

RE:NEWCELL'S ANCIENT FOREST FRIENDLY SOURCING POLICY

Textile production is often a process with heavy environmental consequences, and which impacts our remaining ancient and endangered forests. re:newcell has developed a solution, a chemical process allowing for closed loop recycling of cellulosic textiles. Through re:newcell's patented process, the environmental impact from textiles can be drastically reduced by recycling cellulosic based textiles (cotton, viscose etc.). The process creates a fabric solution that does not use forest fibres to make cellulosic fabrics. Instead the company is committed to support the textile industry by supplying alternative fibres that promote the protection of endangered forests and responsible environmental practices in manufacturing.

Demonstrate Corporate Leadership

re:newcell recognizes that business leadership and long-term success must consider the environment. Consequently, re:newcell is dedicated to building environmental awareness among customers, employees, suppliers and peers.

Conserve Ancient and Endangered Forests and Ecosystems

re:newcell provides a clear solution to avoid sourcing from the world's ancient and endangered forests – recycled textiles. By providing a recycled textile input to man-made cellulosic fabrics and other fabric types, we are building a marketplace that can support the protection of the world's remaining ancient and endangeredⁱ forests including the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa, and the protection of biodiversity and ecosystems contained within these forests. Currently Canada, Brazil and Indonesia are the largest exporters of dissolving pulp for viscose globally.

As the issue of ancient and endangered forest fibre in cellulosic fabrics gains increasing awareness among global clothing brands, high profile designers and producers, re:newcell will work with suppliers, [Canopy](#) and brands 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, like recycled viscose.

Innovation and Development

re:newcell produces new fibre from post-consumer or post-industrial materials. This provides re:newcell's customers with a guarantee that the company is not sourcing from controversial sources associated with wood including wood from: illegal loggingⁱⁱ, wood logged in contravention of First Nations/indigenous peoples' rights or in contravention of Free, Prior or Informed Consent (FPIC) or endangered species habitat.

re:newcell remains open to exploring partnerships with companies developing pulps for fabrics that do not source from ancient and endangered forests, including pulps made from agricultural residuesⁱⁱⁱ and other non-wood fibers.

Advance Joint Conservation Solutions

re:newcell supports the implementation of visionary agreements in key forest areas, such as the Canadian Boreal Forests^{iv}, Coastal Temperate Rainforests^v and Indonesia^{vi}. We look to [Canopy](#) to identify opportunities to encourage existing and new initiatives that seek to protect the world's remaining ancient and endangered forests.

Reduce our Carbon Footprint

re:newcell aims to reduce the company's greenhouse gas emissions and where possible will play a role in mitigating climate change by participating in initiatives that reduce the loss of carbon-rich forests (e.g. ancient old growth temperate rainforests and forests growing on peat lands) and by encouraging the development of fabrics made with recycled fibres.

Pollution Prevention

Pulp production is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality. re:newcell will strive to use best practices with its fibre production, monitor and reduce overall emissions, not use harmful chemicals that cannot be recycled in a closed process, minimize air and water pollution and encourage our supply chain partners to do the same.

Paper and Packaging

Recognizing that avoiding impacts to the world's forests is also tied to re:newcell's own use of paper and packaging, re:newcell is committed to improved efficiency in paper use in its own operations, and reduce waste. In line with re:newcell's commitment to recycled products, re:newcell will aim to source 100% post recycled content paper and packaging products.^{vii}

Promote Industry Leadership

re:newcell recognizes the benefit of creating environmental awareness amongst its team, customers, and partners. The company will work to highlight its environmental efforts on its website, in public communications and social media, and in partnership with stakeholders.

Strong Forest Management Standards

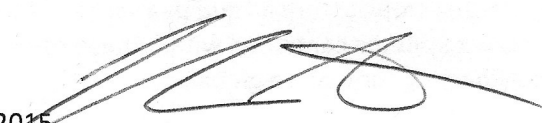
re:newcell fully supports responsible forest management practices that protect biodiversity and ecosystem integrity, provide long-term social and economic benefits to communities, and facilitate a stable, sustainable supply chain and climate of operational certainty. We encourage our supply chain partners to preference fibre certified to the Forest Stewardship Council (FSC) standard.

Henrik Norlin

CEO

re:newcell

November 2nd, 2015



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

ⁱⁱⁱ 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 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.)

^{iv} 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.

^v Where conservation solutions are finalized we will consider sourcing from 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. The 2006 Great Bear Rainforest Agreements signed between environmentalists, logging companies, First Nations and the British Columbia Government includes the creation of a new land management regime called Ecosystem-Based Management that includes more than 4.9 million acres (2 million hectares) protected from logging and new lighter touch logging regulations applied outside of protected areas. All stakeholders have now agreed and efforts are underway to have governments fully implement the agreement by 2015.

^{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/>). Both APRIL and APP have put in place promising forest policies; tracking implementation will be key to understanding if these policies offer lasting solutions for Indonesia's Rainforests.

^{vii} See Canopy's Paper Steps: <http://canopyplanet.org/business/free-online-tools-for-companies/paper-steps/>