



# CanopyStyle Audit Report for Jilin Chemical Fiber Stock CO.,LTD.

Annual audit 2021

Evaluation date: 28 July 2021

Report date: January 24 2022

## Organisation Contact

Jilin Chemical Fiber Stock CO.,LTD

NO.216,Kunlun Street,ETD Zone,Jilin City,China

## Audit managed by

NEPCon FMBA  
Copenhagen, Denmark  
Contact person: Gweneth Langdon  
Tel: +1 802 434 3420  
Email: [glangdon@preferredbynature.org](mailto:glangdon@preferredbynature.org)

## TABLE of CONTENTS

INTRODUCTION	3
1. GENERAL DESCRIPTION	4
2. EVALUATION SCOPE	5
3. EVALUATION PROCESS	6
4. EVALUATION RESULT	7
Appendix A : standard checklist (CanopyStyle Verification Framework – Corporate Sourcing)	15
Appendix B: standard checklist (CanopyStyle Verification Framework – Viscose Mill Checklist)	58
Appendix C: RECOMMENDATIONS FOR IMPROVEMENT	64

## INTRODUCTION

Preferred by Nature (former name: NEPCon) is an international, non-profit organisation that delivers sustainability services and engages in innovation projects to facilitate the transformation of business practices and consumer behaviour to promote the responsible use of natural resources. Around 1,300 Chain of Custody-certified clients benefit from our over 15 years of experience in providing services to the forest supply chain sectors – including timber processing and manufacturing companies, printing houses, publishers, paper merchants, traders and retailers of all sizes.

Through a well-developed network of regional representatives and contractors, Preferred by Nature offers timely and cost-effective certification services around the world.

The purpose of this report is to document performance of *Jilin Chemical Fiber Stock CO.,LTD.* hereafter referred to as "Company", against the requirements of the Verification Framework and Guidelines, (September 2020 version<sup>1</sup>) and related guidance documents<sup>2</sup> developed by Canopy and approved, supported and requested by the Fashion and Textile Leaders for Forest Conservation (Leaders Group)<sup>3</sup> and the over 320 brands, retailers and designers looking to implement their sourcing policies for man-made cellulosic textiles. The focus of this verification audit is to manage the risk and avoid sourcing from ancient and endangered forests and other controversial sources and implement other sustainable sourcing measures, across the supply chain from the point of wood harvesting in forests and/or plantations and through to the brand and retail customers. Man-made cellulosic fibre (MMCF) producers are required to document and provide evidence towards a set of pre-defined social and environmental criteria and key progress indicators as part of the CanopyStyle initiative.

The audit presents the findings of Preferred by Nature auditors who have evaluated company systems and performance against the applicable standard(s). Section 4 below provides the evaluation conclusions. The auditor reviewed and used Canopy's map of ancient and endangered forests, which has been overlaid with the sourcing regions and list of suppliers of the company to assess the level of risk, as well as further guidance document such as the Dissolving Pulp Classification Tool and the Advice Note on Ancient and Endangered Forests<sup>4</sup>.

Dispute resolution: If Preferred by Nature clients encounter organisations or individuals having concerns or comments about Preferred by Nature services, these parties are strongly encouraged to contact the relevant Preferred by Nature regional office or any member of the Preferred by Nature Chain of Custody Programme. Formal complaints and concerns should be sent in writing.

---

<sup>1</sup> <https://canopyplanet.org/wp-content/uploads/2021/02/CanopyStyle-Audit-Guidelines-and-Verification-Framework-ENG-CHN.pdf>

<sup>2</sup> <https://canopyplanet.org/resources/canopystyleaudit/canopystyle-audit-guidelines/>

<sup>3</sup>Current members of this group are H&M, M&S, Inditex/Zara, EILEEN FISHER, Stella McCartney and Canopy

<sup>4</sup> <https://canopyplanet.org/wp-content/uploads/2019/10/AdviceNoteCanopyStyleAudits.pdf>

# 1. GENERAL DESCRIPTION

## 1.1 Company overview

Jilin Chemical Fiber Stock Co., Ltd. is a holding subsidiary of Jilin Chemical Fiber Stock Co., Ltd. The company was founded in 1960 and put into operation on August 1, 1964.

