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ANCIENT AND ENDANGERED FOREST CONSERVATION VISION AND FOREST FIBRE PROCUREMENT POLICY

Effective: May 4, 2021

OUR VISION STATEMENT

Crown Van Gelder B.V. (hereinafter referred to as Crown Van Gelder) is committed to demonstrating environmental and social leadership in the paper and paper packaging industry. To achieve this, we do not source from the world's Ancient and Endangered Forests and other controversial fibre sources. We will also work in partnership with other companies, our suppliers, customers, and Canopy to reduce climate emissions, investing in low-footprint agricultural fibre solutions.

Crown Van Gelder recognizes that sustainable business leadership is a fundamental component of long-term transformation. We commit to use our influence in the market towards the development of both supply and demand environmental solutions. We will collaborate actively throughout the supply chain to ensure support for the creation of paper and paper packaging made from low footprint sources[i].

As such, Crown Van Gelder is committed to actively implement the goals noted below and to apply this model and principles to all our corporate paper and paper packaging production and use.

OUR IMPLEMENTATION GOALS

Protect and Conserve Ancient and Endangered Forests, Biodiversity and Ecosystems

Crown Van Gelder recognizes the impact that paper and paper packaging production has on forests, species and the climate and, therefore, the need to ensure the adoption of environmentally and socially responsible paper and paper packaging production. We will work in partnership with other companies, our suppliers, customers, and Canopy to forward conservation of the world's critical high carbon value (HCS) and biodiverse (HCV) forest ecosystems.

Crown Van Gelder has eliminated the use of all fibre from Ancient and Endangered Forests[ii] as identified in ForestMapper, as well as forest fibre from threatened and/or endangered species habitat[iii] and other controversial sources. Crown Van Gelder will be a vocal advocate for conservation of Ancient and Endangered Forests globally.

Crown Van Gelder also recognizes that certain forest regions have been identified as priority for conservation by scientists and other stakeholders. Until conservation solutions are in place, we will not source from these regions which include but are not limited to: Canada's Boreal Forests[iv], Indonesia's Rainforests[v], the Amazon, the Great Bear Rainforest[vi] on Canada's central and north coast and the Coastal Temperate Rainforests[vii] of Vancouver Island.

Crown Van Gelder will ensure that by the end of 2022 we are not sourcing from controversial sources including:

- companies that are logging forests illegally[viii]
- tree plantations[ix] established after 1994 through the conversion or simplification of natural forests, as required by the Forest Stewardship Council. This is due to concern that although plantations can play an important role in supplying fibre for products, Crown Van Gelder recognizes that clearing natural forests for plantations has contributed significantly to the destruction of forests in many parts of the world
- areas being logged in contravention of First Nations and/or Indigenous peoples' collective community rights, including the right to Free, Prior, and Informed Consent (FPIC) and the rights codified under the UN Guiding Principles on Business and Human Rights. We will require that our suppliers resolve complaints and conflicts and remediate human rights violations through a transparent, accountable, and mutually-agreed dispute resolution process
- genetically modified organisms.

If we find that any of our fibre sources or pulp contain fibre from such critical habitat or Ancient and Endangered Forests or other controversial sources, we will work either autonomously or with our suppliers to eliminate this fibre from the supply or find another source of supply.

Crown Van Gelder paper machines and products are tuned to using virgin fibre. When recycling, fibres cannot be re-used endlessly. On average, the fibres we use for our fine papers can be re-used a minimum of 7 times and therewith we support feeding the recycled paper production. Using an agricultural residual flow to replace cellulose derived from trees, is our direct contribution to reducing the use of tree fibres.

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Develop Agricultural Residue Fibre Sources

Crown Van Gelder invests in low-footprint agricultural fibre solutions and will continue to work with technology innovators, pulp producers and Canopy to encourage the development of agricultural residue fibres[x] as a commercially viable fibre source for paper and packaging. We anticipate there will be rapid advances in this area over the next few years that will lead to new alternative fibre developments and opportunities. Therefore Crown Van Gelder will continue to:

- support research and development of commercial-scale production of pulp, paper and packaging from sustainable alternative fibre sources such as agricultural residues
- manufacture papers from alternative fibres such as sugar beet pulp, and/or other verified low-footprint agricultural residues when this is technically feasible and commercially available
- support investment in agricultural residue fibre pulps for paper, whether through direct investment or by collaboration with value chain partners.

Forest Certification

Where virgin forest fibre is required in our papers or packaging, Crown Van Gelder will ensure that it is not derived from Ancient and Endangered Forests or controversial sources and all pulp used is covered by certificates of FSC-CoC, PEFC-CoC or FSC Controlled Wood, with a preference for FSC certification.

Reduce environmental footprint

Considering emissions from biogenic carbon sources, Crown Van Gelder will reduce its greenhouse gas footprint and consequent impacts on the climate by addressing our fibre sourcing as outlined above. Further to this end, we will develop smarter, resource-efficient product design.

Prevent Pollution

Paper manufacturing is a resource-intensive process that can lead to air emissions and water pollution. To address this:

- Crown Van Gelder will adopt the latest technologies and practices to minimize its air and water pollution. Crown Van Gelder's water treatment plant sees to cleaning the residual process water mechanically and biologically. The slurry is used as biological anti-dusting aid for agricultural industries and energy recovery.

Transparency and Reporting

Crown Van Gelder is committed to transparency in implementing this policy. Crown Van Gelder issues an annual Sustainability Report publicly, addressing the activities and progress (people, planet, profit).

Additionally, Crown Van Gelder will provide information about fibre sourcing on request.

Setting Benchmarks, Timelines, and other Accountability Mechanisms

Crown Van Gelder yearly publishes a Sustainability Report in which we transparently communicate about the key environmental, social and economic information to customers, governmental institutions, NGO's and our other stakeholders. Crown Van Gelder focuses on the successful balance between people, planet and profit and continues to build a sustainable organization.

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Miklas Dronkers, CEO
Crown Van Gelder B.V.
12 May 2021

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END NOTES

[i] Environmentally friendly, lower footprint 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)

[ii] Ancient and Endangered Forest 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's Endangered Forests: High Conservation Value Forests Protection – Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Strittholt, President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). 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/solutions/ancient-forest-friendly/ancient-forest-friendly-defined/ and ForestMapper

[iii] 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**.**

[iv] 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 worldwide 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] 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). Canopy and our NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem – the last place on earth where orangutans, tigers, elephants, rhinoceros and sun bears still co-exist.

[vi] 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.

[vii] 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.

[viii] Legal forest management: Management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

[ix] 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.

[x] Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres 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 forestland to on purpose crops is not an issue, kenaf and other on purpose crops can also be included here. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)