



# **PANGAIA**

## **Deforestation & Forest Protection Policy**

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At PANGAIA, we believe that ancient and endangered forests should be protected. Forests are complex ecosystems with multiple benefits for climate, biodiversity and society. They mitigate climate change, contribute to the balance of oxygen, carbon dioxide, and humidity in the air, and provide habitats for a variety of species and livelihoods for more than 1.6 billion forest-dependent people.

This policy aims to highlight our commitment to protecting forests when sourcing forest-derived materials and enacts the minimum standard that applies to our business and all PANGAIA partners - vendors, suppliers, distributors, factories, mills, processing facilities, plantations and any associated subcontractors, subsidiaries and other suppliers who contribute to PANGAIA's products (henceforth referred to in this policy as 'Suppliers') must meet. All Suppliers shall uphold this policy and are responsible for disseminating the policy to their suppliers and any approved subcontractors to ensure that these principles are adhered to.

### **DEFORESTATION-FREE AND FOREST PROTECTION REQUIREMENTS**

#### **Conservation of Ancient and Endangered Forests and Ecosystems**

PANGAIA is committed to not sourcing any material that is derived from ancient and endangered forests and will always promote responsible sourcing of forest-derived materials (this includes by-products and co-products.). PANGAIA will not knowingly source any fibers, feedstocks or ingredients that could endanger or threaten these protected ecosystems and landscapes.

PANGAIA is committed to assessing our current use of all forest-derived materials from packaging to textiles to ensure we eliminate any sourcing from Ancient and Endangered Forests.

PANGAIA's commitment to forest protection is reinforced by our commitment to innovative and visionary solutions. In line with Canopy's commitment to next-generation materials, by 2030, 50% of our feedstocks and inputs will be sourced from next-generation inputs.

PANGAIA recognises Canopy as a pioneer in advocating for sector-wide change for industries that rely on forest-derived inputs, and will collaborate cross-industry and with our supply chain partners to meet requirements set out within this policy.

#### **Supply Chain Responsibilities**

All PANGAIA suppliers providing forest-derived products must commit to not source any materials or packaging for new procurement by the end of 2025, from Ancient and Endangered forests. Suppliers must work continuously towards implementing best practice processes that include, safeguarding and protecting Ancient and Endangered forests.

#### **Sourcing Expectations**

PANGAIA prohibits direct sourcing from certain countries and regions due to extremely repressive regimes, conflict, evidence of widespread corruption, or international sanctions. PANGAIA will not knowingly source any forest-derived feedstocks from such areas.

PANGAIA expects that suppliers implement sufficient due-diligence processes to track the sources of forest-derived inputs and when requested, share full visibility of supply chain information, including but not limited to, name, address and contact information for Tiers 1 to 5, as defined by PANGAIA. Where

requested, this will be shared with PANGAIA to improve our visibility and traceability of our raw material supply chains.

PANGAIA expects that suppliers commit to only sourcing from 'Green Shirt' rated cellulosic producers (as stated within the Canopy Hot Button Report), sources of responsibly managed forests.

PANGAIA requires that our man-made cellulosic suppliers use best available environmental practices for processing of pulp, fibers and materials. Suppliers must assess the chemicals used in the production process of any new goods or materials supplied to PANGAIA to ensure that they are safe, non-toxic, and compliant with all relevant legislation.

If we find that any of our products are sourced from Ancient and Endangered Forests, endangered species habitat or illegal logging, PANGAIA will act immediately and engage our suppliers to change practices, eliminate these sources and/or re-evaluate our relationship with them

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

PANGAIA expects suppliers to respect the UN Declaration on the Rights of Indigenous Peoples and acknowledge indigenous and rural communities' legal, customary or user rights to their territories, land, and resources. Where applicable, suppliers should 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. PANGAIA encourages two-way dialogue with local communities as key stakeholders in the sustainable management of land.

PANGAIA respects the rights and traditional knowledge of indigenous peoples and local communities who depend on forests for their livelihoods. PANGAIA recognizes and upholds their land and resource rights and aims to ensure their meaningful participation in decision-making processes related to forest management and conservation.

PANGAIA endeavours to understand and consider the impact on local communities, farmers, and workers along the supply chain. We will aim to create positive social and economic outcomes by supporting fair trade practices, promoting rural development, and empowering local communities.

All suppliers must actively work to protect the land, particularly from deforestation, through responsible management practices. These practices must cover the four main land management components: soil, fertilizers, pesticide use, and biodiversity. Some of these practices include but are not limited to:

- Minimizing or eliminating the use of pesticides, herbicides and synthetic fertilizers.
- Protecting soil health, biodiversity, and native species.
- Protecting natural ecosystems from ecological disturbances to maintain the ecosystem's native species, structure, or function.
- Protecting areas that are vulnerable to land degradation and desertification.
- Implementing grazing plans to prevent overgrazing.

## **FOREST DERIVED MATERIAL REQUIREMENTS**

### **Textile & Apparel**

PANGAIA will prioritise all inputs sourced from responsibly managed forests such as those certified by the Forest Stewardship Council (FSC).

PANGAIA will collaborate with Canopy, and industry partners to support and encourage the development of fibre sources that reduce our reliance on virgin forest-derived inputs, with a focus on agricultural residues and recycled feedstocks. PANGAIA has a preference for purchasing man-made cellulose products that include a minimum of 50% of these innovative fibre sources from closed-loop solutions based on viscose fibre producer innovation.

In line with EU policy (Regulation for deforestation-free products), PANGAIA will work to pinpoint where our sustainable rubber comes from and trace it back to where it was produced.

