner must not complete the attached form of proxy.

Electronic participation in the AGM

The company intends to make provision for qualifying shareholders, or their representatives or proxies, to participate in, speak at, and/or vote at, the AGM by way of electronic communication as provided for in terms of Sappi's MOI and section 63(2) of the Companies Act. In this regard, qualifying shareholders or their representatives or proxies may participate in, speak at, and/or vote at, the AGM by way of an interactive electronic platform and, if they wish to do so, should note the following:

- The company will offer a qualifying shareholder (or its representative or proxy) reasonable access through electronic facilities and a virtual meeting platform to participate in the AGM
- A qualifying shareholder (or its representative or proxy) will, if (and only if) the qualifying shareholder requests that access be granted to it (or its representative or proxy) to do so, be able to:
 - participate in the AGM through electronic facilities; and
 - vote during the AGM through a virtual meeting platform
- A qualifying shareholder is invited to request such access by:
 - sending an email (a participation request) to the Transfer Secretaries at proxy@computershare.co.za, or
 - registering at www.smartagm.co.za .

Notice to shareholders continued

Following receipt of a participation request, the Transfer Secretaries will email the relevant contact link and logon details to the qualifying shareholder concerned (or its representative or proxy) to enable it (or its representative or proxy) to participate in, speak at, and/or vote at, the AGM (a connection details notice). The participation request must specify:

- the name of the qualifying shareholder (and, if applicable, of the representative or proxy)
- an email address at which the qualifying shareholder (and, if applicable, the representative or proxy) can be contacted.

Reasonably satisfactory identification (and a letter of representation or a duly completed form of proxy, if applicable) must be attached to a participation request.

It is requested, for administrative reasons, that a participation request, complying with the above requirements, be emailed to the Transfer Secretaries at proxy@computershare.co.za, to be received by no later than 14:00 (South African Standard Time) on Monday, 02 February 2026. If a Qualifying Shareholder does not email a participation request complying with the above requirements to reach the Transfer Secretaries by that time, that qualifying shareholder will nevertheless be entitled to email a participation request complying with the above requirements to the Transfer Secretaries at proxy@computershare.co.za, to be received prior to the commencement of the AGM. Qualifying shareholders (and their representatives or proxies) should nevertheless be aware that if a participation request is sent near to the time of commencement of the AGM, there is a risk, and they accept the risk, that: (i) the participation request will not reach the Transfer Secretaries prior to the commencement of the AGM; (ii) the Transfer Secretaries will not have sufficient time to send the connection details notice prior to the commencement of the AGM; or (iii) the connection details notice will not reach the qualifying shareholder (or representative or proxy) prior to the commencement of the AGM.

In relation to a participation request complying with the above requirements received by the Transfer Secretaries from a qualifying shareholder:

- by 14:00 (South African Standard Time) on Monday, 02 February 2026, the Transfer Secretaries will use reasonable endeavours to email the connection details notice by no later than 17:00 (South African Standard Time) on Tuesday, 03 February 2026; or
- after 14:00 (South African Standard Time) on Monday, 02 February 2026 but prior to the commencement of the AGM, the Transfer Secretaries will use reasonable endeavours to email the connection details notice as soon as reasonably practicable after receipt of the participation request.

For information purposes only, a guide for electronic shareholders meetings will be available on the company's website (www.sappi.com ) and can also be obtained from the Transfer Secretaries. Should you have any further questions on electronic participation, please send an email to proxy@computershare.co.za.

Sappi will make the electronic facilities and platform available at no cost to the user. However, any third-party costs relating to the use of, or access to, the electronic facilities and platform will be for the user's account.

Sappi does not accept responsibility, and will not be held liable, under any applicable law or otherwise, for:

- any action of, or omission by, the Transfer Secretaries, CSDPs or brokers; or
- any loss arising in any way from the use of the electronic facilities or platform including, without limitation, any malfunctioning or other failure of the facilities or platform, or any failure of any email to reach, or delay in any email reaching, its intended destination; or
- loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any shareholder from participating in and/or voting at the AGM.

