

Flipkart



Flipkart Group Companies Commitment to Protect Forests Through Our Paper, Packaging and Fabrics Choices

The Flipkart Group (“The Group” or “Flipkart Group”) is one of India's leading digital commerce entities and includes group companies Flipkart, Myntra, Flipkart Wholesale, and Cleartrip. The Group is also a majority shareholder in PhonePe, one of the leading Payments Apps in India. Started in 2007, the Group has enabled millions of consumers, sellers, merchants, and small businesses to be a part of India's digital commerce revolution, with a registered customer base of more than 350 million, offering over 150 million products across 80+ categories. Our efforts to democratize commerce in India, drive access and affordability, delight customers, create lakhs of jobs in the ecosystem, and empower generations of entrepreneurs and MSMEs have inspired us to innovate on many industry firsts. The Group is known for pioneering services such as Cash on Delivery, No Cost EMI and easy returns – customer-centric innovations have made online shopping more accessible and affordable for millions of Indians. Together with its group companies, the Group is committed to transforming commerce in India through technology.

The Group is strongly committed to environmental sustainability and has adopted a proactive and holistic approach towards conducting its business responsibly with optimum usage of natural resources. For this reason, the Group is committed to protecting the world’s forests through our approach to procurement of pulp, paper, packaging, and fabrics. The Group has been steadily phasing out the use of single-use plastic packaging in its supply chain as part of its larger sustainability initiatives including electrification of the logistics fleet, waste management, and energy efficiency practices, the increased use of renewable energy, and the recently achieved ISO 14001 certifications are all testaments to its continuing efforts towards achieving sustainable operations.

As substitutions for single-use plastics are sought out, it is recognized that the environmental issues arising with an increase in demand for forest-based products as a substitute must be addressed. This policy looks to support the necessary shift away from single-use plastics concurrent with the pressing need for conservation of ancient and endangered forests globally. We look forward to developing the conservation plan for intact and endangered forests in India with Canopy.

Conservation of Ancient and Endangered Forests and Ecosystems

the Group will support approaches and systems to build a future that does not use ancient and endangered forests¹ in the packaging, paper or in man-made cellulosic fabrics, including rayon, viscose, lyocell, modal and other trademarked brands. We will influence these supply chains in order to protect the world’s remaining ancient and endangered forests and endangered species² habitat.

To do this, we will:

1. Work with Canopy and our suppliers to determine focus areas in the Indian landscape and advance protection and conservation in those areas
2. Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests in India and Canopy’s global Landscapes of Hope including

¹ 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. 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 location and definitions of ancient and endangered forests, please go to: <https://canopyplanet.org/tools/forestmapper/>

² 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.

but not limited to the Coastal Temperate Rainforests on Vancouver Island³ and the Great Bear Rainforest⁴, Canada's Boreal Forests⁵, and Indonesia's Rainforests.⁶

3. Assess our existing use of man-made cellulose, packaging and paper and eliminate sourcing from endangered species habitat and ancient and endangered forests in India and globally including; the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa by 2022.
4. Work to eliminate sourcing from: companies that are logging forests illegally⁷; tree plantations⁸ established after 1994 through the conversion or simplification of natural forests; or areas being logged in contravention of First Nations/tribal/indigenous peoples' and community rights or from other controversial suppliers.
5. Should we find that any of our products are sourced from ancient and endangered forests, endangered species habitat or illegal logging, we will engage our suppliers to change practices and/or re-evaluate our relationship with them.

Design and Prioritization of Reduction and Reuse

The reduction and reuse of paper and packaging is of paramount priority for the protection of the world's limited forest resources.

Over the next year, the Group will prioritize the development of a reduction and reuse strategy with targets and timelines. Over the next 3 years the Group will:

- Explore sourcing or designing of reusable/refillable shipping boxes to reduce corrugated paper and paperboard
- Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of packaging materials
- Increase utilization of recycled materials in our packaging
- Utilize reusable packaging systems for intra business applications
- Increase the use of digital communication, marketing and accounting systems
- Adopt best practices including researching and applying emerging and circular economy innovations.

Shift to More Environmentally and Socially Beneficial Fabrics

Flipkart Group will ensure that none of the man-made cellulosic fibers—including rayon/viscose, lyocell, and modal—sourced for all in-house apparel products will be sourced from Ancient and Endangered forests as outlined above. The Flipkart Group will demonstrate leadership and provide support and expertise to other brands and suppliers included in all of the platforms and markets that are part of the Flipkart Group activity.

Flipkart Group will collaborate with Canopy, innovative companies and suppliers to encourage the development of fibre sources that reduce environmental and social impacts, with a focus on agricultural

³ Coastal temperate rainforests are rare and only ever cover 0.2% of the planet. On Vancouver Island only 10% of Vancouver Island's productive old growth rare coastal temperate rainforest remains. These stands of 1,000-year old trees continue to be harvested despite their immense value to local communities for tourism. Their accessibility and beauty is a remarkable global asset and Canopy is working to see these last stands protected.

⁴ A legal conservation plan is now finalized for the Great Bear Rainforest. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced an Ecosystem-based Management framework that sets 85% of this region off limits to logging and stringent logging rules in the other 15%. Provided these agreements are fully implemented – sourcing from this ancient and endangered forest region can be considered to be within sustainable levels. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification.

⁵ Protection of Boreal Forests where the largest remaining tracts of forests are located worldwide is critical. Canada's Boreal Forest contains the largest source of unfrozen freshwater world-wide and is 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.

⁶ 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).

⁷ Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

⁸ Plantations are areas planted predominately with non-native trees or other commercial plants. Forests composed 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.

residues⁹ and recycled fabrics. We will participate in trials where appropriate.