The company is a listed company specializing in the production of viscose fibre. Its main products are viscose filament and viscose staple yarn. The designed production capacity for \ for filament fibre is 80,000 tons and for the staple fibre is 125,000 tons. The company is one of the top ten enterprises in China's chemical fibre industry.

From 1996 to 2021, the company has successively reconstructed and put into production on several technical transformation projects on viscose filament with different annual output capacity. The company's products are mainly exported to more than 20 countries including Japan, South Korea, Italy, Turkey, Pakistan, and India

The company holds a number of third-party certificates, including:

- ISO9001:2015 quality management system
- FSC Chain of Custody
- ISO14001:2015 Environment Management System
- ISO45001: 2018 Occupational Health and Safety Management System
- ISO50001:2018 Energy management System
- STANDARD 100 by OEKO-TEX® testing and certification system.
- SA 8000:2014 Social Accountability System
- Recycled Claim Standard 2.0 (RCS 2.0)
- Green Leaf Certification

The company's "Baishan" brand trademark was rated as a well-known trademark in China. In 2007, the "Baishan" viscose filament won the honour of "China Famous Brand". The company has been rated as "National Customer Satisfaction Enterprise", "National Advanced Enterprise of Quality and Efficiency", "Top 500 Chinese Enterprises Informatization" and many other honours.

## 1.2 Company scope (sites, locations, etc)

Jilin Chemical Fiber Stock Co., Ltd purchases raw material, manufactures and sales of MMCF. The headquarters is responsible for development and enforcement of the company sourcing policy and purchasing raw materials for the mil.

Hebei Jigao Chemical Fiber Co. is a subsidiary of Jilin Chemical Fiber Stock Co. group. Located in Hebei province, it produces bamboo viscose fibre. It is not covered under the scope of this audit.

## 1.3 Company sourcing policy

The Company updated and published their [Fibre Procurement Policy for Protecting Forests](#) being effective on 07 July 2021 and committed to:

- Conserve Ancient and Endangered Forests and intact forest landscapes.
- Recognize, respect and uphold human rights of communities
- Develop innovative and alternative fibre programme

- Advocate for conservation solutions
- Promote forest certification
- Transparency, traceability and verification
- Reduce greenhouse gas footprint
- Prevent pollutions
- Enhance communication.

Note: since the responsible personnel from the purchasing department changed from Xiao Minghui to Wang Yuanxu, the company updated the Policy in July 2021.

## 2. EVALUATION SCOPE

Scope Item	Check all that apply to the Certificate Scope	
Mill Type:	<input checked="" type="checkbox"/> Single	<input type="checkbox"/> Multi-site
Input Material Source:	<input checked="" type="checkbox"/> Listed in supplier CoC form	<input type="checkbox"/> Other suppliers
Majority Fiber Input:	Approximately 40% Dissolving pulp, 55% cotton linter and 5% bamboo pulp for Viscose filament, and 65% dissolving pulp, 5% cotton linter and 30% bamboo pulp for Staple Fiber.	
Map of Ancient and Endangered Forests Overlay Completed:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No  Comments: The Company has done overlays for some suppliers but did not provide map overlay with Ancient & Endangered Forests for all suppliers.
Mill Capacity:	Viscose Rayon Filament Yarn: 55,898t; Viscose Staple Fiber: 46,800t	
Primary Activity:		
Outsourcing:	<input type="checkbox"/> FSC-certified subcontractors	<input type="checkbox"/> Non-certified subcontractors
	<input type="checkbox"/> Outsourcing of the complete production process	
	<input type="checkbox"/> High risk subcontractor site(s) included	
	<input checked="" type="checkbox"/> No outsourcing	
Workforce:	Permanent male: 0	Permanent female: 0
	Contract male: 3,341	Contract female: 1,331
	TOTAL: 4,672	

Sites included in evaluation	Location
Jilin Chemical Fiber Stock Co., Ltd. Corporate office	No.216, Kunlun Street, ETD Zone, Jilin province, China
Viscose mill (start production in 1964)	No.216, Kunlun Street, ETD Zone, Jilin province, China

## 3. EVALUATION PROCESS

### 3.1 Audit Team

Auditor name(s)	Qualifications
Peiyong Zhou	Responsible Sourcing Specialist; CanopyStyle auditor; Qualified LegalSource auditor; Experienced in mainstream sustainability practises including sectors of pulp/paper, textile and timber, etc. Rich experience in timber legality related projects, especially in EUTR, FLEGT Action Plan (VPAs) related activities. Adequate knowledge and understanding in international timber legality requirements.

