



ANCIENT AND ENDANGERED FOREST CONSERVATION VISION AND ECO- PAPER PROCUREMENT POLICY

Effective: 5/31/2017

OUR VISION STATEMENT

Through this policy Taylor Communications is positioned as an environmental leader in the printing, publishing and paper industries and will work in partnership with other companies, our suppliers, customers, and Canopy to promote sustainable forest management, the protection of ancient and endangered forests, eco-paper development and responsible environmental practices.

Taylor Communications recognizes that in order to maintain business leadership and long-term success must consider the environment, including the world's forest ecosystems. Taylor Communications is positioned to influence both supply and demand in the market, and thus contribute to the development of environmental solutions that conserve our climate, protect ancient and endangered forests and restore natural forests. Taylor Communications fully supports responsible forest management practices that protect biodiversity and ecosystem integrity, to provide long-term social and economic benefits to communities and build a climate of operational certainty.

Taylor Communications supports the development and use of papers for magazines, catalogues, newspapers, books, brochures, leaflets, labels, advertising material and similar printed matter and offices that do not come from ancient and endangered forests. Recognizing that the number of high quality and affordable eco papers have increased substantially, Taylor Communications will collaborate throughout the supply chain and advise it's customers to ensure continued support and creation of paper made from low footprint sources.ⁱⁱ

In addition, Taylor Communications will support initiatives to reduce greenhouse gas emissions where feasible and will play a role in mitigating climate change by participating in initiatives to reduce the loss of high carbon value forests.

Thus, Taylor Communications is committed to the following this Ancient and Endangered Forests Stewardship model and implementation goals for paper procurement, and to applying this model and principles to all corporate paper use. This policy addresses the entire paper lifecycle, and supports principles that result in long-term environmental, social and economic benefits.

OUR IMPLEMENTATION GOALS

Protect Ancient and Endangered Forests Taylor Communications recognizes the impact of paper use and production on ancient and endangered forests and the environment and therefore the need to support and encourage the adoption of environmentally and socially responsible practices to ensure that fiber used in our paper is sourced from well-managed forests, and that land use choices and management practices contribute to the conservation of natural resources and in some instances additional environmental protection. Taylor Communications will use reasonable efforts to influence our paper supply chain to use environmentally responsible practices.

Taylor Communications, through contracting with reputable suppliers, will work to eliminate the use of fiber from ancient and endangered forests in places such as: the Canadian Boreal Forestsⁱⁱⁱ; Temperate Rainforests of British Columbia, Alaska and Chile; and the Tropical Rainforests of Indonesia^{iv} and the Amazon. In portions of Canada's Boreal Forest and the Great Bear Rainforest^v where visionary agreements are currently being implemented, Taylor Communications will work with Canopy to identify opportunities to support and encourage these initiatives.

Taylor Communications will work to ensure that paper products do not originate from endangered species habitat. If we find that any of our papers do contain fiber from such habitat, we will engage our suppliers to cease operations in that area or eliminate that supplier.

Conservation of Ancient and Endangered Forests and Protection of Biodiversity and Ecosystems

Taylor Communications will give preference to suppliers that work toward conservation of ancient and endangered forests and the protection of biodiversity and ecosystems contained within these forests. Taylor

Communications also recognizes that certain regions have been identified as priority regions for forest conservation and biodiversity by the conservation science community and other stakeholders, and will work toward phasing out and finding suitable alternatives to any fiber sourced from these regions.

Forest Certification

Taylor Communications gives preference to FSC certified vendors and paper and is looking to improve the performance of all certifications, using FSC as a target. Comparing the first half of 2016 to the second half of 2016, Taylor Communications more than doubled their usage of FSC certified papers.

Avoiding Controversial Sources

To the best of our knowledge Taylor Communications does not purchase paper products from other highly controversial sources including: companies that are logging forests illegally^{vi}; forests that comprise habitats of threatened, endangered, or imperiled species^{vii}; intact^{viii} and old growth forests; tree plantations^{ix} established after 1994 through the conversion or simplification of natural forests^x; or areas being logged in contravention of First Nations/tribal/indigenous peoples' rights. We will make every effort not to do so in the future. Furthermore, we will work with and communicate to our clients and customers to encourage these same responsible choices.

