

SCOTCH & SODA

AMSTERDAM

Scotch & Soda's Commitment to Protect Forests Through Our Paper, Packaging and Fabrics Choices

Scotch & Soda balances quality, comfort and sustainability, creating garments designed to last. Choosing better materials at the design and sourcing stage is central to our mission to making a positive contribution and reducing our environmental impact. Therefore, Scotch & Soda is committed to contribute to the protection of the world's forests by adjusting our approach to the purchase of pulp, paper, packaging and forest-based fibres.

Conservation of Ancient and Endangered Forests and Ecosystems

Scotch & Soda will support approaches and systems to build a future that does not use ancient and endangered forests¹ in the packaging, paper or in man-made cellulosic fabrics, including rayon, viscose, lyocell, modal and other trademarked brands. We will endeavour influence these supply chains in order to protect the world's remaining ancient and endangered forests and endangered species² habitat.

To do this, we will:

1. Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests in the Coastal Temperate Rainforests on Vancouver Island³ and the Great Bear Rainforest⁴, Canada's Boreal Forests⁵, and Indonesia's Rainforests.⁶
2. Assess our existing use of forest-based fibres, packaging and paper and where in our sphere of control eliminate sourcing from endangered species habitat and ancient and endangered forests such as the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa by 2022.
3. Work to eliminate sourcing from: companies that are logging forests illegally⁷; tree plantations⁸ 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. Should we find that any of our products 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.

Forest Certification

Where the above conditions are met (including 1-4, as well as our publicly available commitment), Scotch & Soda will request that all fabric, packaging and paper sourced from forests are from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations⁹ are part of the solution.

Recognizing, Respecting and Upholding Human Rights and the Rights of Communities

Scotch & Soda 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.¹⁰ By exclusively using FSC certified paper, we work with 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.

Reduce Greenhouse Gas Footprint

Scotch & Soda recognizes the importance of forests as carbon storehouses and their role in maintaining climate stability. As part of understanding what our role could be in mitigating our environmental impact, we are measuring our carbon footprint across our entire value chain and hope to publish this by 2022, after which we will define a concrete action plan.

Safeguarding Water and Critical Systems

Scotch & Soda recognizes that ancient and endangered forests are vitally important systems for the protection and regulation of water from 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 encourage our suppliers to make use of water recycling for the water used in their wet processing. We are also in the process of measuring our water impact across our value chain to understand where and how we can make savings, this will be published by 2022 after which we will define a concrete action plan.

Packaging

Develop a Reduction Strategy

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 reduced costs.

Therefore, Scotch & Soda will work towards the development of a reduction and reuse strategy with targets and timelines. Over the next 3 years Scotch & Soda will:

- Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper, or where unavoidable, ensure that the paper or pulp used is FSC certified
- Increase the use of digital communication, marketing and accounting systems in the form of digital showrooms, and 3D prototyping
- Explore the possibility of reusing packaging
- Adopt best practices including researching and applying emerging and circular economy innovations.

Improve Environmental Quality of Packaging and Paper

- Scotch & Soda will collaborate with Canopy, innovative companies and suppliers to encourage the development of next generation solutions on packaging and paper¹¹ that reduce environmental and social impacts, with a focus on agricultural fibres (particularly residues)¹⁰ 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 use¹², Scotch & Soda will:
 - Do an annual review of all of our paper and packaging use in order to identify areas where we can increase paper use efficiencies, reduce paper and packaging basis weights, and save money and resources.
 - Give preference to paper/packaging with high-recycled content, specifically post-consumer waste content reaching an overall recycled fiber content in our papers and packaging of at least 50% average within 3 years;
 - Encourage our suppliers to continuously improve and expand the availability of recycled content in papers/packaging;
 - Source packaging and paper from alternative fibres such as wheat straw or other agricultural residues, when possible;
 - 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.

Fabrics

Shift to More Environmentally and Socially Beneficial Fabrics

- Scotch & Soda will collaborate with Canopy to encourage the development of fibre sources that reduce environmental and social impacts, including those with a focus on agricultural residues¹³ as well as recycled fabrics. We will participate in trials where appropriate.
- In 2021, Scotch & Soda will put in place a preference for purchasing man-made cellulosic products that include a minimum of 50% of these innovative fibre solutions and develop a 2025 procurement target for these closed-loop solutions based on viscose fibre producer innovation.
- By the end of 2022 all our forest-based fibre sourcing and procurement will be from Canopy Hot Button 'Green Shirt' ranked producers.
- This will be communicated to customers with traceability and visibility through our entire collection in stores no later than 2025.

Footnotes

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. 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 location and definitions of ancient and endangered forests, please go to: <https://canopyplanet.org/tools/forestmapper/>

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 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.

⁴ 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.

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 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.

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 Assessment 2010; Margono, B.A. et al. 2012).

⁷ Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

⁸ 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.

⁹ 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 International Generic Indicators*: <https://ic.fsc.org/en/document-center/id/335>. Forest plantations can play an important role in supplying fibre for products, it is also recognized that clearing of primary forests for plantations has contributed significantly to the destruction of forests in many parts of the world. Scotch & Soda recognizes that credible regional conservation plans that identify areas to be conserved and also restored back to natural forests is the best way to ensure that sourcing from plantations is done sustainably. We will use the FSC plantation requirements as a baseline. Additionally, we will advocate for our suppliers and national and regional governments to engage in, and develop, conservation plans for the regions from which we source as a means to distinguish those plantations that are contributing to solutions and those that are exacerbating the problem.

¹⁰ <http://www.un.org/en/universal-declaration-human-rights/>

¹¹ Environmentally friendly fibre sources include:

- Post-consumer recycled waste fibre
- Pre-consumer recycled fibre
- Agricultural residue defined below
- Fibre from FSC certified tenures (no controlled wood from controlled wood tenures)

¹² Paper Task Force Report and the Environmental Paper Network Paper Calculator. "The scientific basis for these conclusions is the analysis of the Paper Task Force, a three-year research project convened by Environmental Defense and involving Duke University, Johnson & Johnson, McDonald's, Prudential Insurance, and Time Inc. The Paper Task Force examined environmental impacts through the full lifecycle of paper, along with economic and functional issues across major paper grades. Its findings were extensively peer-reviewed by scientists, academics, environmental experts, and government and industry representatives."

¹³ 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, 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, 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.)