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Fibre Procurement Policy for Protecting Forests [Effective: 17th May 2021]

Spinnova is committed to playing a leadership role in the wood pulp and cellulosic fibre industry. Spinnova recognizes the potential impact that pulp production has on forests, species and the climate and, therefore, the need to ensure the adoption of environmentally and socially responsible pulp production. We will work in partnership with other companies, our suppliers, customers, and [Canopy](#) to forward conservation of the world's critical high carbon value (HCS) and biodiverse (HCV) forest ecosystems.

Spinnova supports the production of cellulosic fibres & fabrics from feedstocks that are not sourced in ancient and endangered forests, such as Indonesia's tropical forest and Canada's Boreal Forest, unless meaningful conservation plans and FSC certification are in place.

The following principles apply to all man-made or natural cellulosic fibres, fabrics and textiles, including but not limited to natural fibers, cotton and wool alternatives, and trademarked product lines produced by our company. This commitment addresses our own operations as well as our procurement practices. This policy supports principles that result in long-term environmental, social and economic benefits.

Scope of Commitment

All of our operations, including companies we control, manage and/or have an investment in – will be in compliance with this policy.

We will source our raw material only through suppliers that are transparent, traceable and comply with this policy.

If suppliers contravene these criteria, we will first engage them to change practices and then re-evaluate our relationship with them if we find that fibre continues to come from sources that do not meet this policy.

Protect and Conserve Ancient & Endangered Forests¹ and Intact Forest Landscapes²:

Spinnova is not sourcing from, and will not source in the future, any fibre from Ancient and Endangered Forests³ as initially identified in [ForestMapper](#), then verified through further investigation, as well as forest fibre from threatened and/or endangered species habitat⁴ and other controversial sources. Spinnova will be a vocal advocate for conservation of Ancient and Endangered Forests globally.

Spinnova also recognizes that certain forest regions have been identified as priority for conservation by scientists and other stakeholders. Until meaningful scientifically-based conservation solutions are in place, we will not source from these regions which include but are not limited to: Canada's Boreal Forests⁵, Indonesia's Rainforests⁶, the Amazon, the Coastal Temperate Rainforests⁷ of Vancouver Island.

Spinnova has ensured to the best of our knowledge that we are not sourcing from controversial sources including:

- Companies that are logging forests illegally⁸.

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- Tree plantations⁹ established after 1994 through the conversion or simplification of natural forests. This is due to concern that although plantations can play an important role in supplying fibre for products, Spinnova recognizes that clearing natural forests for plantations has contributed significantly to the destruction of forests in many parts of the world.
- Areas being logged in contravention of First Nations and/or Indigenous peoples' collective community rights, including the right to Free, Prior, and Informed Consent (FPIC) and the rights codified under the [UN Guiding Principles on Business and Human Rights](#). We will require that our suppliers resolve complaints and conflicts and remediate human rights violations through a transparent, accountable, and mutually-agreed dispute resolution process.
- Genetically modified organisms.

If we find that any of our fibre sources or pulp contain fibre from such critical habitat or Ancient and Endangered Forests or other controversial sources, we will immediately terminate this supply from our supply chain either autonomously or by working with our suppliers

Develop Next Generation Fibre Solutions

Spinnova will:

- Continue research and development of commercial-scale production of pulp made from next generation fibres;
- Use circular and/or alternative cellulosic fibre sources with a low ecological footprint as a replacement for wood inputs, as this becomes economically and technically viable, to contribute to a circular economy and to reduce the carbon and biodiversity impacts of our mill's feedstock;

Forest Certification

When we are using wood rather than agricultural or circular textile feedstock inputs, we will give preference to fibre sourced from responsibly managed forests certified to the Forest Stewardship Council (FSC) certification system. Rigorously certified plantations¹⁰ are part of the solution.

Transparency, Traceability and Verification

We will ensure the transparency & traceability of our own operations and supply chains by 2022 and will identify the origin of our raw material sourcing, including pulp and plantations/wood fibre, through mapping our entire supply chain (chain of custody) back to the mills, plantations, and forest areas. We will work with stakeholders to develop third party verification systems of our operations and supply chain (such as RSB) and be verified low risk of sourcing from ancient & endangered forest.

Reduction of Greenhouse Gas Footprint

Recognizing the importance of forests and peatlands as carbon storehouses, we will support initiatives that advance forest conservation to reduce the loss of high carbon value forests, by encouraging vendors and suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

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Pollution Prevention

Pulp and cellulosic textile manufacturing are a resource-intensive process that can lead to air and water emissions that impact overall environmental quality. This policy does not address these other critical environmental issues in detail; however, we will invest in and use the cleanest manufacturing technology and preference sourcing from suppliers that also prevent pollution.

Communication

We recognize the benefit of creating environmental awareness among our customers, employees and peers. As such, we will highlight our environmental efforts on our website, in public communications and in the continual engagement with our stakeholders.

Spinnova Oy
13th April 2020

¹ Ancient and Endangered Forest 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 Stritholt, 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>

² Intact Forest Landscape (IFL) is an unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity, and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained. (http://www.intactforests.org/world_map.html)

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⁴ 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.

⁵ Protection of Boreal Forests where the largest remaining tracts of forests are located worldwide is critical. Canada's Boreal Forest contain the largest source of unfrozen freshwater worldwide 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.

⁶ 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

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Assessment 2010; Margono, B.A. et al. 2012). Canopy and our NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem – the last place on earth where orangutans, tigers, elephants, rhinoceros and sun bears still co-exist.

⁷ 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 are a remarkable global asset and Canopy is working to see these last stands protected. A legal conservation plan is now finalized for the Great Bear Rainforest. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced an Ecosystem-based Management framework that sets 85% of this region off limits to logging and stringent logging rules in the other 15%. Provided these agreements are fully implemented – sourcing from this ancient and endangered forest region can be considered to be within sustainable levels. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification.

⁸ Legal forest management: Management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

⁹ Plantations are areas planted predominately with non-native trees or other commercial plants. Forests comprised of native species can also be managed as plantations, including via single species plantings on sites that would normally support multiple species, exclusion of other species via herbicide applications, short logging rotations that preclude the development of forest composition and structure, and/or other practices.

¹⁰Plantations 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: <http://www.fsc.org/download.plantations.441.htm>