



PULP AND PAPER SOURCING POLICY

Applies To :

This policy applies to the selection and retention of all GTG direct (or “tier one”) suppliers that provide pulp, paper, or packaging made from wood fiber or plant-based fiber.

Introduction and Background or Purpose :

At GTG, we have long recognized our responsibility to conserve natural resources and support a sustainable environment. We are committed to using our innovation, passion, and expertise towards improving every life. This commitment is a part of our vision for the future and central to our values. We are also committed to working with customers, suppliers and other business partners that share these core values. Our Business Conduct EHS Principle and our longstanding Environmental Policy combine with our Sourcing Sustainability Standard to serve as the foundation for our environmentally responsible sourcing commitments, and set the expectation for suppliers to ensure they provide products and services in accordance with GTG's Supply Chain Policies. This policy specifically addresses GTG's commitment to the responsible sourcing of pulp and paper.

GTG is committed to sustainable forest management and the conservation of natural resources. GTG recognizes its responsibility to source paper products from suppliers that share these goals and are committed to providing products from sustainably managed forests.

The United Nations describes sustainable forest management as “[a] dynamic and evolving concept [that] aims to maintain and enhance the economic, social and environmental values of all types of forests, for the benefit of present and future generations.” This description aligns with GTG's Sustainability vision, and recognizes the need to continually evaluate, adjust and advance global practices and programs in support of sustainable forestry. We at GTG believe that a variety of robust, flexible and evolving systems and tools used by people and organizations across the forestry value chain are the best way to achieve sustainable forest management. We commit to continually assess new knowledge and information in order to advance our own policy, standards and requirements, and to help others in the supply chain to do the same.

We understand that not all of our suppliers will immediately meet every requirement of this Policy. Our expectation is our suppliers and their supply chains will make reasonable but timely progress in building the necessary systems and tools to conform to this Policy. Through this Policy, GTG's goal is to do our part to continue to move the global paper supply chain toward Sustainability, by working in collaboration with our suppliers and, when necessary, choosing not to work with a supplier who cannot or will not meet Policy expectations.

Requirements or Expectations :

I. GTG expects that all pulp, paper and packaging from its suppliers contains wood or plant-based fiber that is legally harvested, sourced, transported and exported from its country of origin. GTG also expects that its pulp, paper and packaging suppliers will work to assure and verify that virgin wood fiber and plant-based fiber provided to GTG is:

- Traceable through the supply chain back to the source of harvest.
- Not harvested in a manner that threatens high conservation values, including peatland ecosystems and intact forest landscapes.
- Not from areas where natural forests with high carbon stock are being converted to other land uses or plantations.
- Obtained in a manner that respects the rights of indigenous peoples and rural communities to the ownership and control of their titled or customary lands, including their right to give or withhold their free, prior and informed consent to proposed developments on their lands.
- Obtained in a manner that respects the rights and safety of workers, including no forced or child labor, no employment discrimination, and the freedom to associate.





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As appropriate, and commensurate with GTG's position as a downstream company in the supply chain, GTG may provide assistance to suppliers and/or sources of harvest in high risk regions to assess or build their capacity to meet these criteria.

II. All suppliers of pulp, paper and packaging made from wood fiber or plant-based fiber are expected to:

- Implement policies and programs consistent with GTG's Supply Chain Policies on Environmental Health & Safety, Transportation, Labor/Human Resources, and Supplied Materials.
- Maintain and provide to GTG upon request information required by legal harvesting laws, including genus, species and country of origin.
- Maintain and provide to GTG on request information regarding third-party certifications of materials and operations in their supply chain, including at the forest source and mill level.
- If suppliers do not have the information requested by GTG, suppliers are expected to work promptly with their suppliers to obtain this information and provide it to GTG.

III. In order to advance responsible sourcing practices, all suppliers of pulp, paper and packaging made from wood fiber or plant-based fiber are expected to make reasonable but timely progress in developing and implementing:

- Policies and due diligence management systems for the sourcing of paper and pulp, and to develop methods of requesting that their suppliers do the same.
- A verifiable, documented system to establish traceability of the virgin fiber supply chain back to the source of harvest, including identification of the pulp mill.
- Ongoing training/communications on the concepts of this Policy and related topics to their relevant employees and suppliers, as appropriate.

IV. Recognizing that factors such as integrity, quality, service, and competitive price are relevant in deciding whether to purchase products covered by this Policy, GTG will also consider information from suppliers regarding the following sustainable management practices, and use that information as a factor for preference in selection:

- Practicing responsible forest management, including scientifically-credible ecosystem-based management, good forest planning, minimizing impacts of road building and logging, protection of watershed areas, support for local communities, and responsible chemical usage.
- Auditing of management practices at the forest source and/or mill level, in order to verify that supplied fiber conforms to some or all Policy expectations.
- Including smallholders among their sources of harvest.
- Providing knowledge-building opportunities for relevant suppliers and contractors to advance responsible sourcing and sustainable forest practices.
- Minimizing mill environmental impacts, such as energy usage, air emissions, water discharges, and bleaching processes.
- Participating in associations or multi-stakeholder groups focused on improving forestry practices and knowledge of sustainable forestry.





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Policy Verification

Using a phased approach, GTG must verify supplier conformance to this Policy and work to continually improve responsible pulp and paper sourcing within its supply chains by taking the following actions:

- Implementing a due diligence program to demonstrate compliance with applicable legal harvest-related laws and regulations and the commitments in this Policy.
- Evaluating potential new suppliers during the supplier qualification process for the capacity to conform to this Policy.
- Seeking Policy-related contractual or other commitments with suppliers.
- Using a prioritized and risk-based protocol to:
 - ★ Periodically review supplier conformance with the requirements of this Policy.
 - ★ Obtain information from suppliers verifying traceability to the source of harvest for pulp and paper provided to GTG, including materials furnished by their suppliers.
 - ★ Conduct supplier audits verifying supplier compliance with key requirements of this Policy and the accuracy of responsible sourcing information provided to 3M, or rely on industry collaborative auditing programs where those programs exist.
- Building supplier awareness of these Policy expectations through measures such as supplier-facing website communications and supplier education or training.

If GTG learns during this verification process or otherwise that a supplier does not meet the requirements of this Policy, GTG must follow its established corrective action process with that supplier. In addition, if information on GTG's paper and pulp sourcing is reported through the GTG Compliance & Business Conduct Ethics Reporting Service, GTG must review and follow up on that information with the relevant supplier as appropriate.

Policy Review, Transparency & Reporting

GTG commits to regular Policy updates, transparency and public reporting of its progress in implementing this Policy by:

- Reviewing this Policy at least every three years in light of evolving science and social considerations associated with sustainable forestry and responsible sourcing of paper and pulp.
- Updating its suppliers on changes to this Policy and on major developments regarding GTG's expectations for responsible sourcing practices in its paper and pulp supply chains.
- Setting key objectives and targets for performance against this Policy.
- Inviting and reviewing stakeholder input on responsible sourcing of paper and pulp and our progress under this Policy.
- Regularly reporting its progress in implementing this Policy on the GTG Sustainability website.