### 3.2 Audit Overview

This is the 2nd audit which is composed of the corporate desktop audit and up to 2 short notice audits. The corporate desktop audit also contains one video conference/interview which took place on 28th of July 2021.

### 3.3 Description of Overall Audit Process

Preferred by Nature (NEPCon) auditor shared an audit plan with the Company before the onsite visit. The company profile, supplier list and system documents were sent to the auditor for review before the audit.

On 28 July 2021, the audit started with an opening meeting **via Tencent meeting application remotely** with the presence of management representative and the key staff from relevant departments. The objective and scope of the audit, agenda, conflict of interest (COI) issues, etc were communicated. Also, the management representative gave a brief introduction of the Company and operation activities and the effort made on Canopy sourcing policy.

Following the opening meeting, the auditor interviewed the management team regarding action plan and any updates in regard of practises with Canopy policy commitment, Company structure, Canopy training, purchase policy, supplier management, research of alternative Fibre, environment protection, forest protection, etc.

After interview with management, related documents were reviewed, such as Wood Fibre Sourcing Policy and Operational Procedures, Annual Volume Summary Data, purchase documents (contracts, invoices, packing list, bill of lading etc.), Risk Assessment Report, Training Plan and records, communication with the suppliers, etc.

## 4. EVALUATION RESULT

### 4.1 Evaluation Conclusion

The company has made significant attempts to collect more information from suppliers to evaluate risk and confirmed low risk for all seven suppliers.

#### Positive Findings:

The Company has developed and has been implementing the sourcing policy in line with CanopyStyle initiative and communicated this policy with all suppliers. The operating manual was developed by the HQ and shared with the mill.

Since the 1<sup>st</sup> audit in 2019, the Company provided several training sessions to the staff at different levels. The key managers are aware of the sourcing policy and definition of ancient and endangered forests.

The purchase department has collected the information from all seven suppliers and conducted risk assessment. The pulp suppliers list was made publicly on the Company's official website and the Company has agreed to share the risk assessment of suppliers with the Leaders Group. Three out of the seven suppliers disclosed forest level info with maps.

The Canopy sourcing policy has been communicated to the suppliers. The requirements to implement the policy have been included in the contract with all suppliers.

The company has developed an action plan to increase FSC purchase – increase the proportion of FSC certified inputs.

The Company is researching new technology to create world's first (as declared by the Company) industrial scale viscose filament yarn made from 50-100% chemically recycled textiles and virgin pulp. Note: 50-100% recycled textiles are the ideal goal of the final product by adding up to 50-100% recycled pulp. Right now, the actual input of recycled pulp is 5%.

Also, the Company is trying to reduce the GHG emission and save the water & energy by technology innovation.

The sustainable development committee is in charge of the carbon footprint monitoring and GHG reduction for the company. Effective efforts have been conducted in this regard, for instance, high-quality coal that meets national standards will be given priorities; seeking alternative energy sources, such as using electricity to replace steam. Every month there are statistical analysis tables at all levels of workshops all the way to the group headquarters. Prompt correction and/or improvement will be executed when performance is not satisfactory.

**Areas for Improvement:**

The Company made significant attempts to collect information from their suppliers on forest or plantation of origin, and during this audit some suppliers still didn't disclose the origins' information, but still at the dissolving pulp location. Therefore, origin of material for these suppliers is only known at a country level, creating a broad sourcing area with potential overlap with ancient and endangered forests. Note: a special note provided from the company indicating that the pulp mill had been temporarily shut down civil unrest in South Africa. The company could not communicate with the mill during this time. Therefore, during this audit, all evidence for Sappi is provided by their trader to China.