## **Packaging**

Over the next year, PANGAIA will prioritise the development of a reduction, reuse and prioritisation strategy with targets and timelines. PANGAIA will develop a timeline to commit to:

- PANGAIA will have a preference for paper packaging made from recycled materials, agricultural waste, or plant-based.
- PANGAIA commits to not source packaging from Ancient and Endangered Forests and endangered habitats for new procurement by the end of 2025
- PANGAIA will work to embrace circular economy principles by designing packaging that has relevant and suitable end-of-life pathways.
- PANGAIA will prioritise packaging materials sourced from responsibly managed forests such as those certified by the Forest Stewardship Council (FSC).

PANGAIA will work to eliminate sourcing from:

- Companies that are logging forests illegally.
- Tree plantations established after 1994 through the conversion or simplification of natural forests.

## **Next-generation inputs & considerations**

When exploring next-generation materials, such as agricultural residues and textile waste streams, PANGAIA will undertake holistic assessments to consider; the consistency of supply, field-level practices, and review any potential unintended consequences of renewable inputs. With specific consideration attributed to not negatively impacting food security or agricultural ecosystems.

## **ACCOUNTABILITY & VERIFICATION**

### **Onboarding materials**

All our materials go through a stringent due diligence process where we evaluate every stage of the process from what goes into the material, how it is processed, including the environmental impact, to the output. PANGAIA onboards new materials where there is a social or environmental benefit compared to conventional materials.

### **Certification**

PANGAIA wants to set high standards not only for ourselves but for across the industry therefore PANGAIA is committed to onboarding and partnering with suppliers who hold the relevant certifications for our materials. These may be requested at an agricultural level to ensure appropriate chain of custody documentation is in place.

## **Life Cycle Assessment**

As part of PANGAIA's commitment to measuring the life cycle of key materials and products Suppliers should be willing to collaborate with our team and partners to assess the impacts of those products or materials provided to PANGAIA by providing data relating to production and evidence of resources used. To support Suppliers with this request PANGAIA will provide information, guidance and access to trained experts that will assist Suppliers.

## **Traceability & Supply Chain Visibility**

PANGAIA is committed to being transparent about where our products are coming from. Suppliers are integral partners to help us trace and understand the supply chains that PANGAIA source from. PANGAIA expects Suppliers to share all relevant and known supply chain information and provide visibility to help PANGAIA with tracing products and giving visibility to production and animal husbandry practices.

## **Remediation**

If a Supplier becomes aware of a breach of the Code, in any part of the supply chain, the Supplier must immediately notify PANGAIA's Impact Team, and disclose any details that are deemed necessary to accurately assess the non-compliance.

Any violations of the policy by a Supplier may jeopardize the Supplier's business relationship with PANGAIA resulting in possible termination of the business relationship and other action that PANGAIA deems appropriate based on the nature of the violation. If the Supplier engages in conduct prohibited by this policy, the Supplier shall rectify the violation(s) through immediate action using documented strategies and procedures. The Supplier shall provide to PANGAIA copies of documents which show evidence of all remedial action.

PANGAIA is committed to working collaboratively with Suppliers and will provide guidance, support and encouragement to Suppliers working towards becoming more sustainable. For any advice or questions on this policy please contact: [impact@thepangaia.com](mailto:impact@thepangaia.com)

## **Promote Industry Leadership**

PANGAIA looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, PANGAIA will work with suppliers, non-governmental organisations, other stakeholders and brands that work with Canopy to support the protection of Ancient and Endangered Forests and forward solutions to reduce the demands upon forests. We will also seek opportunities to educate and inform the public on these issues and solutions through our marketing and communications.



Nathalie Longuet, Chief Executive Officer

PANGAIA

Friday 12th April 2024

## DEFINITIONS

### **Agricultural residues:**

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.)

### **Ancient & Endangered forests:**

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 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/>

### **Biodiversity:**

Biodiversity or biological diversity is the variety and variability of life on Earth. Biodiversity is a measure of variation at the genetic, species, and ecosystem level.

**Canopy Planet:** Canopy is an environmental not-for-profit that works to protect the world's Ancient and Endangered Forests. Canopy's mission is to protect the world's forests, species, and climate, and to help advance Indigenous communities' rights.

### **Carbon dioxide:**

Carbon dioxide is a colourless gas formed during the combustion of any material containing carbon and an important greenhouse gas.

### **Climate:**

Climate describes the average weather conditions of a particular place over a 30 year period . All places on earth have their own climates. Some climates are small in scale, like the climate of a local region or the microclimates within an ecosystem, and some are much larger, such as the climates of entire continents, or the world's oceans.

### **Ecosystem:**

A geographic area where plants, animals, and other organisms, as well as weather and landscape, work together to form a bubble of life. Ecosystems contain biotic or living, as well as abiotic factors, or nonliving parts. Biotic factors include plants, animals, and other organisms.

### **Habitat:**

The natural home or environment of an animal, plant, or other organism.

### **Humidity:**

Humidity is the amount of water vapor in the air. If there is a lot of water vapor in the air, the humidity will be high. The higher the humidity, the wetter it feels outside.

**Oxygen:**

Oxygen is a colourless, odourless, tasteless gas essential to living organisms, being taken up by animals, which convert it to carbon dioxide; plants, in turn, utilize carbon dioxide as a source of carbon and return the oxygen to the atmosphere.

**Supplier:**

Factories, vendors, manufacturers, mills, licensees, partners, affiliates, agents and any other party who supplies PANGAIA with goods or materials.