

We believe in leaving the Earth in a better state than it was in when we arrived.

Koala recognises that we have a responsibility to the environment, to our customers, suppliers and staff - not to mention the koalas we adopt. This helps ensure we are using legally harvested wood fibre, working to ensure zero deforestation, while protecting endangered species and habitats and increasingly sourcing from responsibly managed forests. This all adds up to preserving natural resources. Our long-term goal is to manufacture all our fabrics for Koala products from forests that are not considered ancient and endangered<sup>1</sup>, or from alternative fibre sources.

### **PRESERVING AND PROTECTING GLOBAL FORESTS**

We are committed to ensuring all fabrics made from tree fibre, including viscose, lyocell and Tencel™, are not sourced from ancient or endangered forests.

Koala does not currently source any fibres from ancient or endangered forests to dissolve pulp to make our fabrics<sup>2</sup>. We will therefore continue:

- Ensuring that we are not sourcing fabrics from ancient and endangered forests, including 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
- Eliminating wood pulp sourced from other controversial sources including companies that are logging forests illegally, from areas being logged in contravention to indigenous peoples rights, and from tree plantations established after 1994 through the conversion or simplification of natural forests
- Prioritising fabrics sourced from verified sustainable forestry (with a preference for Forest Stewardship Council)

### **RESPONSIBLE USE OF WOOD FIBRE FOR TEXTILES**

Koala is committed to designing our products with an aim to preserve natural resources

- Koala will practice and promote the efficient and responsible use of wood fibre for textiles
- Promote and support the development and use of innovative and alternative environmental fibres where appropriate, such as recycled fabrics or agricultural residue

### **HOW WE WILL DO THIS**

Koala's approach is realistic, objective and geared towards continuous improvement. It is a stepped approach to ensure responsible sourcing targets are met in the long-term.

To achieve this, we are building long-term relationships with suppliers that share a common commitment to promote good practice in the management and supply of man-made cellulose, and to minimize the environmental impact of their operations. We are working closely with local and international suppliers to ensure all our man-made cellulosic textiles are ethically and sustainably sourced and putting in place procurement targets for innovative fibre sourcing. Koala suppliers regularly report the origin, value, volume and species of all wood used in Koala products. This information, along with CanopyStyle verification audits and certifications feed into our risk assessment and evaluation process and we will reevaluate our relationship with suppliers that do not meet our policy requirements.

We have implemented a due diligence system. Management is committed and all employees associated with wood fibre purchasing are aware of our commitments (and are given appropriate education and training to adhere to our practices). This is to ensure employees take a collective and active role in influencing good practices, in addition to encouraging open and honest dialogue with Koala's Suppliers.

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<sup>1</sup> <http://canopyplanet.org/solutions/ancient-forest-friendly/the-science-behind-the-ancient-forest-friendly-brand/>

<sup>2</sup> This has been verified through our suppliers' public CanopyStyle Audit results of low risk.

Koala will work with Canopy and suppliers to support collaborative and visionary long term conservation solutions.

Koala values openness and honesty and will publicly share our policy, targets and performance, and ensure we communicate accurately about the products we sell. This commitment is aligned with (and builds on) the work of not-for-profit organisation [Canopy](#), which collaborates with brands and retailers to ensure supply chains are free of ancient and endangered forests as part of the [CanopyStyle](#) Initiative.

After all, a happy world needs happy habitats.

Mitch and Dany

Dated: 2 February 2018