Canopy shared an advice note (effective 1 June 2019) that introduces a new tool (Dissolving Pulp Mill Classification) to be used in addition to the Forest Mapper when conducting risk assessments for sourcing from ancient and endangered forests. The new tool outlines commonly used dissolving pulp mills and a determination of risk considering priority ancient and endangered forests. Below please find the results comparison between the company internal risk assessment conducted in December 2020 and the Canopy Dissolving Pulp Classification Tool:

Supplier	Company Risk Assessment	Canopy Dissolving Pulp Classification
AustoCel Hallein	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Borregaard	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Caima	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Domsjö	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Lenzing Paskov	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.

Sappi Saiccor	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Södra	Low	No sourcing issues identified based on current information and/or CanopyStyle audit.
Fujian Qingshan Paper Co.,Ltd	Low	This is bamboo pulp only, and it is FSC 100% therefore risk is considered mitigated.

The company conducted the assessment based on the evidence collected from the suppliers as well as the Dissolving Pulp Classification Tool and ForestMapper.

The Company has made great efforts to conduct a risk assessment on sourcing from ancient and endangered sources, and more assessment is needed for controversial sources.

The company required all suppliers to disclose the plantation establishment information. Some suppliers confirmed they don't source from plantations. Some provided their wood fibre policy on plantation. By checking the pulp purchasing documents, there are non-certified pulp purchased from the company.

## 4.2 Summary of findings

Rating	Color
Not Applicable	
Commitment Met	
Commitment in Progress	
Commitment Not Met	
Insufficient Information Available	

\*\* Indicates Critical Indicators

Key Commitment	Performance Indicators	Rating
1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy **	
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **	
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	
	1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	

	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	
	1.7 The MMCF producer has developed and is implementing a system to monitor supplier conformance with the Policy. **	
	1.8 The MMCF producer has put in place a grievance procedure.	
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and the Dissolving Pulp Classification tool, to make their supply assessment. **	
	2.2 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	
	2.3 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.	
	2.4 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	
	2.5 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.	
3. No conversion of natural forest to plantations	3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate. **	
4. Since the signature of the Policy, all sourcing	4.1 The MMCF producer has adopted clear definitions for the terms included in their	

<p>from ancient and endangered forests and other controversial sources have been eliminated</p>	<p>Policy, such as “ancient &amp; endangered forests”, “intact forest”, “natural forest”, “endangered species”, “controversial sources”, “high conservation value”, “high carbon area”, “peatlands”, etc. that are consistent with this document and the forest sourcing policy template. **</p>	
	<p>4.2 All areas meeting the definition of “ancient and endangered forests” have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group. **</p>	
	<p>4.3 Any raw materials in the MMCF producer’s supply chain originating from ancient and endangered forests or other controversial sources and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. **</p>	
	<p>4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **</p>	
	<p>4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **</p>	
<p>5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them</p>	<p>5.1 All MMCF producers’ suppliers are identified and the forest of origin is known. **</p>	
	<p>5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)</p>	
	<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **</p>	
<p>6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.</p>	<p>6.1 When requested, Canopy, the Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **</p>	
	<p>6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed,</p>	

	based on best available science, by a credible third party, and made public. **	
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **	
	6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	
	6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free Prior and Informed Consent. **	
7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities. **	
	7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	
	7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.	
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	
	7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles	

	and Rights at Work and will require the equivalent of their own suppliers.	
	7.6 Recognition and respect for human rights is demonstrated by the MMCF producer and its pulp suppliers. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. **	
8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	
	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	
	9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.	
	9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **	
10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	
	11.2 MMCF producer has procedures to know	

	whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	
	11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	
12. Pollution Prevention	<p>12.1 * This verification process <u>will not</u> verify at first hand the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality.</p> <p>Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at <a href="https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released">https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released</a></p>	Not Applicable

#### 4.3 Volume Summaries<sup>5</sup>

Reporting period: 2020.1.1 – 2021.6.30

Category	Explanation	Volume (tons)	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	9,238.12	10.73%
Controlled material	Noncertified material controlled by the company's FSC Due Diligence System		
FSC Mix	Material received with an FSC Mix Credit or FSC Mix % claim from an FSC CoC certified company	10,202.35	11.85%
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	969.92	1.13%
Non-FSC	Material received with no FSC claim.	44,694.66	51.93%
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	20,961.55	24.36%

<sup>5</sup> The volume summary is provided by the organization.

