KappAhl

POLICY FOR KAPPAHL ON PROTECTING FORESTS THROUGH PROCUREMENT OF FABRICS

KappAhl integrates sustainability issues into our daily activities. We conduct our business with a long-term view that incorporates a focus on the environment and social issues. At KappAhl, we value a future that does not use ancient and endangered forests in man-made cellulosic fabrics, including rayon/viscose, lyocell, modal and other trademarked brands of these fabrics. For this reason, we are committed to protecting the world's forests, and specifically as it relates to the procurement of fabrics.

Conservation of Ancient and Endangered Forests and Ecosystems
We will use our influence with our fabric supply chain to protect the world's remaining ancient and endangered forests[i] and endangered species[ii] habitat.

To do this, we will:
Assess our existing the use of cellulose-sourced fabrics and work to eliminate, by 2017, sourcing fabrics made of dissolving pulp from endangered species habitat and 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.
Work to eliminate, by 2017, sourcing fabric made with dissolving pulp from companies that are logging forests illegally[iii], from tree plantations established after 1994 through the conversion or simplification of natural forests, from areas being logged in contravention of indigenous peoples' rights, or from other controversial suppliers.
Work with Canopy and our suppliers to support collaborative and visionary solutions that protect the remaining ancient and endangered forests in Coastal Temperate Rainforests of North America's Vancouver Island and Great Bear Rainforest[iv], Canada's Boreal Forests[v], and Indonesia's Rainforests.[vi]
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.

Shift to More Environmentally and Socially Beneficial Fabrics
KappAhl will collaborate with Canopy, innovative companies and suppliers to encourage the development of fiber sources for fabrics that reduce environmental and social impacts, such as agricultural residues[vii] and recycled fabrics.

Forest Certification for Fabrics
Where 1-4 above are met, KappAhl will request that all fabric sourced from forests are from responsibly managed forests certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations[viii] are part of the solution.

Recognizing, respecting and upholding human rights and the rights of communities
KappAhl will request that our suppliers respect the Universal Declaration of Human Rights. We will request that our suppliers acknowledge the rights of First Nations, indigenous, and communities' rights to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. We will 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 mitigating climate change, KappAhl will support initiatives that advance forest conservation to reduce the loss of high carbon value forests by encouraging suppliers to avoid harvesting in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

Promote Industry Leadership
KappAhl recognizes the benefit of creating environmental awareness among its customers, employees and peers, as has been exhibited in our years of support for sustainable paper products.

At KappAhl, we highlight our environmental efforts on our website and in public communications. KappAhl will work with suppliers, non-governmental organizations, and other stakeholders that are part of the CanopyStyle initiative to support the protection of ancient and endangered forests and forward solutions to reduce demand on our forests.

Mölndal 11 May 2016
KappAhl Sverige AB

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[i]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. For more information on the definitions of ancient and endangered forests, please go to: http://canopyplanet.org/index.php?page=science-behind-the-brand.

[ii]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**.**

[iii]Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

[iv]Conservation solutions are now finalized in the Great Bear Rainforest, located in coastal temperate rainforests that originally covered 0.2% of the planet, and where now less than 25% of the original forests remain. 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.

[v]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.

[vi] Indonesia experiences the second highest rate of deforestation among tropical countries, with Sumatra Island 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). Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd. (APRIL) have been identified as the primary cause and are often criticized by local and international groups for being implicated in deforesting important carbon rich peat lands, 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 has put in place a promising forest policy, tracking its implementation will be key to understanding if it offers lasting solutions for Indonesia's Rainforests. Cellulosic fibre producer Sateri, part of the Royal Golden Eagle Group along with APRIL, has developed a forest sourcing commitment in June 2015 and we look forward to its implementation.

[vii] Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fiber. Fibers used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane 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, fibers for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)

[viii] Plantations area 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: *http://www.fsc.org/download.plantations.441.htm*