

MQ MarQet AB Commitment to Protect Forests Through Our Paper, Packaging and Fabrics Choices

MarQet is committed to sustainability. Our goal is to create competitive fashion products with regard to people, animals and the environment that will maintain their shape and quality over time. MarQet also recognizes that our single use packaging has an impact on ecosystems, at the resource extraction point, during production and in disposal. For this reason, MarQet is committed to protect the world's forests through our approach to procurement of pulp, paper, packaging and fabrics.

Conservation of Ancient and Endangered Forests and Ecosystems

MarQet 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 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
- Assess our existing use of man-made cellulosics, 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 2020 for manmade cellulosics and 2022 for paper and packaging
- 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.

Design and Prioritization of Reduction and Reuse

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, over the next year, MarQet will prioritize the development of a reduction and reuse strategy with targets and timelines. Over the next 3 years MarQet will:

- Source or design re-usable/refillable shipping boxes to reduce corrugated paper and paperboard
- Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper
- Utilize re-useable packaging systems for intra business applications
- Increase the use of digital communication, marketing and accounting systems
- Adopt best practices including researching and applying emerging and circular economy innovations.

Shift to More Environmentally and Socially Beneficial Fabrics

MQ 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 agricultural residues⁹ and recycled fabrics. We will participate in trials where appropriate.

In 2020, MarQet will put in place a preference for purchasing man-made cellulosics 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.

Improve Environmental Quality of Packaging and Paper

MarQet will collaborate with Canopy, innovative companies and suppliers to encourage the development of next generation solutions and packaging and paper¹⁰ 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 use¹¹, MarQet 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.

Forest Certification

Where the above conditions are met (including 1-4), MarQet 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 plantations¹² are part of the solution.

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

MarQet 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. 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

MarQet 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

MarQet 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.

Support Best Processing Practices and Procurement

MarQet requires that our man-made cellulosic suppliers use best available environmental practices for processing, such as the 'closed-loop' lyocell processing.

We will give purchasing preference to paper and packaging that has been processed utilizing technologies such as chlorine free bleaching¹⁴. We will switch to receipts for in-store use that are non-phenol and BPA/BPS free¹⁵ in recognition of the health benefits this will have for our employees and customers.

We will also give preference in our North American operations to using printers ranked in the top of the Blueline Ranking.

Promote Industry Leadership

MarQet looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, MarQet will work with suppliers, non-governmental organizations, 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.

Ylva Morud MQ MarQet AB 2020-06-16