Plantations

Taylor Communications will source paper with fiber originating from FSC certified well-managed, longstanding plantations or from new fiber plantations established on degraded agricultural or pasture lands. Taylor Communications will encourage paper suppliers to abandon the practice of conversion of natural forests to plantations.

Illegal Logging

Taylor Communications is committed to working certified paper suppliers and other stakeholders to ensure that illegally sourced fibers are not used in the manufacture of paper purchased by Taylor Communications.

Reduce Greenhouse Gas Footprint

Taylor Communications will strive to reduce its greenhouse gas footprint and consequent impacts on climate change. Towards this end, we will implement the following strategies:

- Support protection of high carbon value forest areas
- Use recycled papers when economically feasible
- Use Ancient Forest Friendly papers where feasible
- Participate in CDP Disclosure and include GHG emission reduction strategy
- Give preference to paper manufactured by suppliers that use effective strategies to actively reduce their greenhouse gas footprint.^{xi}

Maximize Recycled Content

Comparing the first half of 2016 to the second half of 2016, Taylor Communications more than doubled their usage of papers containing post-consumer recycled content. Industry supported life cycle analysis (LCA) shows sourcing recycled fiber can reduce overall pressure on forests and other important natural resources like water, as well as reduce the carbon footprint of the paper, especially when fibers from post-consumer waste are used in paper production.^{xii} Therefore, Taylor Communications will:

- Maintain a comprehensive recycling program (including paper) at our facilities.
- When economically feasible, give preference to paper with high-recycled content and specifically post-consumer waste content, and to progressively set targets to increase recycled content while meeting the physical and performance demands required for the individual product.
- Encourage its suppliers to continuously improve and expand the availability of recycled content in papers.

Develop Agricultural Residue Fiber Sources

Taylor Communications will work with suppliers and Canopy to explore and encourage the development of agricultural residues and fibers^{xiii} as a commercially viable fiber source for paper. We anticipate this will be an area of rapid advances over the next few years, and will keep abreast of new developments and potential opportunities in this area. Therefore Taylor Communications will:

- Source papers from alternative fibers such as flax, wheat straw or other agricultural residues, when economically feasible and meet our quality standards
- Support research and development of commercial scale production of pulp and paper from alternative fiber sources. We may also perform press trials using these substrates in collaboration with Canopy.

Increase Paper Efficiency and Decrease Consumption

Taylor Communications is committed to reducing its paper consumption by 10% or more^{xiv} as measured annually through the following measures:

- Improving efficiency in paper use, including efforts to reduce waste from material handling, inefficient job layout, pressroom, binding and finishing, shipping and receiving and miscellaneous waste.
- Promoting continuous technical advances in paper basis weight reduction and design and printing methods to minimize process waste.
- Supporting the use and development of appropriate technology platforms that help reduce paper consumption.
- Closing the loop on paper use in North America, and supporting local paper recycling initiatives (such as selling waste and scrap paper to recyclers and recycled paper makers, advocating for recovered paper to be sorted rather than mixed into a “single stream” system where this is available).

Prevent Pollution

Paper manufacturing is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality.

- Taylor Communications will give purchasing preference to paper that is chlorine free and has been processed utilizing responsible bleaching technologies such as Chlorine Free (ECF, PCF and TCF) bleaching.
- Taylor Communications works with large North American suppliers that monitor and reduce overall emissions by adopting the latest technologies and practices to minimize air and water pollution.

Setting Benchmarks, Timelines, and other Accountability Mechanisms

Taylor Communications will establish benchmarks, timelines, and other accountability mechanisms to implement this policy, and to review this process annually.

