



The growing demand for paper, tissue, and Man-Made Cellulosic Fibres (MMCFs) is placing tremendous pressure on the world's most biodiverse and carbon-rich forests.

While Forest Stewardship Council (FSC) certification is a critical tool that improves sourcing transparency as well as forest management, it is not designed to eliminate sourcing from Ancient and Endangered Forest ecosystems. FSC certification can reduce risks to Ancient and Endangered Forests, but additional due diligence is required to ensure full avoidance.



Canopy works to secure the permanent, landscape-level protection of Ancient and Endangered Forests. These ecosystems are critical for species, the climate, Indigenous peoples, and local communities.

Canopy works with over 1,000 brands, producers, and innovators to eliminate Ancient and Endangered Forests from paper packaging and MMCF supply chains by scaling innovative, Next Generation fibre alternatives that keep forests standing.

### What are Ancient and Endangered Forests?

Ancient and Endangered Forests are ecologically vital forests, defined by their high biodiversity, carbon-storage value, and global rarity. These include primary forests, Intact Forest Landscapes, and High Carbon Stock forests — critical ecosystems that must be protected to combat climate change and stem global biodiversity loss.

### FSC's Approach

FSC certification is a multi-stakeholder forest certification system that was created in 1994 to address the increase in deforestation resulting from timber sector activity in the tropics. It strives to halt deforestation and ensure that forests are managed in a way that is environmentally appropriate, socially beneficial, and economically viable.



FSC-certified forest management aims to apply harvesting practices that help conserve forest ecosystems and biodiversity, respect local communities, uphold Indigenous rights, and maintain the long-term financial viability of forestry operations.

Canopy and the FSC have distinct but complementary roles.

### How do Canopy and the FSC differ?

Canopy focuses on supporting companies to reduce their use of virgin wood fibre from Ancient and Endangered Forests for textiles and paper packaging and replace it with recycled or alternative fibres. Canopy also identifies regions where industrial logging must be avoided and advocates for large-scale conservation efforts to protect Ancient and Endangered Forests.

FSC, on the other hand, establishes guidelines for how forestry can be certified as environmentally appropriate and socially responsible, requiring that forests are not cleared or converted to other land uses in order to qualify. By working with Canopy and using FSC-certified fibre when virgin forest inputs are unavoidable, brands can help ensure their wood-based products come from better-managed sources.

At the same time, they should accelerate the shift to recycled and lowimpact Next Gen alternatives that keep Ancient and Endangered Forests standing.

# Is FSC's approach around High Conservation Value Areas (HCVs) the same as Canopy's mission of protecting Ancient and Endangered Forests?

Ancient and Endangered Forests — defined by their high biodiversity, carbon storage, and global rarity — often share similar key attributes as High Conservation Value (HCV) areas, which include important biological, ecological, social, or cultural significance.

What sets Canopy and FSC apart is how each approaches the protection and conservation of these critical features.

Canopy prioritizes strict protection of forests with multiple ecological values or HCVs, particularly primary forests and Intact Forest Landscapes (IFLs), ensuring these areas remain undisturbed by industrial logging activities. Canopy advocates for eliminating logging in these areas unless there are large-scale landscape level conservation plans in place.

**FSC**, on the other hand, can allow for a broader range of logging activities as long as conservation plans are in place at the forest tenure or concession level. For example, FSC has rules to prevent the loss of IFLs, but the thresholds for protection are regionally determined, allowing for various levels of logging to occur in IFLs in different regions.

Canopy believes, given their importance for climate and biodiversity, that Intact Forest Landscapes must remain largely free from industrial logging unless conservation planning has taken place across the wider landscape.



FSC was not designed to protect vast tracts of Ancient and Endangered Forests across the broader landscape, but rather to halt deforestation in the timber sector and improve logging practices where logging does occur, mitigating the social and environmental impact.

