

Responsible Packaging

Guide #2

Introduction

Once we started our journey, we realized that eliminating polybags was only one part of the problem. Single-use packaging is prevalent in more places than just the polybags used in product packaging. A little known fact: at prAna, we've been working to eliminate plastic and reduce the overall amount of single-use materials throughout our entire process for quite sometime now. Roll-packing is just one part of the solution. This guide was designed to help share the knowledge we've gathered thus far in our journey.

HOW TO USE

The first half of this guide, **The Journey**, walks you through our responsible packing journey, including our packaging mindset, determining scope, piloting, and pilot results. The second section, **The Results**, talks in more detail about the specific solutions we came up with to ensure our packaging is in line with our mindset, or our north star. We realize that everyone's journey, products, and supply chains do not look the same, but our hope is that you can learn from our story and solutions to help jump-start your own brand's journey into responsible packaging.

WORDS OF WISDOM

While our movement in 2010 started as a simple plan to reduce plastic waste, over the years we have turned that project into an internal mindset. Creating change, big or small, is not always easy for everyone involved. Each person will experience the journey differently, and be in different phases of change along the way. From start to finish, how your team manages change will affect your results and ultimate success. We chose to dive into change management theories to support our team's success. From forming, storming, and norming, to performing and adjourning, helping your team develop throughout the change process is imperative. Be clear on the goal, scope, and responsibilities. Then offer your team the right resources and support to drive processes forward.



The Journey

OUR PACKAGING MINDSET

We cultivated a brand point of view that was clear to every team member. They are empowered to create change that brings positive results. These principles are our north star:

#1 REDUCE CONSUMPTION:

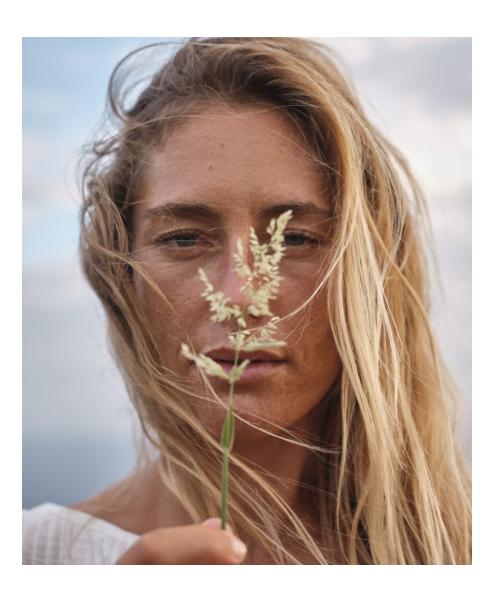
Focusing on reduction is always our first step, so that we're consuming less overall. We're always considering the waste outcome of our decisions (asking ourselves what can we get rid of).

#2 PRODUCE RESPONSIBLY:

Where we cannot eliminate, we must commit to producing responsibly. We're always making sure that our packaging materials have the least impact on our environment and that one decision doesn't create a new problem in return.

#3 RETURN TO NATURE:

After reducing overall use, and then selecting the most sustainable option within our brand requirements, we then consider how prAna and our consumers will manage the end of life of our packaging. There are many options available, from recycling to composting (industrial and home), all with varying levels of consumer education. Understanding your consumer's mindset will help you make the best decision for your brand in how you return your packaging back to nature.





IDENTIFYING OWNERSHIP

Before you begin, it is important to identify who will be responsible for the execution and leadership of this initiative. At prAna, we have seen success with building cross-functional, small-but-mighty task force teams to ensure that a variety of voices are considered in the process, as well as dividing up tasks. Even if you're doing this alone, here are some steps we recommend taking to ensure successful execution of your initiative.

- 1. Create a mission/purpose statement for the team/task force/project
- 2. Establish a clear philosophy or framework
- 3. Specify objectives: your criteria for success
- 4. Identify an executive sponsor and key stakeholders inside and outside your organization
- 5. Confirm the stakeholder participation level needed for success (RACI)
- 6. Determine the scope of initiative (see below)
- 7. Clarify key deliverables
- 8. Specify boundaries and level of empowerment for the team
- 9. Plot out measurements for success
- 10. Build a calendar and execution timeline for your goals, tasks, and pilot
- 11. Establish a team meeting schedule (weekly, bi-weekly or monthly) and communication plan
- 12. Take action!

DETERMINING SCOPE

To determine our scope, we began by looking at our on-product labeling and packaging. Mapping out our packaging components and needs was an important step to understand what we were dealing with. With reduction of our overall consumption as our first priority, we could then identify and determine what could easily be eliminated, and then what we would need to change to meet our goals. We prioritize our options into two categories: quick decisions, packaging that only requires simple elimination, and R&D required, packaging items that requires testing or innovation before a responsible solution could be determined. Once we mapped out what we could eliminate, we looked at what was left and set out to ensure that these items were made with the best available materials, and the best option for the end of life.