Sappi shares held by a share trust or scheme

Sappi shares held by a share trust or scheme will not have their votes taken into account at the AGM for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Questions

The board encourages shareholders to participate and to ask questions at the AGM. In order to facilitate efficient responses to questions at the meeting, shareholders can submit questions in advance in writing to the Group Company Secretary so as to be received by 17:00 (South African Standard Time) on Friday, 23 January 2026 at:

108 Oxford Road
Houghton Estate
Johannesburg
2198
South Africa

or

PO Box 52264
Saxonwold
2132
South Africa

or

By email to Ami.Mahendranath@sappi.com

By order of the Board Secretaries:

per: A Mahendranath

Group Company Secretary

Sappi Southern Africa Limited

108 Oxford Road
Houghton Estate
Johannesburg
2198
South Africa

12 December 2025

Notice to shareholders continued

Notes

1. Directors retiring by rotation who are seeking re-election

Ms Eleni Istavridis (68)

(Independent)

Qualifications: BA, MBA, MIA

Nationality: American

Appointed: October 2022

Sappi board committee memberships:

- Audit and Risk Committee member
- Social, Ethics, Transformation and Sustainability Committee member

Other board and organisation memberships:

- Sonoco Products Company
 - Independent Non-executive Director
 - Member of the Corporate Governance Committee
 - Member of the Financial Policy Committee
 - Member of the Employee and Public Responsibility Committee
 - Member of the Audit Committee (2020 – 2023)

Skills, expertise and experience:

Ms Istavridis is a seasoned leader with international experience, including 17 years in the United States and 22 years in Asia in financial services and manufacturing. She has deep expertise in strategy, finance and global operations. Most recently she was Executive Vice President at Bank of New York Mellon as Head of Global Client Management for Asia and later Head of Investment Services, Asia Pacific. Earlier she served in a variety of senior leadership roles including President and Chief Operating Officer of Tristate, an Asia-based manufacturer, and Managing Director at Bankers Trust Company. She currently serves as an independent board member of two public companies and has assignments on committees in corporate governance, audit and risk, financial policy and employees and public responsibility.

Dr Bonakele Mehlomakulu (Boni) (52)

(Independent)

Qualifications: PhD (Chemical Engineering)

Nationality: South African

Appointed: March 2017

Sappi board committee memberships:

- Audit and Risk Committee member
- Human Resources and Compensation Committee member

Other board and organisation memberships:

- Hulam Limited
 - Member of the Audit Committee
 - Member of Social, Ethics and Sustainability Committee
 - Chairperson of the Risk Committee
- Yokogawa South Africa Proprietary Limited

Skills, expertise and experience:

Dr Mehlomakulu holds a PhD in Chemical Engineering from the University of Cape Town. Her career started at Sasol before joining the Department of Science and Technology, occupying various management roles. She served as CEO of the South African Bureau of Standards for nine years. In addition to her non-executive directorship at Sappi Limited, she also serves as a non-executive director at Hulam Limited and Yokogawa South Africa. Her past directorships include PBMR Proprietary Limited, Nuclear Energy Corporation of South Africa, Eskom Holdings SOC Limited and the Technology Innovation Agency. She also served as a South African representative on the governing Council of the International Organization for Standardization (ISO, Geneva).

Mr Nkululeko Leonard Sowazi (62)*(Independent)***Qualifications:** Master's Degree**Nationality:** South African**Appointed:** October 2022**Sappi board committee memberships:**

- Chairman – Sappi Limited Board
- Nomination and Governance Committee (Chairman)
- Attends Audit and Risk Committee, Human Resources and Compensation Committee and Social, Ethics, Transformation and Sustainability Committee meetings as *ex officio*

Other board and organisation memberships:

- Grindrod Limited
 - Lead Independent Non-executive Director
 - Member of Remuneration Committee
 - Investment Committee and Risk Committee
- MTN Group Limited
 - Independent Non-executive Director
 - Member of the Nominations Committee
 - Member of the Remuneration Committee
 - Member of the Finance and Investment Committee
 - Chairperson of Social, Ethics and Sustainability Committee
- Sanlam Private Equity Fund Investment Committee Chairperson
- Tiso Foundation (co-founder and Trustee)
- Tiso Investment Holdings (co-founder and Executive Chairperson)

Skills, expertise and experience:

Mr Sowazi has over 30 years' senior executive and investment management experience and has served on numerous boards of both listed and unlisted companies. Mr Sowazi has a strong commercial and entrepreneurial business track record and presents with an impeccable reputation in the market.