# Appendix A : standard checklist (CanopyStyle Verification Framework – Corporate Sourcing)

## 1. Evaluation of Site: Corporate HQ

<b>Primary Responsible Person:</b> (Responsible for control system at site(s))	Mr. Li Kui, Vice GM & head of Sustainable development committee
<b>Auditor(s):</b>	Peiyong Zhou
<b>People Interviewed, Titles:</b>	Li Kui, Vice GM & head of Sustainable development committee Kong Yuying, General Manager Assistant Sun He, Director of Sales Dept. Wang Yuanxu, Purchase Dept. Jiao Chu, Logistic Dept. Zhang Xiaoming, Deputy Director of Production & Environmental Protection Dept. Yuan Yuyao, Deputy Director of Production & Environmental Protection Dept. Yu Shujuan, Comprehensive Management Office
<b>Brief Overview of Audit Process for this Location:</b>	<i>Please refer to Section 2.3 above for Description of Overall Audit Process.</i>
<b>Comments:</b> Jilin Chemical Fiber Stock Co., Ltd. Corporate Office is responsible for development and enforcement of the company sourcing policy and purchasing raw materials for the mill.	

## 2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their Fiber Sourcing/Forest Policy	
Indicators	Findings
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The Company made a public commitment to promote sustainable forest management and conserve ancient and endangered forests (effective on 7<sup>th</sup> July 2021). The Fibre Procurement Policy was updated and posted on the website: <a href="http://www.jlhxjt.com/Detail/624.html">http://www.jlhxjt.com/Detail/624.html</a></p> <p>The interview of the deputy general manager and the manager of Sustainability department confirmed senior management team were well informed the definition of ancient and endangered forests and other controversial sources and were fully committed to implement Canopy purchase policy.</p>

	<p>Note: since the responsible personnel from the purchasing department changed from Xiao Minghui to Wang Yuanxu, the company updated the Policy in July 2021.</p>
<p>1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The Company has developed the operating manual for the implementation of Canopy sourcing policy, where the suppliers are subjected to the monitoring and evaluation from the company. According to the manual, the evaluation and monitoring are conducted through reviewing formal documents submitted from the suppliers as well as on-site inspection. Due to the COVID-19 pandemic, on-site inspections have not been conducted to date.</p> <p>The required formal documents shall include evidence on raw materials, certification status of the raw materials, forests of origin' info, documentary evidence on plantation development, commitment from the suppliers confirm that they don't purchase from ancient and endangered as well as controversial areas for raw materials, implementation on reducing the GHG, procedures on compliance with basic principles of ILO's requirements on worker's rights and workplace, etc.</p> <p>The company collects the evidence submitted from the suppliers and conduct the risk assessment on the supply chains.</p> <p>The company has asked for acknowledgement with the sourcing policy from the suppliers. The suppliers are required to sign the supply agreement of dissolving pulp stipulating the company's sourcing policy must be respected. The company also states that relevant requirement on responsible sourcing shall be added to the purchase contract with the suppliers.</p> <p>For any non-compliance that are found with the suppliers, the company states they will first help them change the production behavior. If the fibre is found to come from policy-prohibited sources, the company will re-evaluate whether to continue to cooperate with them.</p> <p>The SOP is available upon request to the stakeholders.</p>
<p>1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The deputy manager of the company, Mr. Li Kui, (also the manager of Sustainable development committee) has the overall responsibility for sourcing policy implementation.</p>

