Reformation is deeply committed to sourcing environmentally conscious materials and engaging suppliers to gain traceability into all levels of the supply chain so we can confidently stand behind our stuff. We are a proud member of the <u>CanopyStyle</u> Initiative to help drive positive change for our forest products and ensure that all our forest-based products come from sustainably managed forests. This includes the sourcing of cellulosic fibers such as viscose, modal, and lyocell, as well as paper and paper-based packaging products.

Conservation of Ancient and Endangered Forests and Ecosystems

Reformation is committed to eliminating fibers sourced from ancient and endangered forests. If we discover that fabrics, paper or packaging we are using contain virgin raw material from ancient or endangered forests, we will work with our suppliers to shift fiber sourcing to meet our forest policy requirements. We support the CanopyStyle initiative and the collective effort to source only fabrics free of ancient and endangered forests by 2020.

Reformation will continue to:

- 1. Assess our existing use of forest fibers and eliminate sourcing from endangered species habitat and ancient and endangered forests [2].
- 2. Work to eliminate sourcing from companies that are logging forests illegally [3], engaged in deforestation, or from areas being logged in contravention of indigenous and local peoples' rights, or from other controversial suppliers.
- 3. Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests.
- 4. Should we find that any of our fibers are being 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.

Recognizing, respecting and upholding human rights and the rights of communities

Reformation will request that our suppliers respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their territories, land, and resources.[8] To do so, we request that our suppliers 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. We request that our suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.

Reduce greenhouse gas footprint

As part of our ongoing leadership on climate Reformation supports initiatives that advance forest conservation to reduce the loss of high carbon value forests. We encourage suppliers to avoid harvest in these areas and give preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

Forest certification for fibers

Reformation will continue to request that any fibers that must be sourced from forests are from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations [9] are part of the solution.

Shift to more environmentally and socially beneficial fibers

Reformation is committed to conserving, protecting and restoring natural resources. Reformation will collaborate with Canopy, innovative companies and suppliers to encourage the development of fiber sources that reduce environmental and social impacts, with a focus on agricultural residues[10] and recycled fabrics and fibers.

In 2020, Reformation will put in place a preference for purchasing man-made cellulosics with a minimum of 50% of innovative fiber sources and develop a 2025 procurement target for these closed-loop solutions, based on viscose fiber producer innovation.

Where virgin fiber is necessary, Reformation will work with suppliers and Canopy to explore and encourage the development of agricultural residues and fibers such as wheat straw as a commercially viable fiber source for paper-based packaging.

Further, Reformation also commits to continue maximizing our use of papers and packaging with high post-consumer recycled and agricultural residue content. We use Canopy's <u>Ecopaper database</u> and <u>The Paper Steps</u> as a guide for paper sourcing.

Support best processing practices

Reformation requires that our man-made cellulosic suppliers use best available environmental practices for processing, such as 'closed-loop' processing of water and chemicals and adhere to our <u>RSL</u> and <u>MRSL</u>. We require our suppliers to work with fibre manufacturers who are committed to implementing the <u>Changing Markets' Roadmap</u>, which includes moving to a closed-loop system to ensure emission controls of chemical recovery rates by 2023-25.

Paper manufacturing is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality. Therefore we give purchasing preference to paper that is chlorine free and has been processed utilizing responsible bleaching technologies such as chlorine free (PCF and TCF is preferred with ECF as a minimum) bleaching as per The Paper Steps. We also give preference to suppliers that monitor and reduce overall emissions by adopting the latest technologies and practices to minimize air and water pollution.

Design and prioritization and reduction and reuse

Reformation understands that the reduction and re-use of paper and packaging is of paramount importance for the protection of the world's limited forest resources. Over the next 3 years, with the support of Canopy, we will continue to:

- 1. Source or design reusable/refillable shipping boxes to reduce corrugated paper and paperboard
- 2. Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper
- 3. Utilize reusable 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.

Promote industry leadership

Reformation looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, Reformation will work with suppliers, non-governmental organizations, other stakeholders and brands that are part of the <u>CanopyStyle</u> initiative to support the protection of ancient and endangered forests and forward solutions to reduce demand on our forests. We will also seek opportunities to educate and inform the public on these issues and solutions through our marketing and communications.

- 1. 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. Ecological components of endangered forests are: Intact forest landscapes; Remnant forests and restoration cores; Landscape connectivity; Rare forest types; Forests of high species richness; Forests containing high concentrations of rare and endangered species; Forests of high endemism; Core habitat for focal species; Forests exhibiting rare ecological and evolutionary phenomena. As a starting point to geographically locate ancient and endangered forests, maps of High Conservation Value Forests (HCVF), as defined by the Forest Stewardship Council (FSC), and of intact forest landscapes (IFL), can be used and paired with maps of other key ecological values like the habitat range of key endangered species and forests containing high concentrations of terrestrial carbon and High Carbon Stocks (HCS). (The Wye River Coalition's Endangered Forests: High Conservation Value Forests Protection Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Stritholtt, President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). 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.
- 2. A good source to identify endangered, threatened and imperiled species is NatureServe's Conservation Status rankings for imperiled species that are at high risk of extinction due to very restricted range, very few populations (often 20 or fewer), steep declines in populations, or other factors.
- 3. Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.
- 4. Coastal temperate rainforests are rare and only ever covered 0.2% of the planet. On Vancouver Island only 10% of Vancouver Island's productive old growth rare coastal temperate rainforest remain. These stands of 1,000-year old trees continue to be harvested despite their immense value to local communities for tourism. Their accessibility and beauty is a remarkable global asset and Canopy is working to see these last stands protected.
- 5. Conservation solutions are now finalized in the Great Bear Rainforest. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced 38% protection in the Great Bear Rainforest and an ecosystem-based management approach that will see 85% of this region off limits to logging. Provided these agreements hold sustainable sourcing has been accomplished in this ancient and endangered forest. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification.

- 6. Protection of Boreal Forests where the largest remaining tracts of forests are located worldwide is critical and dissolving pulp is becoming an increasing threat. Canada's Boreal Forest contain the largest source of unfrozen freshwater world wide and are part of the world's largest terrestrial carbon sink equivalent to 26 years worth of global fossil fuel use. Canopy is committed to working collaboratively on the establishment of new protected areas, the protection of endangered species and the implementation of sustainable harvesting in Canada's Boreal Forest.
- 7. Indonesia experiences the second highest rate of deforestation among tropical countries, with the island of Sumatra standing out due to the intensive forest clearing that has resulted in the conversion of 70% of the island's forested area (FAO Forest Assessment 2010; Margono, B.A. et al. 2012). Canopy and our NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem. Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd. (APRIL) have been identified as the primary cause and have been criticized by local and international groups for being implicated in deforesting important carbon rich peatlands, destroying the habitat for critically endangered species and traditional lands of indigenous communities, corruption, and human rights abuses (Eyes on the Forest. 2011. http://www.eyesontheforest.or.id/). APP and APRIL have both put in place forest policies, tracking implementation closely will be key to understanding if either company offers lasting solutions for Indonesia's rainforests. Cellulosic fibre producer Sateri, is part of the Royal Golden Eagle Group along with APRIL.
- 8. http://www.un.org/en/universal-declaration-human-rights/
- 9. Plantations are areas that have been "established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests". Plantations prior to 1994 are often FSC certified. Source FSC.
- 10. 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. Depending on how they are harvested, fibres for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)