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3M Pulp and Paper Sourcing Policy Progress Report

May 2021

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Our Policy

3M has prioritized pulp and paper products as an area that warrants additional formal expectations because of potential environmental risks, such as deforestation and habitat loss; potential human rights issues, such as 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.

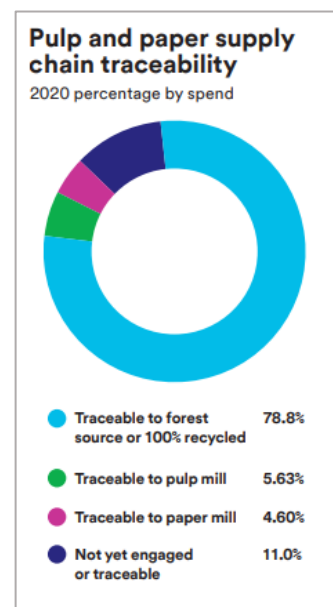
We adopted our Pulp and Paper Sourcing Policy in 2015 to set standards of excellence for our suppliers and their suppliers through all tiers of supply from paper and pulp mills down to the forest. The policy makes it clear that we want to source paper products from suppliers who share our values and are committed to protecting the world's forests and its habitat. Our Pulp and Paper Sourcing Policy and guidance document is available in seven languages. Additional information can be found on our [Sustainable Forestry website](#).



Pulp and paper policy implementation on the ground

We continue to work with all in-scope 3M suppliers around the world to map our global pulp and paper supply chain from paper and pulp mills down to the forest source. We aim to partner with suppliers and peer companies to amplify our efforts to mitigate risks, improve efficiencies, and drive sustainable practices throughout the supply chain.

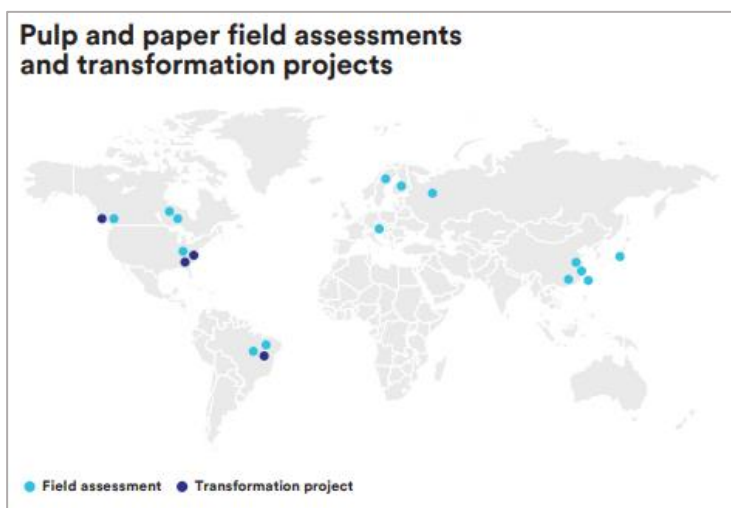
We work with Earthworm Foundation (EF), a nonprofit organization with expertise in implementing responsible sourcing policies and improving forest management practices across global supply chains. EF supports us in reviewing the information we obtain from our suppliers and combines that with geography and industry-specific knowledge to conduct desktop risk assessments of our supply chains. We use these assessments to prioritize further engagement and to learn more about our suppliers' responsible sourcing and sustainable forestry practices. Some of the ways we engage further across all tiers of the supply chain may include conducting web conferences, in-person meetings, or field assessments at the mill and/or forest level.



With the help of EF, we have so far conducted 15 field assessments across all regions, covering more than 19 million hectares. We do not limit this engagement to our direct suppliers. Some of those assessments reviewed Tier 2 pulp mills and were also attended by a Tier 1 supplier. 3M's participation in supplier field assessments with EF 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 participate actively in developing solutions and advancing conversations about responsible sourcing and sustainable forestry.

