

# Sustainable Fiber Supply

---

## A Manufacturing Perspective

Joseph C. Lawson, Global Director, Sustainable Forestry

# Agenda

- MWV Introduction
- Why promote legal and certified fiber?
- What our customers are demanding
- Business practices – a MWV example
- Supplier qualification
- Future challenges

# WHO IS MWV?



# MWV is a global leader in packaging and packaging solutions

\$6 billion in revenue

22,000 employees worldwide

Presence in 30 countries

Growth in emerging markets

+40% sales outside North America

25% of revenue from related businesses

(Specialty Chemicals, Consumer & Office Products, Land Management)

# MWV – Serving the World’s Leading Brand Owners



OPTIONAL TITLE TEXT GOES HERE

MWV

# China Operations



**Wuxi - Plant**



**Mingdong Lianyi Group  
SCD JV**



**Shaxian - Plant**



**Shanghai - Office**



**Shanghai - Lab**



**Shanghai: HQ, all BU sales,  
SCD lab (100)**

**Wuxi: Calmar&CSG Plants (400)**

**Shaxian: SCD JV (60)**

**Shaowu: Carbon Production (100)**

**Shenzhen: Calmar sourcing (12)**

**Taiwan: Sales**

**Hong Kong: PRG sales and  
COP sourcing (25)**

Note: Numbers in brackets denote employees

# MWV Sustainability

We are committed to delivering sustainable commercial, social and environmental performance with a focus on:

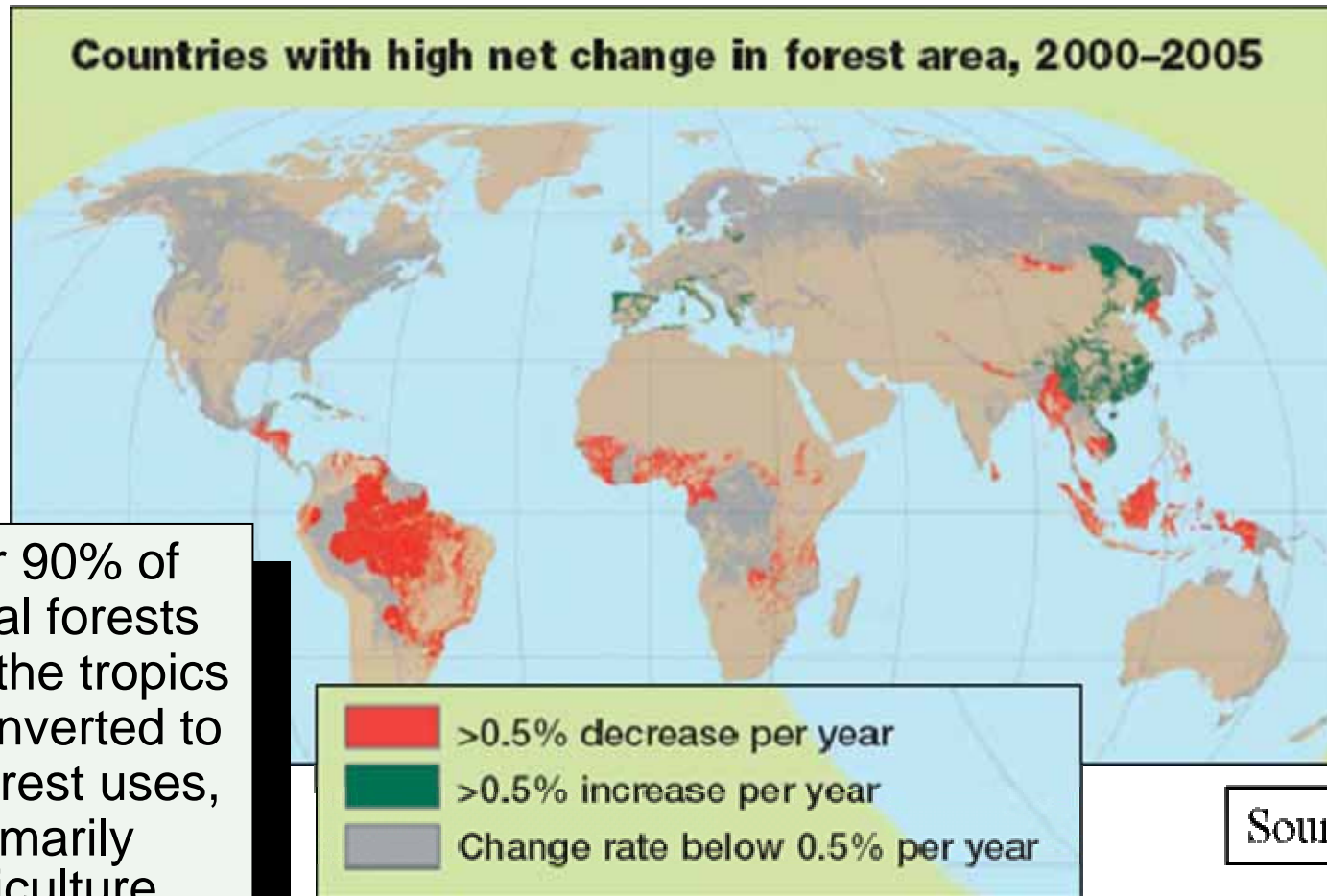


- Stewardship
- Fiber supply
- Carbon reduction
- Social responsibility
- Sustainable packaging



# Converting natural forest to non-forest

- Where and why is deforestation happening?