In 2022, Flipkart Group will put in place a preference for purchasing man-made cellulose products that include a minimum of 50% of these innovative fibre sources and develop a 2025 procurement target for these closed-loop solutions based on viscose fibre producer innovation.

Improve Environmental Quality of Packaging and Paper

Flipkart Group will collaborate with Canopy, innovative companies and suppliers to encourage the development of next generation solutions for packaging and paper¹⁰ that reduce environmental and social impacts, with a focus on agricultural fibres (particularly residues) and recycled content. We will explore Canopy's [Ecopaper database](#) and [The Paper Steps](#) as a guide for paper and packaging sourcing. Canopy and Flipkart Group will work together to identify and source Next Generation solutions from Indian providers wherever possible.

To help reduce the footprint of the paper and packaging we use¹¹, Flipkart Group will:

- Do an annual review of all of our paper and packaging use in order to identify areas where we can reduce our use of paper and packaging up to 10% annually by weight.
- Give preference to paper/packaging with high-recycled content, specifically post-consumer waste content reaching an overall recycled fiber content in our papers and packaging of at least 80% average within 3 years;
- Encourage our suppliers to continuously improve and expand the availability of recycled content in papers/packaging;
- Source packaging and paper from alternative fibres such as wheat straw or other agricultural residues, when possible;
- Support research and development of commercial scale production of pulp, paper and packaging from alternative fibre sources such as wheat straw, and other alternative fibres including participation in trials as appropriate.

Forest Certification

Where the above conditions are met, for any virgin man-made cellulosic fibers, packaging and paper products Flipkart Group will have a preference for suppliers that source from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations¹² are part of the solution.

FSC has processes in place to support endangered species protection, protection of large areas of forest, and consultation of local communities including Free Prior and Informed Consent (FPIC). Other forestry certifications can be considered as evaluated by Canopy.

⁹Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres used for paper products 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 forest land to on purpose crops is not an issue, kenaf can also be included here. Depending on how they are harvested, fibres for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)

¹⁰ Environmentally friendly fibre sources include:

- Post-consumer recycled waste fibre
- Pre-consumer recycled fibre
- Agricultural residue defined below
- Fibre from FSC certified tenures (no controlled wood from controlled wood tenures)

¹¹ Paper Task Force Report and the 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."

¹²Plantations are areas that have been "established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests". Plantations prior to 1994 are *often* FSC certified. Source FSC International Generic Indicators: <https://ic.fsc.org/en/document-center/id/335>. Forest plantations can play an important role in supplying fibre for products, it is also recognized that clearing of primary forests for plantations has contributed significantly to the destruction of forests in many parts of the world. Flipkart Group recognizes that credible regional conservation plans that identify areas to be conserved and also restored back to natural forests is the best way to ensure that sourcing from plantations is done sustainably. We will use the FSC plantation requirements as a baseline. Additionally, we will advocate for our suppliers and national and regional governments to engage in, and develop, conservation plans for the regions from which we source as a means to distinguish those plantations that are contributing to solutions and those that are exacerbating the problem.

Recognizing, Respecting and Upholding Human Rights and the Rights of Communities

Flipkart Group will request that our suppliers respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their territories, land, and resources.¹³ To do so, we request that our suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. We request that our suppliers resolve complaints and conflicts in forest communities, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.

Reduce Greenhouse Gas Footprint

Flipkart Group recognizes the importance of forests as carbon storehouses and their role in maintaining climate stability. As part of our ongoing leadership on climate we will support initiatives that advance forest conservation to reduce the loss of high carbon stock forests, by encouraging suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

Safeguarding Water and Critical Systems

Flipkart Group recognizes that ancient and endangered forests are vitally important systems for the protection and regulation of water from the local to global level. Large areas of contiguous forest act as a biotic pump helping to move moisture from coastal areas to the interior of continents. We will aim to give preference to those suppliers that use effective strategies to actively maintain and restore forest intactness to maintain forests' function of regulating the flow and purity of water at a micro and macro scale.

Support Best Processing Practices and Procurement

Flipkart Group requires that our man-made cellulosic suppliers use best available environmental practices for processing, such as the 'closed-loop' lyocell processing.

We will give purchasing preference to paper and packaging that has been processed utilizing technologies such as chlorine free bleaching¹⁴. We will switch to receipts for in-store use that are non-phenol and BPA/BPS free¹⁵ in recognition of the health benefits this will have for our employees and customers.

Promote Industry Leadership

Flipkart Group looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, Flipkart Group will work with suppliers, non-governmental organizations, other stakeholders and brands that work with Canopy to support the protection of ancient and endangered forests and forward solutions to reduce the demands upon forests. We will also seek opportunities to educate and inform the public on these issues and solutions through our marketing and communications.

Flipkart Group's Standards for Suppliers

Flipkart Group will request that our suppliers comply with the requirements set forth in the standards located [here](#)

The Standards apply to suppliers of Flipkart India Private Limited ("Flipkart") and its affiliates, as applicable. Suppliers include anyone that provides products to Flipkart Group on a wholesale trading basis. A supplier agreement, purchase order, and/or provision of merchandise to Flipkart Group constitutes acceptance of these Standards and serves as the Supplier's continuing affirmation of compliance. In addition, Flipkart Group may enter into contracts with certain other parties that require those parties to comply with these Standards.

¹³ <http://www.un.org/en/universal-declaration-human-rights/>

¹⁴ Unbleached, Process Chlorine Free (PCF) and Totally Chlorine Free (TCF) is preferred with ECF as a minimum.

¹⁵ <https://www.greenamerica.org/report-skip-the-slip>