

Ancient and Endangered Forest Conservation Policy

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1.0 Introduction

With this policy, we are committed to protecting ancient and endangered forests and their ecosystems when sourcing forest-based products including but not limited to regenerated cellulose fibres, paper and paper packaging.

2.0 Conservation of Ancient and Endangered Forests and Ecosystems

C&A is committed to conserving resources in our use of all forest-based products. For this reason, C&A is promoting the preservation of forests by not sourcing wood pulp from old and endangered forests.

To do this, we will undertake the following actions by end of 2025:

1. Collaborate closely with Canopy and our suppliers to actively support innovative solutions aimed at safeguarding the remaining ancient and endangered forests. These efforts will focus on regions including the Coastal Temperate Rainforests on Vancouver Island, the Great Bear Rainforest, Canada's Boreal Forests, and Indonesia's Rainforests.
2. Assess our current utilization of man-made cellulosic materials, packaging, and paper, and commit to discontinuing procurement from habitats supporting endangered species and ancient, ecologically significant forests. This includes regions such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests, tropical forests, and peatlands in Indonesia, the Amazon, and West Africa, with a target of achieving this transition by 2025.
3. Require suppliers to eliminate sourcing from: Companies that are logging forests illegally; tree plantations established after 1994 through the conversion or simplification of natural forests; or areas being logged in contravention of First Nations/tribal/indigenous peoples' and community rights or from other controversial suppliers.
4. Before 2025, should our assessment under 2. indicate that if any of the products of our suppliers originate from ancient and endangered forests, habitats of endangered species, or logging, we will take prompt action. This will involve immediate action with our suppliers to change practices, remove these sources from the supply chain, and/or reconsider our relationship with them.

3.0 Fabric Choices

C&A is committed to a future where ancient and endangered forests are no longer used for dissolving pulp to make cellulose-based textiles, including but not limited to rayon, viscose, lyocell and modal.

To do this we uphold the below policy for sourcing regenerated cellulosic fibers

1. Protect Forests: Eliminate sourcing of fibre from ancient and endangered forests areas such as the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa.

2. Require suppliers to eliminate sourcing from: Companies that are logging forests illegally; tree plantations established after 1994 through the conversion or simplification of natural forests; or areas being logged in contravention of First Nations/tribal/indigenous peoples' and community rights or from other controversial suppliers.
3. Supplier Shift: Should we find that any of our fabrics are made of fibres that are sourced from ancient and endangered forests, endangered species habitat or illegal logging, we will engage our suppliers to change practices and/or re-evaluate our relationship with them.

In line with our policy, we set our own regenerated cellulosic fiber sourcing requirements. C&A only allows the use of regenerated cellulosic fibers from suppliers who have undertaken CanopyStyle Audits with an independent accredited third-party auditor and achieved a low risk ranking in the Canopy Hot Button Report. Using the sustainable regenerated cellulosic chain of custody standard (SRCCS), we can trace regenerated cellulosic fibers from fibre to final product. As part of our sourcing requirements, we are committed to disclosing all our regenerated cellulosic fibre suppliers. Today most of the viscose we use comes from Birla and Lenzing. We also source from Jilin.

C&A collaborates with Canopy, innovative companies and suppliers, promoting the use of next generation alternative feedstock that have a reduced environmental footprint compared to conventional forest-based fabrics, such as recycled textile and agricultural residues and a reduced reliance on virgin resources of forest-based products. We participate in trials where appropriate.

4.0 Paper and Packaging

C&A will support approaches and systems to build a future that does not use Ancient and Endangered Forests in the paper and packaging we source. We will move away from single use plastics and influence our paper and packaging supply chain to help protect the world's remaining Ancient and Endangered Forests and endangered species habitat.

To do this we uphold the below policy for sourcing paper and paper packaging by end of 2025:

1. Protect Forests: By the end of 2025, we will ensure that the paper-based packaging we use does not come from ancient and endangered forests and is deforestation and forest degradation free.
2. Smart Design: We will design innovative packaging solutions that use less material, reducing our environmental footprint.
3. Recycled Preference: We will choose paper-based packaging that contains high-recycled content, preferably from post-consumer waste.
4. Future Collaboration: Working with Canopy and innovative companies, we will create new solutions, focusing on using materials from agricultural leftovers and recycled content.
5. Responsible Fibre: Where the use of recycled or agricultural residue fibre is impossible, we will require our suppliers to source fibre certified by the Forest Stewardship Council (FSC), including plantation fiber.
6. Respect of rights of Indigenous Peoples and local communities: We will require respect of Indigenous Peoples and local communities' right to give or withhold Free, Prior, and Informed Consent (FPIC).
7. Conservation Support: We will promote conservation efforts and spread awareness about these important issues through our marketing and communication channels.
8. Transparent Progress: We will set clear targets and timelines by MONTH and YEAR to track our progress and report about our sustainability journey.

5.0 Design and Prioritization of Reduction and Reuse

The reduction and reuse of paper and packaging is of paramount priority for the protection of the world's limited forest resources and has a clear and beneficial impact on costs. Most often sustainability initiatives pay off on longer time horizons, in the case of reduction and reuse the economic and environmental benefits can be seen immediately.