Quick Decisions for Elimination

- · Paper collar stands
- · Plastic collar clip ("alligator clips")
- · Plastic or paper covers on trims and findings
- · Tissue paper in folded garments
- · Cardboard hat liners
- · Pocket flashers

R&D Required

- · Plastic polybags
- · Plastic swift tags/hang tag attachment
- · Moisture and mold-preventative products
- · Hang tags
- · Hang tag string
- · Joker tags
- · Size stickers
- · Plastic accessory hooks

- · Accessory/hardgood packaging
- · Packing slip
- · Shipping labels
- · UPC sticker



PILOTING

We have learned over time that starting small while working towards big change is the best way to move forward. No matter what change you are implementing, we have found that it is important to test your new process on a small scale before you expand it. We like to break our pilot projects into two parts, planning and implementation:

Planning

- 1. Identify pilot goal
- 2. Determine pilot scope/exclusions
- 3. Clarify requirements
- 4. Select pilot stakeholders/responsible parties
- 5. Identify deliverables and assign ownership
- 6. Identify business processes or systems that will be affected
- 7. Determine implementation plan
- 8. Build timeline/schedule, including communication plan
- 9. Start pilot/project implementation

Implementation

- 1. Identify what you are trying to learn
- 2. Confirm timing
- 3. Define variables
 - · Determine pilot group/s
 - · Determine control group/s
 - · What does success look like?
 - · What does non-success look like?
- 4. Background
- 5. What does the team think will happen?
- 6. Design the test
 - Standardized testing procedures—ensure all reviews of the test are conducted in the same manner
 - · Variables
 - · Data collection process

How will you/can you collect hard factual data vs subjective data? Where/how can you remove or minimize any subjectivity? How will you gather subjective data/feedback?

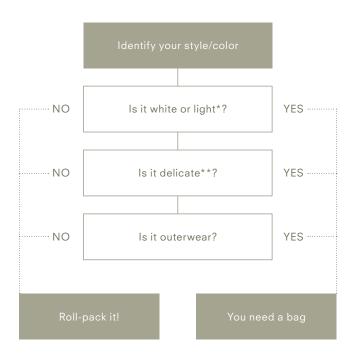
- 7. Pilot analysis
- 8. Conclusions

The Results

POLYBAG ELIMINATION

Roll-Packing Decision Tree and Hierarchy

After piloting our idea of roll-packing, we determined that the majority of our products could in fact be roll-packed. However, not all of our products passed the test. To ensure consistency, we created a decision tree to determine if a product will be roll-packed or not. (est. 2019)



If you answer yes to any of the questions, it needs a bag.

*Light shades: as identified on the digital master color sheet, selected by prAna Colorist.

**Delicate: as determined by each individual Product Developer on a per color/style basis. Consulting QA and Design. Determination will be based on educated experience, suggested by but not limited to the yarn gauge, the material construction or weight, testing results, and garment construction or finishing.

Assumptions/Guidance:

- · The default packaging method is roll-packaging with a raffia tie
- · If a product is shared between product categories, the packing method will match
- · Where "bag" is listed above, it refers to a glassine paper bag (roll-packing alternative).
- · No plastic is allowed on prAna products

Roll-Packing

Our #1 solution to eliminating the use of polybags is our roll-pack method, as it best supports our first line of defense in packaging: using the least amount of waste possible. Please reference prAna's Responsible Packaging Guide #1 to find all of the details about our roll-pack method.



Roll-Packing Alternative

Although roll-packing is always our first choice, we realize that some of our products need various levels of protection in order to arrive safely to our customers. Therefore, when roll-packing is not an option, we have determined our second best option is to cover the product completely. After researching the alternatives on the market, we chose to move forward with a glassine paper bag. While we understand there are many options available, we always try to design with our end consumer in mind. The current state of waste management varies, as does the consumer's understanding of local recycling and composting capabilities. Due to this discrepancy, we selected paper as the most commonly understood substrate. The bag we currently use is FSC certified, but we are working to convert it to be 100% recycled content.



OTHER PRODUCT PROTECTION

Moisture control: rather than using silica or plastic moisture sheets, we shifted to only allowing our suppliers to use a kraft paper pouch filled with bentonite clay. However, research was conducted prior to implementing change to ensure that we only requested this of suppliers who already used a moisture-control method or product. If a product was not using any moisture- or mold-control product, it was not added, as that aligns best with our north star of reduction first.

HANGTAGS AND OTHER LABEL NEEDS

Swift tack: to eliminate this tiny piece of plastic from our packaging, we were able to switch from using non-recyclable plastic swift tacks to an organic-cotton string that is looped through a sewn-in ribbon, or a sewn in size label to attach our hang tags.

