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# 3M Pulp and Paper Sourcing Policy Progress Report

May 2018



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The information in this Progress Report is from the [3M 2018 Sustainability Report](#)

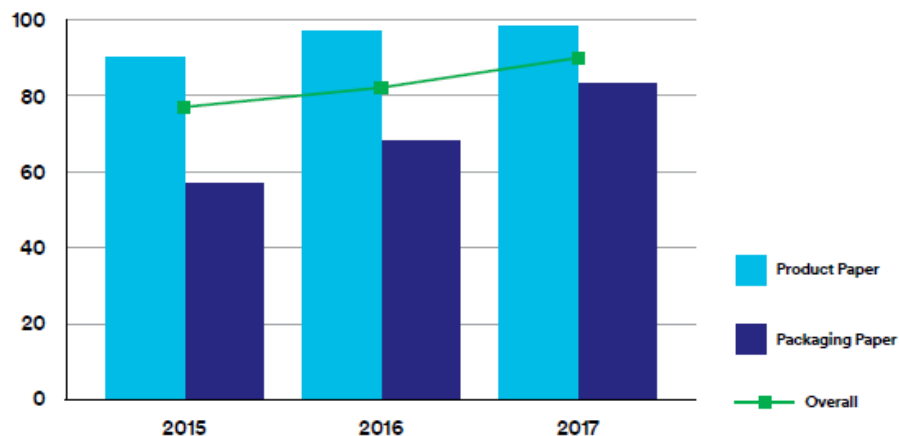
## Our Policy

3M has prioritized pulp and paper products as an area that warrants additional formal expectations, due to potential environmental risks like deforestation and habitat loss, potential human rights issues like infringement of indigenous peoples' rights, and potential unsafe labor practices. As a global paper purchaser and Sustainability leader, 3M is well-positioned to positively influence practices throughout the forest products supply chain. We adopted our current [Pulp and Paper Sourcing Policy](#) in the spring of 2015 to set standards of excellence for our suppliers and their suppliers through all tiers of supply to the forest.

This policy makes it clear that we want to source paper products from suppliers who share our values and are committed to protecting the world's forests. Annually we evaluate our suppliers of pulp and paper raw materials, pulp and paper-based third-party manufactured products, and paper-based packaging to prioritize engagement with those most significant to our business, and those with the possibility of supply chain entities of higher environmental or social risk. Our engagement hinges on extensive communication and education of our suppliers on our policy expectations, and inquiries regarding our suppliers' policies and systems to assess the Sustainability of their supplier network and conformance to our code and policy. We also expect our suppliers to disclose the entities in their supply chain, all the way to the forest source. We believe that only through transparency can we truly identify potential Sustainability risks and collaborate to raise the performance of our shared supply chains.

We partner with The Forest Trust (TFT) for their expertise in developing and implementing responsible sourcing policies, and improving forest management practices across global supply chains. We also actively collaborate with other TFT responsible paper members, our suppliers, and peer companies to advance Sustainability in the global paper supply chain. In the big picture, our goal is to assure that the virgin wood fiber used in our pulp and paper-based products and packaging comes from sources that protect forests and respect the rights of workers and people who live in or may depend on forests for their livelihood.

Pulp and Paper Sourcing Policy  
Engagement Status, Percentage



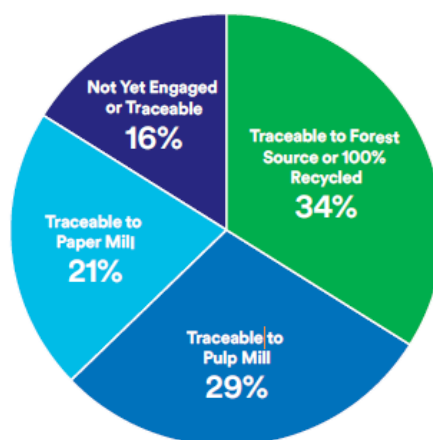
## Pulp and Paper Policy implementation on the ground

Throughout our policy implementation, we have seen several examples of marked improvements in responsible sourcing practices as a result of our engagement with suppliers. These include:

- Meeting with suppliers' senior corporate executives on the importance of assuring responsible and sustainable supply chains, and agreeing to collaborate on that goal
- Suppliers establishing new Sustainability positions within their companies
- Significant increases in supply chain traceability and transparency
- Increased engagement by our suppliers with their upstream supply chain

Through an online survey, our suppliers can provide complete supply chain information all the way to the forest sources, or they can easily forward parts of the online survey to their suppliers (paper or pulp mills, for example) for completion. We aim to work with suppliers and peer companies to document as much of our global paper supply chain as possible, to amplify our efforts to drive sustainable practices throughout the supply chain.

