



ENKA Wood Pulp Procurement Policy for Protecting Forests

ENKA is committed to playing a leadership role in the viscose filament industry and will work with our wood pulp suppliers and Canopy in order to promote sustainable forest management and the protection of ancient and endangered forests.

ENKA supports the production of viscose filament yarns & fabrics from wood pulp that is not sourced in ancient and endangered forests, such as Indonesia's tropical forest and Canada's Boreal Forest, unless meaningful conservation plans and FSC certification are in place.

The following principles apply to all viscose filament yarns produced by our company. This commitment addresses our procurement practices and supports principles that result in long-term environmental, social and economic benefits.

Scope of Commitment

All of our operations, including companies we control, manage and/or have an investment in, will be in compliance with this policy.

We will source our raw material only through suppliers that are transparent, traceable and comply with this policy.

If suppliers contravene these criteria, we will first engage them to change practices and then re-evaluate our relationship with them if we find that wood pulp is coming from sources that do not meet this policy.

Conservation of Ancient & Endangered Forests¹ and Intact Forest Landscapes²:

ENKA supports a future that does not use ancient and endangered forest for dissolving pulp to make viscose filament yarns. We will, therefore:

- Assess our existing use of wood pulp and ensure that we are not sourcing wood pulp made from ancient and endangered forests areas such as the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa, or endangered species habitat.
- Work with our wood pulp suppliers towards phasing out and finding suitable alternatives to any wood pulp sourced from these regions.
- Eliminate sourcing wood pulp from other controversial sources including companies that are logging forests illegally³ and from tree plantations established after 1994 through the conversion or simplification of natural forests.

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

We recognize and respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their territories, land, and resources and will request our suppliers to do the same.



Forest Certification

We will preference wood pulp sourced from forests that are responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system. FSC certified plantations⁴ are part of the solution.

ENKA is striving to increase its input of FSC certified wood pulp material to 100 % in the near future.

Further Advancement of Sustainable Sourcing and Forest Protection

Working with Canopy, ENKA is committed to support conservation solutions and initiatives to further advance sustainable sourcing and forest protection and to reduce the greenhouse gas footprint.

Transparency, Traceability and Verification

We will ensure the transparency & traceability of our own operations and supply chains and will identify the origin of our wood pulp sourcing through mapping our entire supply chain (chain of custody) back to the mills, plantations, and forest areas. We embrace the third party verification systems of our operations and supply chain and commit to be verified to low risk of sourcing from ancient & endangered forest.

Reduction of Environmental Impacts

ENKA will continue to invest in the cleanest viscose filament yarn manufacturing technology. Where appropriate, ENKA will work to identify research and development opportunities for new technologies that can further reduce environmental impacts.

Innovative and Alternative Fiber Development

We will collaborate with Canopy, innovative companies and suppliers to explore and encourage the development of fiber sources that reduce environmental and social impacts. Where appropriate, ENKA will play an active role in the research and development of commercial scale production of viscose filament yarn from alternative fiber sources such as agricultural residues and recycled fibers.

Communication

We recognize the benefit of creating environmental awareness among our customers, employees and peers. As such, we will highlight our environmental efforts on our website and in public communications.

ENKA International GmbH & Co. KG

Dr. Till Boldt
Managing Director

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¹ 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 Stritholt, 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/index.php?page=science-behind-the-brand>

² Intact Forest Landscape (IFL) is an unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity, and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained. (<http://www.intactforests.org/world.map.html>)

³Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

⁴Plantations are areas that have been “established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests”. Plantations prior to 1994 are often FSC certified. Source FSC: <http://www.fsc.org/download.plantations.441.htm>