

2023

Forestry Statement

We are committed to advancing a sustainable business, responsibly sourcing our forest-based materials, and prioritizing issues and opportunities around forest-based materials. We recognize that forests are critically important for a stable climate, biodiversity protection, and supporting of Indigenous and local communities.

This is why we are taking steps to trace where and how key materials are sourced, to improve our supply chain visibility and protect these valuable ecosystems. We've made a commitment that all our forest-based materials are third-party certified as responsibly sourced.



Forestry Statement 2023

Our Approach to Help Avoid Deforestation

While forest-based fibres make up a small portion of our material mix, we recognize that this is an important issue. Three key materials are used in our value chain: paper-based packaging, forest-based textile fibres, and natural rubber. We take a systems approach to understand where these materials are used, to make responsible sourcing decisions that help to avoid deforestation, encourage conservation, increase recycled content, and identify alternative materials.

We are committed to using 100% non-animal-based leather, as cattle ranching is a main driver of deforestation. We regularly review our sourcing practices to understand if and how any new materials may impact natural habitats.

Paper-Based Packaging

We use paper in product, e-commerce and transport packaging. Aligned with our Sustainable Packaging Guidelines, we commit to work with suppliers that can provide Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), or Programme for the Endorsement of Forest Certification (PEFC) supply chain certifications for our end products. We regularly assess and confirm our supply chain meets these standards, while seeking ways to save on forest-pulp through packaging optimization.

Forest-Based Fibres

We use regenerated cellulosic materials - such as rayon, viscose, lyocell, and modal - originated from forest-based fibres. Our policy is to avoid sourcing

any regenerated cellulosic fibres from ancient or endangered forests. We have made a commitment to certify or assess by a third party that 100% of our forest-based materials are sourced responsibly by 2023. With the support of the Canopy, a solutions-driven environmental non-profit, we developed a plan to help maintain the health of critical areas through our fabric choices.

Natural Rubber

Natural rubber is used in our yoga mats. Our policy is to use natural rubber that is certified by the FSC in all our core yoga mats. In addition, a small portion of our trims assortment contains natural rubber. We are working to establish processes and systems that allow us to track and report on materials used in trims.

Palm Oil and its Derivatives

We have minute amounts of palm oil derivatives, such as citric acid in our self-care line. As members of the Roundtable of Sustainable Palm Oil (RSPO), we source credits from RSPO-certified growers, crushers and independent smallholder farmers.

Governance and Oversight

Governance and oversight of forest-based materials and packaging is managed through our impact governance model. Key governance groups include:

- **Board of Directors:** Corporate Responsibility, Sustainability and Governance Committee
- **Executive Leadership Team and Organizational Function:** Executive Impact Council and Sustainable Business and Impact Function
- **Steering Committees:** Sustainable Brand Packaging Committee, and Product Sustainability Committee

The Corporate Responsibility, Sustainability and Governance Committee oversees our Impact

Agenda. The Committee reviews and evaluates programs, policies, progress, and reporting related to corporate responsibility and sustainability, including social and environmental issues and impacts relevant to the sustainable growth of our businesses. The Committee meets quarterly and reports to the Board of Directors.

The Executive Impact Council includes executive leadership representatives from Supply Chain, Product, Legal, Brand, Finance, and People and Culture. The Council oversees, executes, and reports on our social and environmental Impact Agenda and related strategy, policies, and implementation plans (including our sustainable packaging and materials targets).

Our Sustainable Brand Packaging and Product Sustainability Committees are made up of key business unit leaders responsible for enacting change in their respective function to execute our sustainable materials and packaging strategy. These committees meet at least quarterly and support the Impact Council, making recommendations where necessary.

Lastly, the Sustainable Product and Packaging Team is responsible for working with the sourcing, procurement, and product and packaging development teams. The teams work with vendors to ensure that our requirements are fulfilled, such as gathering third-party certifications, for the products we source.

Deforestation and Climate Action

In support of our enterprise Impact Agenda goals, we are committed to achieving our science-based targets and we are working towards a net zero carbon future.

Globally, deforestation and forest degradation account for up to 15 percent of global greenhouse



gas emissions.¹ While forest-based products are a small portion of our materials base, by sourcing our forest-based materials responsibly, we are positively contributing to our net zero journey.

Advancing a circular economy is another critical pathway toward achieving global climate targets and reducing the demand for raw materials, including forest-based materials. It's why we have included minimum recycled content in our Sustainable Packaging Guidelines and set ambitious materials and product sustainability goals that include sourcing fibres that are recycled and renewable.

It's a challenging journey across industries, and the scale of the task relies on business model transformation, material innovation and supply chain collaboration.

Deforestation and Social Impacts

Unsustainable deforestation can have negative environmental and social impacts, including on the rights of Indigenous peoples who may face intimidation or land rights challenges, and loss of access to ecosystems that reflect ways of life and livelihoods. We prioritize standards that include a focus on Indigenous rights.

Commitment to Stakeholder Engagement

We are committed to engaging with our suppliers to better understand their forest sourcing practices and encourage the development of alternate fibre sources, such as agricultural residues and recycled materials. Our work with organizations like [Canopy](#), the [Sustainable Apparel Coalition](#), the [Textile Exchange](#), the [American Apparel and Footwear Association](#), and the [Sustainable Packaging Coalition](#) helps us advance more sustainable practices and industry developments around raw material opportunities.

Other Resources

For more information on our Impact Agenda, visit our website [here](#).



¹ The Forest Carbon Partnership Facility