



# NEW LEAF PAPER®

## ANCIENT AND ENDANGERED FOREST CONSERVATION AND ECO-PAPER PRODUCTION POLICY

Effective: July 1, 2020

Through this policy New Leaf Paper is positioned as an environmental leader in the paper and packaging industries and will work in partnership with other companies, our suppliers, customers, and [Canopy](#) to not only avoid sourcing from, but forward conservation of Ancient and Endangered forests<sup>i</sup>, focus our business on and promote eco-paper development, support sustainable forest management and forward responsible environmental practices.

New Leaf Paper recognizes that in order to maintain business leadership and long-term success we must continue to lead on environmental issues, including the protection of the world's forest ecosystems. New Leaf Paper is positioned to influence both supply and demand in the market, and thus contribute to the development of environmental solutions that mitigate climate impacts, protect Ancient and Endangered forests and restore natural forests.

New Leaf Paper is committed to the development and use of papers and packaging with fiber that does not come from Ancient and Endangered forests. Recognizing that the number of high quality and affordable ecopapers have increased substantially in part due to New Leaf Paper's leadership, we will continue to collaborate throughout the supply chain and advise our pulp suppliers and customers to ensure continued support and creation of paper and packaging made from low footprint sources.<sup>ii</sup>

In addition, New Leaf Paper will support initiatives to reduce greenhouse gas emissions and will play a role in mitigating climate change by participating in initiatives to reduce the loss of high carbon value forests.

We will actively engage and support the development of landmark conservation initiatives.

Thus, New Leaf Paper is committed to the following this Ancient and Endangered Forest Conservation model and implementation goals for paper and packaging manufacture and procurement, and to applying this model and principles to all corporate paper and packaging use. This policy addresses the entire paper lifecycle, and supports principles that result in long-term environmental, social and economic benefits.

### OUR IMPLEMENTATION GOALS

#### **Protect Ancient and Endangered Forests**

New Leaf Paper recognizes the traditional impact of paper and packaging use and production on Ancient and Endangered forests and the environment and therefore the need to lead, support and encourage the adoption of environmentally and socially responsible paper manufacturing practices.

New Leaf Paper will eliminate the use of all fiber from Ancient and Endangered forests in places such as: the Canadian Boreal Forest<sup>iii</sup>; Temperate Rainforests of British Columbia, Alaska and Chile; and the Tropical Rainforests of Indonesia<sup>iv</sup> and the Amazon, and endangered species habitat by 2022. We will ensure we are not sourcing any fiber from Ancient and Endangered forest areas identified in [ForestMapper](#). In portions of Canada's Boreal Forest and the Great Bear Rainforest<sup>v</sup> where visionary agreements are currently being negotiated or implemented, New Leaf Paper will work with Canopy to identify opportunities to support and encourage these initiatives.

If we find that any of our pulps do contain fiber from such habitat or Ancient and Endangered forests, we will require our suppliers to cease operations in that area or find another source of supply.

#### **Maximize Recycled Content**

Industry supported life cycle analysis (LCA), shows sourcing recycled and post-consumer recycled fiber reduces the overall pressure on forests, species and climate and other important natural resources like water, as well as reduces the carbon footprint of the paper, especially when fibers from post-consumer waste are used in paper

and packaging production.<sup>vi</sup> Therefore, New Leaf Paper will:

- Continue to lead in the development of 100% post-consumer recycled grades;
- And be a leader in the manufacture and sale of high recycled content grades. By the end of 2022 New Leaf Paper commits that by total volume our paper contains at least 80% post-consumer recycled content with nearly all grades containing 100% PCRf;

### **Develop Agricultural Residue Fiber Sources**

New Leaf Paper will work with technology innovators, pulp producers and Canopy to explore and encourage the development of agricultural residues and fibers<sup>vii</sup> as a commercially viable fiber source for paper and packaging. We anticipate this will be an area of rapid advances over the next few years, and will lead new developments and potential opportunities in this area. Therefore New Leaf Paper will:

- Participate in the research and development of commercial scale production of pulp, paper and packaging from alternative fiber pulp sources where development is deemed practical and economical;
- Work with all our suppliers to test and develop agricultural residue paper and packaging grades;
- Source pulp and manufacture papers and packaging from alternative fibers such as wheat straw residues, flax and/or other verified low footprint agricultural residues, as soon as commercially possible;

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

New Leaf Paper recognizes that certain regions have been identified as priority regions for forest conservation and biodiversity by the conservation science community and other stakeholders, and until conservation solutions are in place we will not source from these regions, including but not limited to: Canada's Boreal Forests, Indonesia's Rainforests, the Great Bear Rainforest and Coastal Temperate Rainforests of Vancouver Island.

Further, New Leaf Paper will be a vocal advocate for protection of Ancient and Endangered forest within our supply chain and will work in partnership with other companies, our suppliers, customers, and [Canopy](#) to forward conservation of the world's critical high carbon value forest ecosystems.

### **Avoiding Controversial Sources**

New Leaf Paper fully supports forest management practices that respect indigenous and community rights and protects biodiversity and ecosystem integrity, to provide long-term social and economic benefits to communities and build a climate of operational certainty.

Further to commitments noted in sections above, New Leaf Paper will ensure that by the end of 2022 the wood pulp we source is not coming from: companies that are logging forests illegally<sup>viii</sup>; forests that comprise habitats of threatened, endangered, or imperiled species<sup>ix</sup>; intact<sup>x</sup> and old growth forests; tree plantations<sup>xi</sup> established after 1994 through the conversion or simplification of natural forests<sup>xii</sup>; or areas being logged in contravention of First Nations/tribal/indigenous peoples' rights; and genetically modified organisms. Furthermore, we will work with and communicate to our clients and customers to encourage these same responsible choices.