Hang tags: we've converted all of our hang tags to be made from 100% recycled content and printed with soy-based inks. We have general, genderless, seasonless hang tags that offer a united presentation to reduce waste. Furthermore, we've eliminated the use of third party hang tags to help reduce overall consumption/waste. This also allows us to ensure all of our packaging meets our commitments. Our hang tags allowed us to implement a single attribute sticker with an integrated UPC sticker, that describes our products to our customers in a low-waste, succinct way.

Joker tags: all of our joker tags are made with 100% recycled content and printed with soy-based inks. Rather than using plastic swift tacks to attach these tags, they are stitched on with a thread bar tack to help us in our elimination of plastic.





PRODUCT DISPLAY NEEDS

Accessories packaging: early in our responsible packaging journey we wanted to come up with an innovative solution to create fully recyclable, low waste, packaging for our accessories that still worked on a retail display peg wall. To solve this problem, we engineered unique origami-folded packaging that eliminated the use of any adhesives, metals, or plastics, leaving us with a 100% recycled paper packaging solution.

Hat and headband hooks: this was a multi-solution project to get us to where we are today. At first, we used plastic hooks for our hats connected to the product by a plastic swift tack. Our first solution was to change the plastic to a 100% recycled paper hook and use 100% recycled plastic swift tacks, but with our goal of eliminating all plastic from our packaging, we needed another solution. Our team created a 100% recycled paper clamp attached by stitching them on with a bar tack.







SHIPPING FROM OUR DC TO CUSTOMERS

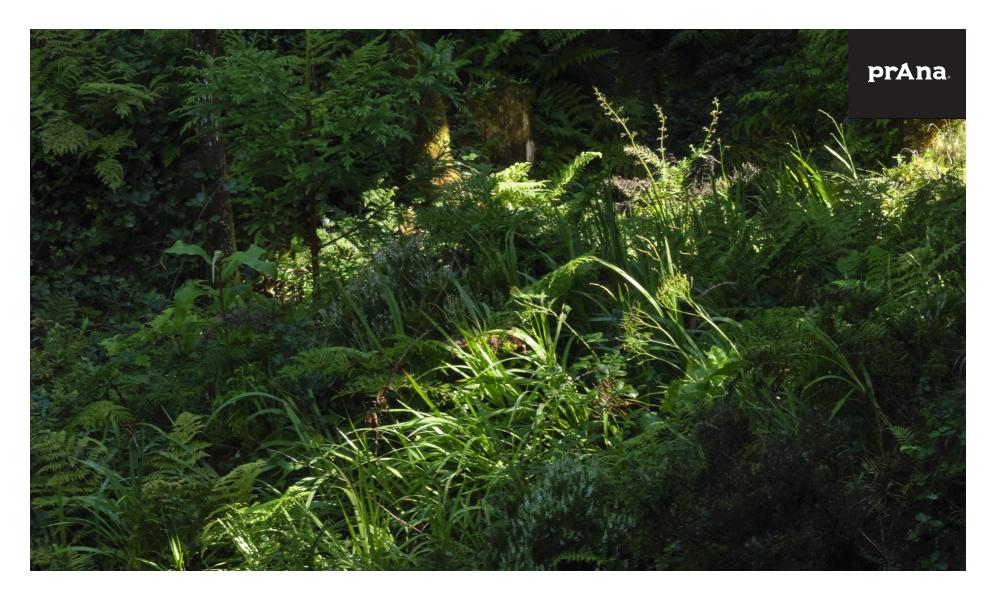
Paper mailers: rather than use plastic mailers to ship our products, we use 100% recycled kraft paper mailers. Our current solution is only the first step, and we continue to innovate in this area.

WAT tape: hidden plastic we found in our packaging was the tape used to seal our boxes. We were able to switch to a water activated tape (WAT) to solve this pervasive plastic problem.

Boxes: while a vast majority of our e-commerce product shipments are sent out in a kraft mailer, some larger orders require a recyclable paper, corrugated cardboard box. Each corrugated box is selected based on product weight and size, with the intention of selecting the packaging size that minimizes excess waste and space. Our boxes are FSC certified paper, and we are working to innovate towards recycled content with our suppliers.







Thank You

for joining the Responsible Packaging Movement, we're honored to have you stand with us.

For any questions or concerns please contact $prAna_packaging@prana.com.$

DISCLAIMER

The Responsible Packaging Guide #2 is proved AS IS without warranties of any kind, express or implied, and prAna disclaims all such warranties. In no event will prAna be liable for damages of any kind arising out of or in any way connected with The Responsible Packaging Guide #2 or the use or reliance on the The Responsible Packaging Guide #2.

This document is confidential per the Responsible Packaging Movement NDA. It is intended for the use of the receiving brand only and should not be distributed.