Therefore, over the next year, C&A with the support of Canopy will prioritize the development of a reduction and reuse strategy of wood pulp-based products with targets and timelines. Within this strategy, for the paper and packaging products we continue to need, we will also explore the use of lower impact materials, compared to conventional forest-based packaging, such as post-consumer recycled and agricultural residue content.

Regarding the before mentioned, over the next 3 years C&A will:

1. Direct suppliers to source or design re-usable/refillable shipping boxes to reduce corrugated paper and paper packaging.
2. Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper.
3. Utilize re-usable packaging systems for intra business applications.
4. Increase the use of digital communication, marketing, and accounting systems.
5. Adopt best practices including researching and applying emerging and circular economy innovations.

6.0 Improve Environmental Quality of Packaging and Paper

C&A will collaborate with Canopy, innovative companies and suppliers to encourage the development of Next Generation Solutions¹ and packaging and paper that reduce environmental and social impacts, with a focus on agricultural fibres (particularly residues) and recycled content. We will use Canopy's Ecopaper database and The Paper Steps as a guide for paper and packaging sourcing.

To help reduce the footprint of the paper and packaging we use, C&A will:

1. Do an annual review of all our paper and packaging use to identify areas where we can increase paper use efficiencies, reduce paper and packaging basis weights, and save money and resources.

¹ Next Generation Solutions: Next Generation Solutions uses what is traditionally considered waste to deliver low-carbon alternatives to virgin tree fibre that help take pressure off forests, stabilize our climate, and protect biodiversity. For example, using waste agricultural residues like wheat straw, hemp and flax that are typically burned in fields after harvest, to create new packaging.

2. Give preference to paper/packaging with high-recycled content, specifically post-consumer waste content reaching an overall recycled fibre content in our papers and packaging of at least 50% average within 3 years.
3. Encourage our suppliers to continuously improve and expand the availability of recycled content in papers/packaging.
4. Direct suppliers to source packaging and paper from alternative fibres such as wheat straw or other agricultural residues, when possible.
5. Support research and development of commercial scale production of pulp, paper and packaging from alternative fibre sources such as wheat straw, and other alternative fibres including participation in trials as appropriate.

7.0 Forest Certification

C&A will also prefer fibres sourced from forests and plantations that are responsibly managed and certified to the Forest Stewardship Council (FSC)² certification system and where FSC certified plantations are part of the solution.

8.0 Respecting the Rights of Indigenous People and Communities

C&A expects its business partners and merchandise suppliers to respect existing rights to land, water or forests, in particular for persons whose livelihoods depend on the use of these rights.

To this end, C&A requires that suppliers covered by this policy acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed.

9.0 Reduce Greenhouse Gas Footprint

C&A recognizes the importance of forests as carbon storehouses and their role in maintaining climate stability. As part of our ongoing commitment to reduce our environmental impacts on climate we will support initiatives that advance forest conservation to reduce the loss of high carbon stock forests, by encouraging suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

² Forest Stewardship Council (FSC): Home | Forest Stewardship Council (fsc.org)

10.0 Safeguarding Water and Critical Systems

C&A recognizes that Ancient and Endangered Forests are vitally important systems for the protection and regulation of water from the local to global level. Large areas of contiguous forest act as a biotic pump helping to move moisture from coastal areas to the interior of continents. We will only nominate suppliers that use effective strategies to actively maintain and restore forest intactness to maintain forests' function of regulating the flow and purity of water at a micro and macro scale.

11.0 Support Best Processing Practices and Procurement

C&A requires that our regenerative cellulosic fibre suppliers use the best available environmental practices for processing, such as the 'closed loop' lyocell processing. We will give purchasing preference to paper and packaging that has been processed utilizing technologies such as chlorine free bleaching.

12.0 Promote Industry Leadership

As implementation progresses, C&A will work with suppliers and Canopy, in supporting the protection of endangered and ancient forests and focusing on solutions to protect remaining ancient and endangered forests and endangered species habitat.

13.0 Appendix 1: Glossary

Ancient and Endangered Forests

Ancient and Endangered Forests are defined as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity. Key endangered forests globally are the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peat lands of Indonesia, the Amazon and West Africa.

Agricultural Residues

Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, sugarcane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forest land to on purpose crops is not an issue, kenaf can also be included here. (Agricultural residues are not from on purpose crops that replace forest stands or food crops).

Deforestation

Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.

Deforestation-Free

‘deforestation-free’ means: (a) that the relevant products contain, have been fed with or have been made using, relevant commodities that were produced on land that has not been subject to deforestation after 31 December, 2020; and (b) in the case of relevant products that contain or have been made using wood, that the wood has been harvested from the forest without inducing forest degradation after 31 December, 2020;

Forests

Land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chains, the focus is on preventing the conversion of natural forests.

Forest Degradation

‘forest degradation’ means structural changes to forest cover, taking the form of the conversion of: (a) primary forests or naturally regenerating forests into plantation forests or into other wooded land; or (b) primary forests into planted forests;

Supplier

In this policy, suppliers are defined as all nominated suppliers and suppliers with a direct contractual relationship with C&A for forest-based products including but not limited to regenerated cellulose fibres, paper and paper packaging.