

FOREST MATERIALS POLICY

INTRODUCTION

Forests are essential for the well-being of the planet. As critical carbon sinks, protecting and regenerating forests is one of the most effective ways to combat climate change. Hunter is committed to sourcing forest materials responsibly to conserve forests and protect biodiversity and natural resources, including water, uphold indigenous people and local communities' rights and help mitigate climate change.

All suppliers involved in the manufacture of Hunter's products and packaging and supply of operational goods to the business are required to comply with the Policy Principles and additional material requirements set out below.

This policy is informed by the UN Forest and Agriculture Organisation (FAO), the Convention on Biological Diversity, the New York Declaration on Forests, and the Consumer Goods Forum Forest Positive Coalition of Action.

Hunter and our suppliers must respect internationally recognised human rights based on the International Bill of Rights, the UN Declaration on the Rights of Indigenous Peoples, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, as well as Hunter's Human Rights Policy and Hunter's Supplier Code of Conduct.

DEFINITIONS

For the purpose of this policy, Hunter defines the following terms:

- Forest¹ Forest includes **natural forests** and **forest plantations**. It is used to refer to land with a tree canopy cover of more than 10 percent and area of more than 0.5 ha. Forests are determined both by the presence of trees and the absence of other predominant land uses. The trees should be able to reach a minimum height of 5 m
- Natural Forest A forest composed of indigenous trees and not classified as forest plantation. Primary natural forests have developed under natural processes, following natural disturbances, and have been relatively unaffected by human activities. Secondary natural forests have been disturbed, typically by human interference, and have recovered naturally or artificially
- Forest Plantation A forest established by planting or/and seeding in the process of afforestation or reforestation. It consists of introduced species or, in some cases, indigenous species
- Deforestation The conversion of forested areas to nonforest land use such as arable land, urban use, logged area or wasteland. Broadly speaking, deforestation can also include degradation that reduces forest quality (density and structure of trees, ecological services supplied, biomass of plants and animals, species diversity and genetic diversity)
- Forest Materials Materials derived from forestry for commercial use and includes rubber, wood, paper and packaging, and man-made cellulosic fibres.

¹ We have provided the FAO's definitions of 'Forest', 'Natural Forest', 'Forest Plantation', and 'Deforestation'. The definition of 'Forest Materials' here is specific to Hunter's supply chain, procurement, and products.

POLICY PRINCIPLES

We are committed to ensuring that Hunter and our manufacturing suppliers only use forest materials from well-managed forests that protect natural resources and biodiversity by adhering to the following principles:

- Forest materials must adhere to 'no deforestation, no peat, no exploitation' (NDPE) policies²
- Forest materials must not come from vulnerable or endangered species³
- Forest materials must not come from High Conservation Value (HCV)⁴, High Carbon Stock (HCS)⁵, or ancient or endangered⁶ forests
- Forest materials must not come from controversial sources. These include illegally harvested forests, areas where the trade of forest material contributes to violent armed conflict or threatens regional stability, forests containing habitat of threatened or endangered species, tree plantations converted after 1994 from natural forests and areas being logged in contravention of indigenous and local communities' rights, including the right to Free, Prior and Informed Consent (FPIC)⁷
- Source recycled content and materials made from innovative fibres such as agriculture waste as a priority
- Minimise the use of virgin forest materials, but when used, they must come from verifiably third-party certified sustainable sources, with a preference for Forest Stewardship Council (FSC)⁸
- Reduce paper and packaging consumption and inefficiency. Enhance recycling within our operations, supply chain and customer base
- Respect and protect the human rights of all people in the forest materials supply chain including workers, indigenous people, and local communities⁹
- Comply with all applicable laws, regulations and licences governing forest materials in the jurisdictions in which Hunter and our suppliers and business partners operate
- Comply with Hunter's Supplier Code of Conduct, which stipulates that there be no forced labour, no child labour, and safe and fair working conditions, among other labour rights principles¹⁰. Suppliers must accept third-party audits commissioned by Hunter
- Suppliers must provide Hunter with any relevant sustainable material certification.

FOREST MATERIALS

In addition to adhering to the Policy Principles, suppliers must comply with the requirements for each material set out below.

Rubber

- Where possible, rubber should come from FSC certified sources
- Rubber must not come from plantations that contribute to tropical deforestation or that have been established after 1994
- Plantations must accept third-party audits commissioned by Hunter to ensure human rights, working conditions and the environment are respected.

Wood products

- All wood products must come from FSC certified sources or otherwise credible third-party certification
- All paints, glues, inks and finishes must comply with Hunter's Restricted Substances Standards.