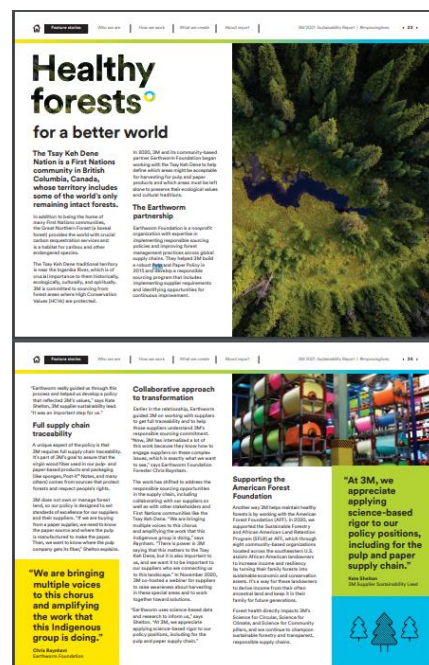
Each assessment resulted in a comprehensive report detailing the supplier's performance compared to our policy requirements and provided action items to address any performance gaps. We expect each supplier to develop corrective action plans with reasonable timelines and, concurrently, continue to collaborate with 3M on the resolution of identified opportunities.

While we will continue to conduct field assessments in our supply chain where warranted by risk or where we identify that it is important to get on the ground to better understand the risk and current mitigation efforts, we are shifting our overall focus to more direct collaborations with suppliers and other third parties. To date, we have participated in transformation projects covering over 5 million hectares.



Although 2020 presented challenges due to COVID-19, we adjusted our implementation strategy to adapt to these challenges. Where we planned to conduct on-the-ground and in-person activities, we shifted to remote and digital engagements, when applicable. Although some types of engagement are still best conducted in person, we were able to make solid progress in implementing our policy by working with strong, collaborative suppliers and other third parties, including:

- Training in Brazil: In 2020, 3M's support enabled EF to provide a training series on Free, Prior, and Informed Consent (FPIC) processes, reaching over 50 people from major companies and stakeholder groups in the Brazilian forestry sector. The companies represented at the training account for 3.1 million hectares of forest plantations within a total land holding of 5.7 million hectares in Brazil, or 40% of plantation forest management in the country.
- 3M and EF are committed to working with suppliers to promote the protection of high conservation values in the Great Northern Forest (the northernmost forest in the world) and the ability of the forests to provide wildlife habitat, ecosystem services, and natural beauty for generations to come. For more information, see our feature story [Healthy forests for a better world](#) on pages 23-24 of the [3M Sustainability Report](#)



More information about past events and activities as well as ongoing projects can be found in our previous Progress & Sustainability reports, and we look forward to sharing a more detailed update on these in our November 2021 Progress Report.

Working on overall policy conformance for suppliers

In 2020, we continued working with our suppliers through the Policy Conformance Self-Assessment tool with the purpose of having 3M suppliers assess themselves against all aspects of the 3M Pulp and Paper Sourcing Policy. The results of the self-assessment are incorporated into the Pulp and Paper Sourcing Policy Scorecard, which allows 3M to evaluate a supplier against all aspects of the 3M policy. We began rolling out this scorecard with prioritized suppliers in 2019, completing evaluations of suppliers in each region, and have continued this through 2020. The results of the evaluation provide 3M further insight into each supplier's conformance status while also highlighting opportunities and areas to focus on for improvement. The goal is that the evaluation results create a path to work together to further advance the sustainability of the global pulp and paper supply chain. Through this work and engagement with our suppliers, we have seen many suppliers make significant progress in their own programs, including:

- Suppliers establishing new pulp and paper positions within their companies
- Significant increases in supply chain traceability and transparency
- Increased engagement by our suppliers with their upstream supply chain
- Suppliers adopting new or enhancing existing pulp and paper policies
- Suppliers inviting 3M to collaborate on challenges around responsible sourcing and to create a path forward

What's Next

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

- Increase efforts with providers of pulp and paper to evaluate and improve their understanding and conformance with 3M's environmental and social expectations.
- Investing in transformation projects that will enhance the global pulp and paper supply chain
- 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 and will share more details about this work in our November 2021 report.



Questions?

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