# Illegal logging – A Local and Global Issue

- Forests are home to 800 million people across the globe
- Illegal and unethical practices harm indigenous peoples and communities
- Loss of government revenue and unfair competition
- Destruction of important ecosystems
- Sustainable forests are critical to the success of global climate strategy
- Global market loss exceeds 10 billion (\$US) and 5 billion (\$US) government revenue

*MWV and our customers are requiring assurance that fiber is ethically and sustainably harvested and brought to market.*

# Forest Fiber – Expectations for Manufacturing

Customers demand:

- known, legal sources
- supply chain transparency
- sustainable forestry practices
- increased certified fiber

In some markets, there is an increasing interest in eco-labels



## Example – Legal and Sustainable Supply

- Forests and wood procurement systems are certified
- Primary manufacturing is chain of custody certified
- Secondary manufacturing is chain of custody certified
- Marketplace recognition



# MWV Example – Manufacturing Leadership

Chair – World Business Council, Sustainable Forest Products Working Group

Chaired the effort to publish:  
“*Sustainable Procurement of Wood and Paper-based Products, Guide and Resource Kit*”  
(available in Chinese)



# Providing Technical Assistance and Training

MWV experts are providing resources to enhance forest productivity in Fujian and Guangxi Provinces



# Enhancing Forest Productivity



Collaborations have succeeded in installing the most extensive network of advanced loblolly pine genetic field trials in China. Results will be used to enhance sustainable productivity of the regions forests

# Promoting Forest Certification

Forest Certification is widely seen as the most important initiative of the last decade to promote better forest management.

We support multiple certification systems and implement programs that ensure an economic supply of available certified paperboard.



# Supplier Qualification Program

---

Driving sustainable practices into the supply chain

# An enterprise view of supplier compliance

Social  
Responsibility

- Ensures that our suppliers are lawful, humane and ethical in supplying materials and services.

Logistics  
Compliance

- Adherence to import/export laws for movement of goods across international borders and ensuring supply chain security.

Global Supplier  
Compliance  
~  
Components

Product Safety  
and Quality

- Ensures the health, safety, quality and environmental impacts of our suppliers' materials and products on products throughout their lifecycle.

Environmental  
Sustainability

- Ensures that suppliers share a commitment to environmental sustainability.

Fiber Sourcing




- Ensures that our suppliers share a commitment to responsible fiber sourcing.

Supplier  
Qualification

- Ensures that we proactive evaluation of the financial, operational and other risks of doing business with a supplier.

# Measuring Risk and Supplier Quality

## 3 Fiber Sourcing

	Responses	Comments
<p>3.1 Are you providing fiber based items to MWV?</p> <p>If you are not providing any fiber based items to MWV, you may skip the Fiber Sourcing section and proceed to Business Continuity</p> <p><b>Traceability</b></p>	<input type="text"/>	<input type="text"/>
3.2 Are you the importer of record?	<input type="text"/>	<input type="text"/>
<p>3.3 Does your company have a system to identify the origin of your wood fiber supply?</p> <p>If yes, please explain</p> <p>If no, please provide a detailed explanation of your current efforts for compliance and action plan with correlating implementation dates.</p>	<input type="text"/> 	<input type="text"/>
<p>3.4 Does your company have a certified chain of custody for wood fiber?</p> <p>If yes, please provide details of the Chain of Custody Certificate, including certificate number</p>	<input type="text"/> 	<input type="text"/>
<p>3.5 Does your company have a system for ensuring that wood fiber is sourced in compliance with local and national laws of the country from which the fiber originates?</p> <p>If yes, how do you ensure that the wood originates from legal sources?</p>	<input type="text"/> 	<input type="text"/> <input type="text"/>
<p>3.6 Do you have any proof that the harvesting company had the legal right to transport wood fiber?</p> <p>If no, do you agree to obtain such proof/documentation and certify the same to us before conduct business with us?</p>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>

# FUTURE CHALLENGES

---

# Significant Challenges Include:

- Managing expectations in a global marketplace
  - fostering improvement in developing regions requires participation of all affected stakeholders
  - governments and government agencies must assist to provide credibility and drive compliance
- Ensuring that the full range of values derived from sustainable managed forests are considered in global climate strategies
- Education and training for suppliers of fiber based products
- Forest certification is a proven tool for driving improvement
  - yet, only 10% of the world's forests are certified

# Looking ahead – Who will supply fiber?

- Regions with forests today, will be expected to meet the needs of a growing world population
- Pressure for agricultural land use will continue
- Some countries, example China, will benefit from re-forestation

## Competition for fiber:

- pulp and paper
- bio-fuels
- carbon strategies (must recognize sustainable forest management)

***Increasing productivity of commercial forestland is critical to meet the needs of people while protecting high conservation value forests.***



How brands  
take shape™