Paper and packaging

- All paper and packaging must be from recycled postconsumer materials, alternative sustainable materials sources, such as agricultural residues, when possible¹¹
- When virgin fibre is necessary, it will be FSC certified and be produced with responsible bleaching technologies
- All paints, glues, and inks must comply with Hunter's Restricted Substances Standards.

Man-made Cellulosic fibres

- Hunter does not currently use man-made cellulosic fibres and encourages suppliers to prioritise recycled or more sustainable alternatives to tree-based fibres
- If Hunter decides to use man-made cellulosic fibres in the future, we will preference the use of products that have at least 50% alternative fibres, and develop specific targets and timelines for the use of these innovative products
- Cellulosic fibres must come from producers that have achieved a Canopy Green Shirt¹² rating or have completed a CanopyStyle verification audit and attained low risk findings
- Cellulosic manufacturers should be willing to work towards achieving the key sustainability principles of the <u>Changing</u> <u>Markets Roadmap</u>¹³
- Hunter supports the CanopyStyle initiative's collective efforts to eliminate the use of ancient and endangered forests and other controversial sources from man-made cellulosic fibres by the end of 2021.

² "No Peat" refers to no new development on peatland for agricultural purposes, as peatlands cover 3% of the world's land area and store one third of all global soil carbon. "No exploitation" refers to respecting the rights of indigenous people and local communities living in and near forests.

³ Those species appearing on <u>CITES</u> and the <u>IUCN's</u> critically endangered, endangered, or vulnerable species lists. <u>Greenpeace's Good Wood Guide</u> also lists the conservation status of commonly used trees.

⁴ Developed by the Forest Stewardship Council (FSC) in 1999, a High Conservation Value (HCV) forest contains one or more biological, ecological, social or cultural value of outstanding significance or critical importance.

⁵ The High Carbon Stock (HCS) approach was developed in 2013 with the aim of achieving no deforestation by identifying and protecting viable natural forest areas, areas of HCV and community lands.

⁶ Ancient and endangered forests are defined by <u>Canopy</u> 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.

⁷ Free, Prior and Informed Consent (FPIC) is a right that pertains to indigenous peoples which allows them to give or withhold consent to a project that may affect them or their territories. Indigenous people can withdraw their consent at any stage and have the right to negotiate the conditions under which the project will be designed, implemented, monitored and evaluated. Hunter would follow the approach consistent with the UN Declaration on the Rights of Indigenous Peoples.
⁸ FSC is an international non-profit, multi-stakeholder organisation promoting responsible management of the world's forests and is the gold standard forest certification system.

⁹ Human rights and labour rights are enshrined in the International Bill of Human Rights, the United Nations Declaration on the Rights of Indigenous Peoples, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Furthermore, we expect our suppliers to comply with Hunter's Human Rights Policy.

¹⁰ The ILO Safety and Health in Forestry Work provides more specific guidance to best practice labour standards in the industry.

¹¹ Hunter is a supporting partner of Canopy's Pack4Good Initiative. We exceed the Pack4Good targets of having achieved at least 80% post-consumer recycled inputs in our packaging products.

¹² Canopy produces an annual <u>Hot Button Report</u> which ranks viscose and modal producers against sustainability criteria. A green shirt is the highest ranking.
¹³ This Roadmap was developed following the publication of Changing Markets Foundation's <u>Dirty Fashion Report</u>, and is intended to move viscose and modal manufacturers towards a more sustainable, closed-loop manufacturing system.

SUPPLIER ENGAGEMENT

Hunter and our suppliers will:

- Work together to address, prevent, mitigate, and where necessary, remedy human rights, labour rights, and environmental issues that are found to be in violation of this policy
- Conduct due diligence through risk assessments, supply chain mapping, desk-based assessments, and field monitoring
- Seek the support of relevant stakeholders including NGOs, local forest communities, academics, multi-stakeholder groups, and other subject-matter experts to inform our sustainable forest materials sourcing work
- Hunter, specifically, will provide training and technical assistance to support compliance with this policy
- Hunter will continue our business relationships with suppliers so long as they demonstrate a commitment to these policy principles.

RESPONSIBILITY AND REVIEW

Hunter's Chief Financial Officer is responsible for ensuring this Policy is implemented effectively.

We wrote and updated this policy in close consultation with the Rainforest Alliance¹⁴. We undertake to review this Policy bi-annually, or sooner if legislation changes are made that affect the implementation of this Policy.

Contact Hunter's Sustainability Team at <u>protect@hunterboots.com</u> with any questions or concerns arising from this Policy.



Dave Powell Chief Supply Chain Officer

¹⁴ The Rainforest Alliance is an international non-profit organization working to protect forests, improve the livelihoods of farmers and forest communities, promote their human rights, and help them mitigate and adapt to the climate crisis.