Involving all Stakeholders in the process

Taylor Communications will involve employees, suppliers, shareholders and customers in the implementation of its Ancient and Endangered Forest Friendly paper procurement policy through posting it to our Sustainability page and communicating its presence to them.

Working with Incumbent Suppliers

Taylor Communications will work with current suppliers to encourage them to supply information so that their practices can be compared to this policy. Taylor Communications will work with suppliers on identified compliance matters.

Promote Industry Leadership

Taylor Communications recognizes the benefit of creating environmental awareness among its customers, employees and peers. As implementation progresses:

- Taylor Communications will note the post-consumer content of the paper and/or use the Ancient Forest Friendly logo where appropriate if approved by the customer / end user
- Taylor Communications will publish this policy on our website and electronic forums as appropriate.
- Taylor Communications commits to promoting ancient and endangered forest friendly paper procurement policies with other printers and paper buyers, suppliers, customers, and advertisers.
- Taylor Communications will work with suppliers, Canopy, non-governmental organizations and other stakeholders in protecting endangered and ancient forests, improving forest management and production practices, and reducing demand on forests.

X:



Date: June 16, 2017

Mark O'Leary
President, Taylor Communications

ANNEX I – IMPLEMENTATION MEASURES

To fulfill the preceding commitments, Taylor Communications will:

1. Execute an action plan encompassing essential measures and other actions needed to implement our Ancient & Endangered Forest Conservation Vision and Eco-Paper Procurement Policy.
2. Annually educate and train relevant Taylor Communications staff about our Ancient & Endangered Forest Conservation Vision and Eco-Paper Procurement Policy, its implementation measures, and action plans.
3. Conduct an initial supply vendor audit to with Chain of Custody forms supplied by Canopy to:
 - Benchmark our purchases and usage of paper products;
 - Determine the forests of origin for these paper products; and
 - Identify any paper products purchased and sold by Taylor Communications that may contain inputs from endangered forests and/or other controversial sources.
4. Annually conduct an audit of Taylor Communications' purchase and usage of paper products to monitor the company's use of certified paper, post-consumer recycled (PCR) and chlorine-free paper, and alternative/agricultural residue fiber papers, if any.
5. Develop and implement an action plan to achieve the implementation goals above for:
 - Increasing the purchase and usage of certified paper products;
 - Increasing the purchase and usage of PCR and chlorine-free paper;
 - Increasing Taylor Communications' efficiency in the use of paper products;
 - Exploring opportunities to increase the usage of papers containing agricultural residue fibers.
6. Establish an internal monitoring and feedback system to identify progress in meeting Taylor Communications' Ancient and Endangered Forest Conservation Vision and Eco-Paper Procurement Policy commitments, and to enable improved implementation of this initiative. The system should require progress reports to be prepared annually.
7. Maintain our targeted goals and objectives as they relate to Forestry Issues:
 - We will send out an annual query asking our suppliers if they report to the CDP, the forest of origin for paper products we purchase from them, if they get fiber from any ancient and endangered forests or controversial sources, and what type of bleaching they use.
 - If our query of suppliers finds suppliers that are using paper from endangered forests and other controversial sources, we will communicate to the affected supplier that they need to address this usage per the requirements of Taylor Communications' Endangered Forest Conservation Vision and Eco-Paper Procurement Policy.
 - If the suppliers manage forests, then they must commit to identifying and protecting endangered forests under their management, as well as commit to seeking leading certification as described above in the policy. To confirm that the suppliers are addressing paper from endangered forests and other controversial sources we will validate our suppliers' FSC certification annually.
 - We will confirm the FSC certification of any new suppliers annually in place of third-party supply vendor audits for proposed new paper products, to confirm the sources of those products are not endangered forests and/or otherwise controversial.
 - For any suppliers that are found to use endangered forests and other controversial sources, we will ask that supplier to submit an annual performance report detailing their progress in meeting the requirements of Taylor Communications' Endangered Forest Conservation Vision and Eco-Paper Procurement Policy; and
 - We will consult with Canopy if assistance is needed in identifying endangered forests, other controversial sources, and/or products from these areas.
8. Explore opportunities to develop pilot projects and partnerships that can stimulate the market for environmentally responsible products, such as those containing certified paper.
9. Produce an annual sustainability report per the preceding commitments using the Global Reporting Initiative G4 guidelines or similar and participate in Canopy's Annual Blueline Rankings.