Mr Louis Leon von Zeuner (64)*(Independent)***Qualifications:** BEcon (Economics)**Nationality:** South African**Appointed:** September 2022**Sappi board committee memberships:**

- Audit and Risk Committee member
- Human Resources and Compensation Committee Chairman

Other board and organisation memberships:

- FirstRand Limited
 - Independent Non-executive Director
 - Chairperson of Remuneration Committee
 - Member of Risk Committee
 - Audit Committee, Social and Ethics Committee
 - Credit and Large Exposure Committee and Directors Affairs Committee
- First National Bank Limited
 - Member of the Board
- First Rand Insurance Holdings Proprietary Limited
 - Member of the Board
- University of the Free State
 - Council Member

Skills, expertise and experience:

Mr von Zeuner holds a Bachelor of Economics degree from the University of Stellenbosch and is a Chartered Director (SA). He served as Deputy GCEO of the Absa Group at the time of his retirement in 2012 after 32 years of service in banking. His role as board member, aside from the normal focus on strategy profitability, sustainability and has a key focus on governance status. Despite his role change from executive to non-executive Mr von Zeuner has been able to continue to play a leadership role in the activities of various organisations and contribute to growing the businesses. He is results-driven and supports growing customer relationships.

Shareholders' diary

Annual general meeting	Wednesday, 04 February 2026
First quarter results release	Wednesday, 04 February 2026
Second quarter and half-year results released	Thursday, 07 May 2026
Third quarter results released	Thursday, 06 August 2026
Financial year-end	30 September 2026
Preliminary fourth quarter and year results	Friday, 06 November 2026
Annual Integrated Report posted to shareholders and posted on website	December 2026

Proxy form

for the annual general meeting

Sappi Limited

(Registration number: 1936/008963/06)
JSE share code: SAP
ISIN: ZAE000006284
(Sappi or the company)

Capitalised (defined) terms have the meanings given to such terms in the notice of AGM, to which this proxy form is attached.

For use only by shareholders who:

- Hold shares in certificated form, or
- Hold dematerialised shares (ie, where the paper share certificates have been replaced with electronic records of ownership under the JSE's electronic settlement system and are recorded in Sappi's sub-register with own name registration (ie, shareholders who have specifically instructed their Central Securities Depository Participant (CSDP) or broker to record the holding of their shares in their own name in Sappi's sub-register).

If you are unable to attend the eighty-ninth (89th) AGM of the company to be held at 14:00 (South African Standard Time) on Wednesday, 04 February 2026 at Sappi's registered office, in the Oxford Room, Ground Floor, 108 Oxford Road (entrance on Ninth Street), Houghton Estate, Johannesburg, 2198, Republic of South Africa and through electronic communication, you should complete and return this form of proxy. The AGM and any resumption thereof pursuant to an adjournment or recommencement thereof pursuant to a postponement, is referred to hereinafter as the AGM. It is requested, for administrative reasons, that this form of proxy be sent to Computershare Investor Services Proprietary Limited, the Transfer Secretaries of the company by email, post or physical delivery, to the addresses set out later on in the form of proxy, to be received by no later than 14:00 (South African Standard Time) on Monday, 02 February 2026. If a certificated shareholder or own name dematerialised shareholder does not email, post or deliver forms of proxy to the Transfer Secretaries to be received by that time, such shareholder will nevertheless be entitled to email the form of proxy to the Transfer Secretaries to at proxy@computershare.co.za to be received prior to the commencement of the AGM.

Beneficial owners of Sappi shares who have dematerialised their Sappi shares and who are not registered as own name dematerialised shareholders and who wish to:

- Attend the AGM must instruct their CSDPs or brokers to provide them with a letter of representation to enable them to attend such meeting, or
- Vote at, but not to attend, the AGM, must provide their CSDPs or brokers with their voting instructions in terms of the relevant custody agreement between them and their CSDPs or brokers.

Such beneficial owners must not complete this form of proxy.