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

New Leaf Paper will require 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 require 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 will require that our suppliers, resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and mutually agreed to dispute resolution process.

### **Plantations**

While New Leaf Paper and Canopy recognize that forest plantations play an important role in supplying fibre for products, it is also recognized that clearing of natural forests for plantations that produce wood fibre has contributed significantly to the destruction of forests in many parts of the world. New Leaf Paper recognizes that credible regional conservation plans that identify areas to be restored to natural forest from plantations along with areas that are dedicated for fibre supply (plantations) are the best way to ensure that sourcing from plantations is done sustainably. We will use the FSC plantation requirements, with the 1994 cut-off date, as a baseline. Additionally, we will advocate for our suppliers and national and regional governments to engage in, and develop, conservation plans for the regions from which we source as a means to distinguish those plantations that are contributing to solutions and those that are exacerbating the problem.

### **Illegal Logging**

New Leaf Paper is committed to working with our suppliers and other stakeholders to ensure that illegally

sourced fibers are not used in paper and packaging we manufacture.

### **FSC Forest Certification**

Where wood fiber, that is identified as not sourced from Ancient and Endangered forests or controversial sources is required in our papers and packaging, New Leaf Paper will work with our pulp suppliers to ensure we are only sourcing from forest management units (not controlled sources) certified by Forest Stewardship Council (FSC) outside of areas identified in the in the Ancient and Endangered layer of [ForestMapper](#). One hundred percent of our wood pulp supply will meet this requirement by the end of 2022.

### **Reduce Greenhouse Gas Footprint**

New Leaf Paper will strive to reduce its greenhouse gas footprint and consequent impacts on climate change. Towards this end, we will implement the following strategies:

- Engage pulp suppliers to curb deforestation and/or fragmentation and degradation of intact and carbon rich forests;
- Offer Ancient Forest Friendly and maximized recycled content papers and packaging;
- Give preference to pulp manufactured by suppliers that use effective strategies to actively reduce their greenhouse gas footprint.

Recognizing that in spite of our best practice, New Leaf Paper will continue to have a carbon footprint, New Leaf Paper will work with Canopy to identify and purchase credits from Gold Standard carbon offset programs or invest in programs that help advance conservation in Ancient and Endangered forests.

### **Increase Efficiency and Decrease Consumption**

New Leaf Paper is committed to reducing our own paper and packaging consumption by 10% or more<sup>xiii</sup> annually through the following measures:

- Improving efficiency in paper and packaging use, including efforts to reduce waste from material handling, shipping and receiving and miscellaneous waste;
- Promoting continuous technical advances in basis weight reduction and design and printing methods to minimize process waste;
- Supporting the use and development of appropriate technology platforms that help reduce paper and packaging consumption;
- Closing the loop on paper and packaging use in North America and supporting local and North American based recycling initiatives (such as advocating for recovered fiber to be sorted rather than mixed into a "single stream" system). New Leaf paper works with end users to reclaim fiber for use in closed loop or near-closed loop recycling initiatives (obsolete paper from end user sold to deinking mill where deinked fiber is sourced for NLP products purchased by same end user), this is an area where NLP can have a direct impact.

### **Prevent Pollution**

Paper manufacturing is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality.

- New Leaf Paper will give manufacturing and purchasing preference to pulp that is unbleached or chlorine free and has been processed utilizing responsible bleaching technologies such as Process and Totally Chlorine Free (PCF and TCF) bleaching;
- New Leaf will give preference to suppliers that monitor and reduce overall emissions by adopting the latest technologies and practices to minimize air and water pollution. We will ask prospective suppliers for a description of how they are meeting legal requirements and reporting annually on plant performance related to these issues.

### **Transparency and Reporting**

New Leaf Paper is committed to transparency in the implementation of this policy and will publish reports on our progress available to the public and relevant stakeholders, annually.

### **Setting Benchmarks, Timelines, and other Accountability Mechanisms**

New Leaf Paper will establish benchmarks, timelines, and other accountability mechanisms to implement this policy, and to review this process annually.

### **Involving all Stakeholders in the Process**

New Leaf Paper will involve employees, suppliers, shareholders and customers in the implementation of this policy. In order to ensure continuous improvement, New Leaf Paper will invite key stakeholders to provide input when assessing effectiveness of this policy.

### **Working with Suppliers**

New Leaf Paper will require our suppliers to publicly supply information related to their performance on the elements of this policy so that their practices can be compared to this policy. New Leaf Paper will work with suppliers and 3rd party verifiers on identified compliance matters.

### **Promote Industry Leadership**

New Leaf Paper has always recognized the benefit of creating environmental awareness among its suppliers, customers, employees and peers. As implementation progresses, we will:

- Continue to track the environmental benefits and savings as well as the total post-consumer content of the paper and packaging we sell;
- Use Canopy's Ancient Forest Friendly™ logo where appropriate on promotional materials;
- Continue to incorporate our environmental commitment into web and electronic forums;
- Undertake marketing initiatives that help promote Ancient Forest Friendly initiatives;
- Commit to promote Ancient and Endangered forest friendly procurement policies within the supply chain, including with printers, suppliers, customers, and advertisers;
- Work with suppliers, [Canopy](#), non-governmental organizations and other stakeholders in protecting Ancient and Endangered forests, improving forest management and production practices, and reducing demand on forests.

SIGNATURE



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Yen Lam, President & CIO  
New Leaf Paper  
July 1, 2020



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