



Underworks Responsible Wood and Paper-based Products Sourcing Commitment

Last updated: November, 2021

Underworks takes its environmental and social responsibility very serious. We are genuinely committed to continually improving our practices and reducing our impact. We are aware that the global demand for wood and paper-based products, puts increasing strain on global forests through increased logging and the conversion of forests to plantations. It also significantly increases the risk of sourcing from ancient and endangered forests. As a company we can take significant steps to reduce the risk of deforestation, land degradation and climate change. Underworks commits to protecting the world's forests through responsible sourcing of our wood and paper-based products, including labels, packaging and apparel products containing man-made cellulosic fibres such as viscose, modal, lyocell and any similar branded fibres. In line with Conscious Choice strategy Underworks seeks to sell products that use responsible fibre and packaging, have high environmental standards, and are ethically manufactured. This includes all wood and paper-based products. This policy addresses what steps Underworks takes in support of this mission.

As substitutions for single use plastics are sought out it is recognized that the environmental issues arising with an increase in demand for forest-based products as a substitute must be addressed. This policy also looks to support the necessary shift away from single use plastics concurrent with the pressing need for conservation of Ancient and Endangered Forests. We have already removed over 90% of our single-use plastic packaging already, and where possible we source our paper-based alternatives through certified wood sources.

Conservation of Ancient and Endangered Forests and Ecosystems

Underworks will support approaches and systems to build a future that does not use Ancient and Endangered Forestsⁱ in the packaging, paper or in man-made cellulosic fabrics, including rayon, viscose, lyocell, modal and other trademarked brands. We will influence these supply chains in order to protect the world's remaining Ancient and Endangered Forests and endangered speciesⁱⁱ 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 Islandⁱⁱⁱ and the Great Bear Rainforest^{iv}, Canada's Boreal Forests^v, and Indonesia's Rainforests.^{vi}
2. Assess our existing use of man-made cellulose, packaging and paper and 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 illegally^{vii}; tree plantations^{viii} 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.

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

Underworks 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.^{ix} To do so, we request that our 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. We 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

Underworks recognizes the importance of forests as carbon storehouses and their role in maintaining climate stability. As part of our ongoing leadership on climate we will support initiatives that advance forest conservation to reduce the loss of high carbon stock forests, by encouraging suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

Safeguarding Water and Critical Systems

Underworks recognizes that Ancient and Endangered Forests are vitally important systems for the protection and regulation of water from the 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 give preference to those suppliers that use effective strategies to actively maintain and restore forest intactness to maintain forests' function of regulating the flow and purity of water at a micro and macro scale.

Additionally, for both textiles and packaging we seek to commit to various specific initiatives.

Textiles

Evaluate Existing Fibres and Origins

In 2021, Underworks will implement a policy that requires it to map its viscose supply chain and assure all of its man-made cellulose suppliers are ranked as having a green shirt in the Canopy Hot Button Report by the end of 2022, as confirmed through a CanopyStyle Audit. Underworks seeks to assess each supplier and re-evaluate relationships or change fibre sources if risks are identified.

Innovative And Recycled Fibres

Underworks will collaborate with [Canopy](#), innovative companies and suppliers to encourage the development of fibre sources that reduce environmental and social impacts, with a focus on closed-loop production, certified pulp and recycled inputs. We will participate in trials where appropriate. Underworks requires that our man-made cellulose suppliers use best available environmental practices for processing, such as the 'closed-loop' lyocell processing or the use of agricultural residues, organic and certified fibres and/or recycled inputs. In 2021, UNDERWORKS will put in place a preference for purchasing man-made cellulose products that include minimum of 50% of these innovative fibre sources and develop a 2025 procurement target for these closed-loop solutions based on viscose fibre producer innovation.

Forest Certification Standards

Through the adoption of sustainable supply chain management practices, where possible, we seek to source fibres that can be traced back to their origins. We will also put in place a preference for products that are certified through the Forest Stewardship Council (FSC). Alternatively, for other pulp sources, such as using agricultural residues we look to the Roundtable on Sustainable Biomaterials (RSB) as a certification option.

Packaging

Eliminate, Reduce or Recycled Content

Underworks is committed to better packaging and has put policies in place that require at least 90% of packaging to be recyclable, while all single-use plastics have been removed or reduced. We are weary that an

increased focus on reducing single-use plastics has led to an increase in paper-based packaging and although paper-based packaging can be a responsible alternative, it must be sustainably sourced. Where possible Underworks therefore first always seeks to eliminate or reduce the size or weight of packaging altogether and where possible introduced recycled content, which reduces the overall requirement to source virgin wood pulp. Underworks will prioritize a reduction and reuse strategy and in the next 3 years will commit to:

- Increasing the number of uses of our corrugated shipping boxes and ensuring our retail partners recycle them at the end of use
- Adopt compostable shipping satchels in ecommerce, thereby minimizing the need for paper
- Increase the use of digital communication, marketing and accounting systems
- Develop a strategy to minimize and reduce the use of paper-based products for display stands and in-store communication
- Adopt best practices including researching and applying emerging and circular economy innovations in the packaging space

Improve Environmental Quality of Packaging and Paper

Underworks will collaborate with [Canopy](#), innovative companies and suppliers to encourage the development of next generation solutions and packaging and paper^x 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 use^{xi}, Underworks 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.

Encourage Recycling

We encourage our customers to recycle our packaging where possible and have included symbols and icons on our packaging to support this. We assure that the majority of our packaging is recyclable, enabling a more circular economy.

Soy Ink

Where possible we print our labels and swing tags in certified soy ink to enable better recycling and reduce the use of chemicals in printing.

FSC Certification

All of our paper-based packaging including labels and swing tags is FSC certified with Chain of Custody (CoC). This ensures that certified by the materials are sourced from certified, or FSC managed forests and/ or other controlled sources and include recycled content.

Improve Environmental Quality of Packaging and Paper

Underworks will collaborate with [Canopy](#), innovative companies and suppliers to encourage the development of next generation solutions and packaging and paper^{xii} 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.

Multi-Stakeholder Initiatives and Leadership

Underworks is actively engaged in multi-stakeholder initiatives and membership programmes aimed at improving packaging practices such as the Australian Packaging Covenant (APCO), Forest Stewardship Council (FSC) and Pack4Good initiative (Canopy). It seeks to take a leadership role in driving innovative and responsible packaging practices and inform and educate customers and stakeholders on the issues and solutions available to protect ancient and endangered forests.



Annelou Ringers
Sustainability Manager
Underworks

Note: This document is not legally binding in any way but does outline our position on the matter and what steps we urge to take to protect global forests.

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. 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/>

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 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.

^{iv} 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.

^v 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.

^{vi} 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).

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

^{viii} 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.

^{ix} <http://www.un.org/en/universal-declaration-human-rights/>

^x 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)

^{xi} 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."

^{xii} 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)