I/We (please print names in full)

of (address)

Telephone/Cellphone number:

Email address:

being a shareholder(s) of Sappi holding

Sappi shares and entitled to vote at the AGM, hereby appoint

or failing him/her

or failing him/her, the chairperson of the meeting as my/our proxy to attend, speak and vote for me/us on the resolutions to be proposed (with or without modification) at the AGM, as follows:

	Number of shares		
	For	Against	Abstain
Re-election of the directors retiring by rotation in terms of Sappi's MOI			
Ordinary resolution number 1 – Re-election of Ms E Istavridis as a director of Sappi			
Ordinary resolution number 2 – Re-election of Dr B Mehlomakulu as a director of Sappi			
Ordinary resolution number 3 – Re-election of Mr NL Sowazi as a director of Sappi			
Ordinary resolution number 4 – Re-election of Mr LL von Zeuner as a director of Sappi			
Election of Audit and Risk Committee members			
Ordinary resolution number 5 – Election of Ms ZN Malinga as a member and Chairperson of the Audit and Risk Committee			
Ordinary resolution number 6 – Election of Dr B Mehlomakulu as a member of the Audit and Risk Committee			
Ordinary resolution number 7 – Election of Mr RJAM Renders as a member of the Audit and Risk Committee			
Ordinary resolution number 8 – Election of Mr LL von Zeuner as a member of the Audit and Risk Committee			
Ordinary resolution number 9 – Election of Ms E Istavridis as a member of the Audit and Risk Committee			
Election of Social, Ethics, Transformation and Sustainability Committee members			
Ordinary resolution number 10 – Election of Mr BR Beamish as a member and Chairperson of the Social, Ethics, Transformation and Sustainability Committee			
Ordinary resolution number 11 – Election of Mr MA Fallon as a member of the Social, Ethics, Transformation and Sustainability Committee			
Ordinary resolution number 12 – Election of Ms E Istavridis as a member of the Social, Ethics, Transformation and Sustainability Committee			
Ordinary resolution number 13 – Election of Mr JM Lopez as a member of the Social, Ethics, Transformation and Sustainability Committee			
Ordinary resolution number 14 – Election of Mr SR Binnie as a member of the Social, Ethics, Transformation and Sustainability Committee			
Ordinary resolution number 15 – Re-appointment of KPMG Inc. as auditors of Sappi for the financial year ending 30 September 2026 and until the conclusion of the next AGM of Sappi			
Ordinary resolution number 16 – Non-binding endorsement of remuneration policy			
Ordinary resolution number 17 – Non-binding endorsement of Remuneration Implementation Report			
Ordinary resolution number 18 – Authority from shareholders to set the maximum number of shares which may be settled under the Sappi Limited Performance Share Incentive Plan (the Plan) for future awards and to set the maximum number of shares which may be settled to an individual, and to delete Rule 1.1.3 and amend Rules 12.1, 12.2 and 12.3 of the Plan accordingly			
Ordinary resolution number 19 – General authority to place shares under the control of the directors for purposes of the Plan			
Special resolution number 1 – Non-executive directors' fees			
Special resolution number 2 – Loans or other financial assistance to related or inter-related companies			
Special resolution number 3 – General authority to repurchase shares			
Ordinary resolution number 20 – Authority for directors and Group Company Secretary to sign all documents and do all such things necessary or reasonably desirable for or incidental to the implementation of the above resolutions			

Insert X in the appropriate block if you wish to vote all your shares in the same manner. If not, insert the number of votes in the appropriate block. If no indication is given, the proxy will vote as he/she thinks fit.

Signed at

this

day of

Signature

Assisted by me, where applicable (name and signature)

Please read the notes and instructions on the following pages.

Notes to the proxy form

1. This form of proxy is only to be completed by certificated shareholders and own name dematerialised shareholders.
2. A shareholder may insert the name of a proxy or the names of alternative proxies of the shareholder's choice in the space provided, provided that, in the case of concurrent proxies, this form of proxy must clearly state the order in which the concurrent proxies votes are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the AGM. If such order is not set out and the chairperson waives such non-compliance, then the person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act to the exclusion of those whose names follow.
3. A shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.
4. On a show of hands, every shareholder present or represented by proxy or by representative shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present or represented by proxy or by representative shall be entitled to cast one vote per share held.
5. A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the proxy in the appropriate box or by inserting X should the shareholder wish to vote all shares held by it. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting, as the case may be, in respect of all the shareholder's votes, in such manner as the proxy decides. A shareholder or the proxy is not obliged to exercise all the votes exercisable by the shareholder or by the proxy, but the total of votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the shareholder or by the proxy.
6. Forms of proxy must be dated and signed by the shareholder appointing a proxy.
7. It is requested, for administrative reasons, that this form of proxy be sent to the Transfer Secretaries, in accordance with the details provided below, so as to reach the Transfer Secretaries by no later than 14:00 (South African Standard Time) on Monday, 02 February 2026:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Saxonwold
Johannesburg
2132
South Africa