Paper Supply Chain Traceability Process  
2017 Percentage



TFT helps us review information we obtain from our supplier surveys, and combines that with geography and industry-specific knowledge to conduct “desktop” risk assessments of our supply chains. We use these assessments to prioritize further engagement to learn more about our suppliers’ responsible sourcing and sustainable forestry practices. This deeper engagement could take the form of a series of web conferences, in-person meetings, or field assessments at the mill and/or forest level. We do not limit this engagement to our direct suppliers. In fact, as appropriate, we will work directly with tier two or tier three suppliers on policy conformance verification work, with a goal of involving our direct (tier one) supplier(s) in these activities whenever possible.

With TFT, we have conducted 11 field assessments so far across all regions. Three of those assessments were of tier two pulp mills, which were also attended by a tier one supplier. 3M’s participation on supplier field assessments with TFT helps us to understand first-hand the challenges faced by pulp and paper companies and forest managers around the world. This in turn enables us to actively participate in developing solutions and pushing forward conversations about responsible sourcing and sustainable forestry.

Each assessment results in a comprehensive report detailing the supplier’s performance against our policy requirements, and action items to address any performance gaps. We expect each supplier to develop corrective action plans with reasonable timelines, and continue to collaborate with 3M on

resolution of identified opportunities. More information on these assessments can be found in our other [Pulp and Paper Sourcing Policy progress reports](#).

### Pulp and Paper Assessment



### Conservation in the Carolinas

In May, 3M helped launch the Carolinas Working Forest Conservation Collaborative (CW FCC) along with the American Forest Foundation, International Paper and Procter & Gamble.

We have joined this collaboration to engage directly with family woodland owners in the U.S. Coastal Carolinas Plain to support sustainable forestry, conservation of bottomland hardwood forests, and the enhancement of habitat for at-risk species. Through the CW FCC, we intend to accomplish the following objectives:

- Increase awareness and understanding of the importance of sustainable forestry and active management among 30,000 woodland owners who collectively own 2.4 million acres of forestland in the Coastal Carolinas Plain region
- Work with at least 450 landowners across 36,500 acres in the project counties to connect them with technical assistance and resources to get them started in forest management
- Engage at least 160 woodland owners within the project area to enhance, restore, or expand bottomland hardwood forests and quality habitat for at-risk species on at least 13,000 acres
- Certify at least 120 landowners in a recognized forest certification standard

### Responsible Paper Summit in Shanghai

In November 2017, 3M co-sponsored a Responsible Paper Summit in Shanghai, China. Over 40 representatives from more than 20 pulp and paper product producers in the greater China area attended two days of discussions on what it means to be part of a responsible and sustainable global paper supply chain, and how to advance sustainable forestry and responsible paper sourcing in the Asia Pacific (APAC) region. An impressive list of ideas and proposed actions were generated during this summit, and has resulted in momentum toward more engagement and sustainable practices throughout these organizations and their supply chain partners.