FSC certification provides valuable safeguards, including a set of principles for forest management, applicable globally, which:

Prohibit deforestation and conversion

Require mandatory protection of at least 10% of each certified area

Support multi-stakeholder conservation planning

Safeguard Indigenous, community, and worker rights

Require management plans for High Conservation Values (HCVs)

Help ensure legal compliance with all applicable laws, regulations, and international treaties

Restrict pesticide use and prohibit GMOs

Provide supply chain integrity (a Chain of Custody system)

## FSC-Certified Materials: A More Responsible Alternative to Conventional Virgin Fibre

FSC certification does not eliminate the risk of sourcing from Ancient and Endangered Forests. However, it does <u>reduce the risk</u> by requiring the monitoring and management of HCVs. It also ensures integrity through its Chain of Custody system and provides assurances of responsible practices outside Ancient and Endangered Forests. For this reason, Canopy strongly encourages companies to use FSC-certified fibre while also conducting additional due diligence to ensure that Ancient and Endangered Forests are not impacted.

### Why your company needs Canopy and FSC

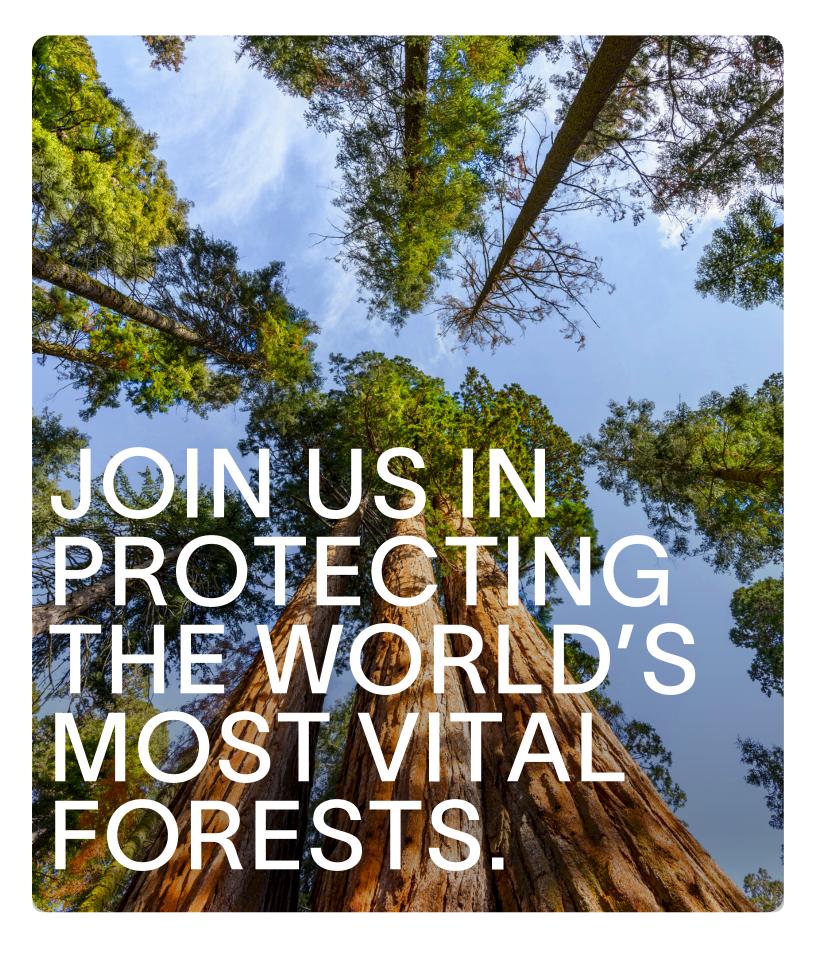
Canopy encourages our brand partners to both eliminate the use of Ancient and Endangered Forest materials and state a preference for FSC-certified products harvested from areas outside Ancient and Endangered Forests. In practice, companies should:

#### **ACTION**

- Screen for Ancient and Endangered Forest risk and eliminate it from their supply chains
- Prioritize recycled and Next Gen fibres to reduce pressure on critical forests
- Maximize FSC-certified fibre from non-Ancient and Endangered Forests for any remaining virgin forest fibre.

Canopy supports its partners in achieving these milestones through CanopyStyle (for forest-based fabrics) and Pack4Good (for paper packaging).

By working with Canopy, your brand can strengthen supply chain resilience, demonstrate leadership within your sector, and avoid sourcing from the world's most ecologically vital forests.



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