Postal deliveries to:

Computershare Investor Services Proprietary Limited
Private Bag X9000
2196
South Africa

Email deliveries to: proxy@computershare.co.za

If a certificated shareholder or own-name dematerialised shareholder does not email, post or deliver a form of proxy to the transfer secretaries to be received by that time, such shareholder will nevertheless be entitled to email the form of proxy to the transfer secretaries to be received prior to the commencement of the AGM.

8. Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person to the exclusion of any proxy appointed in terms hereof.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the chairperson of the AGM.
10. The completion of blank spaces need not be initialled. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
11. If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the AGM either in person or by proxy, the person whose name appears first in the securities register will be entitled to vote to the exclusion of the others.
12. Despite the foregoing, the chairperson of the AGM may waive any formalities that would otherwise be a prerequisite for a valid form of proxy.
13. If the number of shares held is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.

Transfer secretaries' offices

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)

Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196
South Africa

Private Bag X900
Saxonwold, 2132, South Africa
Tel: +27 11 370 5000

Email: proxy@computershare.co.za

Summary of terms of section 58(8)(b)(i) of the South African Companies Act, 2008, as amended

Section 58(8)(b)(i) provides that the form of proxy supplied by a company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy to, among other things, participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder
- A shareholder may appoint two or more persons concurrently as proxies; provided that Sappi's MOI requires that the instrument appointing the concurrent proxies clearly states the order in which the concurrent proxies votes are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the relevant meeting
- A shareholder may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person. Note; however, that Sappi's MOI prohibits such delegation
- A proxy appointment must be in writing, and dated and signed by the shareholder appointing the proxy, and remains valid only until the meeting (including any resumption thereof pursuant to an adjournment or recommencement thereof pursuant to a postponement) ends, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation
- A shareholder may revoke a proxy appointment in writing
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent the form of proxy provides otherwise.

Administration

Sappi Limited

Registration number: 1936/008963/06
JSE code: SAP
ISIN code: ZAE 000006284

Group Company Secretary

Ami Mahendranath

Secretaries

Sappi Southern Africa Limited
108 Oxford Road
Houghton Estate
Johannesburg, 2198
South Africa

PO Box 52264
Saxonwold, 2132
South Africa

Tel +27 (0)11 407 8464
Ami.Mahendranath@sappi.com

www.sappi.com 

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa

Private Bag X9000
Saxonwold, 2132
South Africa

Tel +27 (0)11 370 5000
Fax +27 (0)11 688 5238
proxy@computershare.co.za

www.computershare.com 

Corporate Affairs

André Oberholzer
Group Head Corporate Affairs

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Andre.Oberholzer@sappi.com

Investor Relations

Tracy Wessels
Group Head Investor Relations and Sustainability

Tel +27 (0)11 407 8391
Tracy.Wessels@sappi.com

JSE Sponsor

RAND MERCHANT BANK
(A division of FirstRand Bank Limited)
Registration number: 1929/001225/06
1 Merchant place, corner Rivonia Road and Fredman Drive
Sandton, 2146
South Africa

PO Box 786273
Sandton
2146

www.rmb.co.za 

United States ADR Depositary

Overnight/certified/registered delivery:
Computershare
150 Royal Street
Suite 101
Canton, MA 02021
United States of America

P.O. Box 43078
Providence, RI 02940-3078
United States of America

Tel +1 888 BNY ADRS (+1 888 269 2377) or
+1 201 680 6825
shrrelations@cpushareownerservices.com

www.computershare.com/investor 

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, may be used to identify forward-looking statements. 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 restructuring and 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 or future events or circumstances or otherwise.



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