ENDNOTES

ⁱ 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/solutions/ancient-forest-friendly/the-science-behind-the-ancient-forest-friendly-brand/>

ⁱⁱ Environmentally friendly fiber sources include:

- Post-consumer recycled waste fiber
- Pre-consumer recycled fiber
- Agricultural residue defined in Endnote 6
- Fiber from FSC certified tenures (no controlled wood from controlled wood tenures)

ⁱⁱⁱ Canada's Boreal Forests contain the largest source of unfrozen freshwater worldwide and are part of the world's largest terrestrial carbon sink – equivalent to 26 years worth of global fossil fuel use. Canopy is committed to working collaboratively on the establishment of new protected areas, the protection of endangered species and the implementation of sustainable harvesting in Canada's Boreal Forest.

^{iv} Indonesia experiences the second highest rate of deforestation among tropical countries, with the island of Sumatra standing out due to the intensive forest clearing that has resulted in the conversion of 70% of the island's forested area (FAO Forest Assessment 2010; Margono, B.A. et al. 2012). Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd. (APRIL) have been criticized by local and international groups for being implicated in deforesting important carbon rich peat lands, destroying the habitat for critically endangered species and traditional lands of indigenous communities, corruption, and human rights abuses (Eyes on the Forest. 2011. <http://www.eyesontheforest.or.id/>). Both APP and APRIL have put in place promising forest policies; tracking implementation will be key to understanding these policies offer lasting solutions for Indonesia's rainforests.

^v The Great Bear Rainforest is located in coastal temperate rainforests that originally covered 0.2% of the planet, and where now less than 25% of the original forests remain. The historic Great Bear Rainforest Agreements were finalized in 2016 between environmentalists, logging companies, First Nations and the British Columbia Government, and includes the creation of a new land management regime called Ecosystem-Based Management. Now more than 13.4 million acres (5.4 million hectares) are off limits to logging and new lighter touch logging regulations are applied outside of conservancies.

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

^{vii} A good source to identify endangered, threatened and imperiled species is NatureServe's Conservation Status rankings for imperiled species that are at high risk of extinction due to very restricted range, very few populations (often 20 or fewer), steep declines in populations, or other factors.

^{viii} An 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>

^{ix} Plantations are areas planted predominately with non-native trees or other commercial plants. Forests comprised of native species can also be managed as plantations, including via single species plantings on sites that would normally support multiple species, exclusion of other species via herbicide applications, short logging rotations that preclude the development of forest composition and structure, and/or other practices.

^x The goal to ensure no fiber comes from tree plantations established after 1994 through the conversion or simplification of natural forests is under review pending our ability to procure sufficient paper supplies without it and having a credible verification system in place with our supply chain partners

^{xi} Rolland Enterprises and Leipa are examples of mills with credible green house gas reduction initiatives. Burning biomass for energy is proving to not be carbon neutral. Manomet Report, 2010

^{xii} Paper Task Force Report and Environmental Paper Network Paper Calculator. "The scientific basis for these conclusions is the analysis of the Paper Task Force, a three-year research project convened by Environmental Defense and involving Duke University, Johnson & Johnson, McDonald's, Prudential Insurance, and Time Inc. The Paper Task Force examined environmental impacts through the full lifecycle of paper, along with economic and functional issues across major paper grades. Its findings were extensively peer-reviewed by scientists, academics, environmental experts, and government and industry representatives."

^{xiii} Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fiber. Fibers include: cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forestland to on purpose crops is not an issue, kenaf and other on purpose crops can also be included here. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)

^{xiv} Companies have been known to achieve a 30% reduction in less than a year.