	<p>The purchasing department is assigned and responsible for the implementation of the policy. The responsibility of implementing the policy is included in Company structure and responsibility division.</p> <p>Other departments are also involved, such as Production, Energy, Safety, Comprehensive Management, Logistics, admin office, etc.</p>									
<p>1.4 The MMCF producer has developed capacity and Company structure to implement the Policy.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The Company's organizational structure for implementation of policy has been shared with the auditor.</p> <p>The Sustainable development committee was established in November 2019, led by the vice GM with the staff members from Purchase, Sales, Logistic, production, EHS, Equipment &amp; Energy, Comprehensive Management.</p> <p>Interviews found all relevant staff were aware of Canopy policy and their responsibility.</p>									
<p>1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The company notified all suppliers the commitments requirements via emails. Email records between February and March 2021 were provided.</p> <p>Example: email to AustroCell Hallein:</p>  <p>The following chart gives an overview on the signing and confirmation received from the suppliers in regard of their commitment to the fibre sourcing policy as well as the supply agreement of dissolving pulp.</p> <table border="1" data-bbox="638 1713 1584 2027"> <thead> <tr> <th></th> <th>Commitment letter in regard of dissolving pulp procurement policy</th> <th>Supply agreement of dissolving pulp which includes Canopy's requirement</th> </tr> </thead> <tbody> <tr> <td>AustroCell Hallein</td> <td>Yes directly signed with AustroCel Hallein</td> <td>Yes directly signed with AustroCel Hallein</td> </tr> <tr> <td>Boregaard</td> <td>Didn't sign the commitment letter , but confirmed received the policy &amp; supply agreement of dissolving pulp</td> <td>Yes, directly signed with Boregaard.</td> </tr> </tbody> </table>		Commitment letter in regard of dissolving pulp procurement policy	Supply agreement of dissolving pulp which includes Canopy's requirement	AustroCell Hallein	Yes directly signed with AustroCel Hallein	Yes directly signed with AustroCel Hallein	Boregaard	Didn't sign the commitment letter , but confirmed received the policy & supply agreement of dissolving pulp	Yes, directly signed with Boregaard.
	Commitment letter in regard of dissolving pulp procurement policy	Supply agreement of dissolving pulp which includes Canopy's requirement								
AustroCell Hallein	Yes directly signed with AustroCel Hallein	Yes directly signed with AustroCel Hallein								
Boregaard	Didn't sign the commitment letter , but confirmed received the policy & supply agreement of dissolving pulp	Yes, directly signed with Boregaard.								

	from Jilin chemical. Boregaard confirmed that they agree to the compliance of the requirement on the fiber policy and supply agreement of the dissolving pulp. Borregaard also confirmed that they are using their own Procurement policy which is in line with the document that Jilin has sent to them	
Caima	Yes, the commitment letter has both Caima and the trader's stamp.	Signed with the trader, and Caima's stamp is shown on the file.
Domsjo	Yes, the commitment letter has both Domsjo and the trader's stamp.	Signed with the trader, and Domsjo's stamp is shown on the file.
Lenzing	signed with trader	Yes directly signed with Lenzing Paskov
Sappi	Directly signed with Sappi	Directly signed with Sappi
Sodra	Yes, the commitment letter has both Sodra and the trader's stamp.	Signed with the trader, and Sodra's stamp is shown on the file.
Fujian Qingshan Paper Co.,Ltd	Yes directly signed with Fujian Qingshan	Yes directly signed with Fujian Qingshan
<p>Example on sourcing policy communication with the supplier:</p>		



吉林化纤股份有限公司

JILIN CHEMICAL FIBRE CO., LTD.

it is found that the sources of wood are from areas not meeting the requirements, Party B shall give reasonable improvement program as soon as possible, and make rectification on its purchasing and production activities. For example, Party B may do FSC® certification or PEFC certification, or provide the protection program of old-growth forests and memorandum of understanding signed with local residents. If suppliers violate these standards, we will first help them change the production behavior. If the fiber is found to come from policy-prohibited areas, we will re-evaluate whether to continue to cooperate with them.



AustroCel Hallein GmbH  
Salzachtalstraße 88, Postfach 62  
5400 Hallein, Austria 19.7.21

Joachim Seidel  
I am approving  
this document  
with my legally  
binding signature  
2021-08-05 09:  
21:13