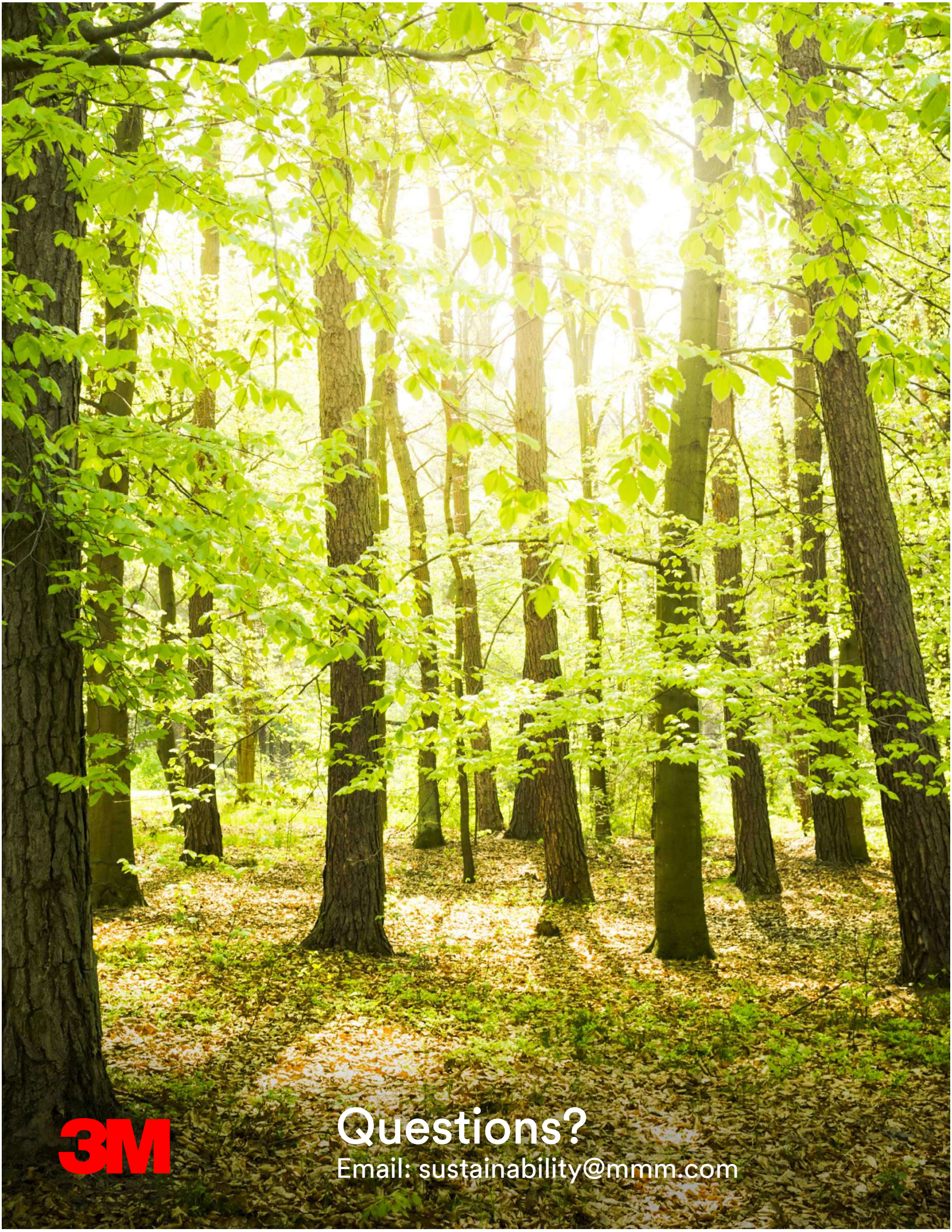
## What's Next

3M's work to advance responsible sourcing and sustainable forestry principles within our supply chain continues, through these and other priority actions:

- Advancing traceability of our supply tiers. By expanding our suppliers' use of SupplyShift to document their supply chains, we improve the visibility of our supply sources all the way to forest sources, so we can better work with our tier 1 suppliers (and they with theirs) on assuring sustainable forestry practices.
- Driving performance improvements. Through desktop and onsite assessments, we identify corrective actions and expect our suppliers to implement actions to advance their sustainability performance in a timely manner. We look for opportunities to increase business with suppliers who are striving to meet our policy expectations, and limit business with those who are lagging behind.
- Advancing transformative action. In partnership with other companies, we seek to use the collective results of our global supply chain assessments to target on-the-ground transformations for long-lasting sustainability improvements.
- Influencing and collaborating to amplify efforts. We will continue to network with peers, customers, NGOs and anyone else interested in advancing the values embodied in our Pulp and Paper Sourcing Policy.

We will continue to issue progress reports semi-annually, and encourage you to check back with us on our progress. We are excited to be on this endeavor of collaboration with our suppliers, customers, and other stakeholders, to drive meaningful and lasting advancements in responsible paper sourcing and sustainable forestry around the world.





Questions?

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