1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.\*\*

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

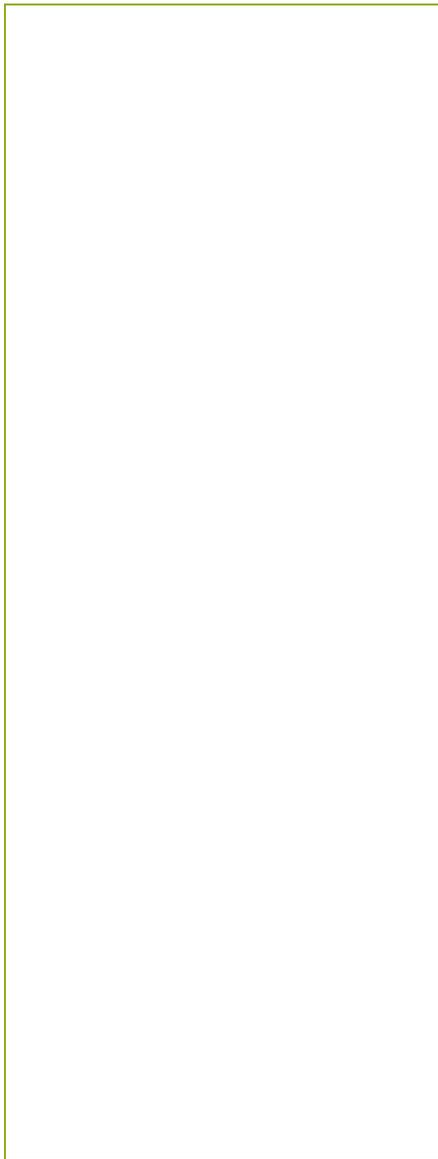
**Description of the finding:**

The company provided signed and dated contracts from suppliers. Below is an overview:

Contracts included requirements to implement the Policy except for Sappi and Fujian Qingshan:

	Contract
AustroCel Hallein	Contract is directly signed with AustroCel Hallein
Boregaard	Contract is directly signed with Boregaard
Caima	Contract is signed with trader
Domsjo	Contract is signed with trader
Lenzing	Contract is signed with trader
Sappi	Requirements to implement the Canopy's fiber policy are not included.
Sodra	Contract is signed with trader
Fujian Qingshan	Requirements to implement the Canopy's fiber policy are not included.

Example of a contract where relevant required is added:



通过仲裁得到解决，所依据的仲裁条款及仲裁人（一名）的任命应符合国际商的规定。仲裁应在斯德哥尔摩举行，由斯德哥尔摩商会主持（地址：,Jakobs Torg 3,SE10321,Stockholm）。仲裁用语为英语。上述程序不应被解释为限制相关各方以任何方式寻求禁止令或在具有相关管辖权法律的法院获取临时性援助。

This order is valid subject to receipt of signed and stamped contract by the Buyer until Apr. 05, 2021. The latest receipt date of the workable L/C at seller's advising bank is Apr.12, 2021. Should any costs arise due to delayed or unworkable L/C, these costs must be borne by the buyer.

本合同效力基于合同在 2021 年(y) 04 月(m) 05 日(d)之前回签及卖方通知行于 2021 年 04 月 12 日前收到有效信用证。如果由于延迟或没有有效信用证而产生任何费用，则这些费用必须由买方承担。

The seller has already read and understood the buyer's purchase policy, and respects the policy, and supports Conservation of Ancient & Endangered Forests and Intact Forest Landscapes, Reduction of Greenhouse Gas Footprint.

卖方已审阅买方的溶解浆采购政策，并尊重该政策，支持保护原始濒危森林和森林景观完整,减少温室气体足迹。

The seller uphold the international labour organization (ILO) declaration on fundamental principles and rights at work, and will require the equivalent of their own suppliers.

卖方遵守国际劳工组织有关工人权利和工作场所基本原则的声明，并对其供应商提出同样的要求。

Effectiveness and Language: This Contract shall become effective immediately upon chop and/or signature by the Buyer and the Seller. In case of any discrepancy between the English and Chinese, the English version shall prevail and govern.

生效及语言：本合同一经买卖双方盖章及或签署后立即生效，如果中英文版本存在差异，应当以英文版本为准

The Seller:  
卖方（受益人）:

 austrocel  
hallein  
AustroCel Hallein GmbH  
Salzachtalstraße 88, Postfach 62  
5400 Hallein, Austria

The Buyer:  
买方:



1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. \*\*

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

The company developed the supplier performance monitoring procedure compile in the management operation manual for the suppliers, including monitoring frequency, monitoring method (documents review and onsite visit if necessary, the evidences to be checked, etc).

Based on the procedure, the supplier must comply with Canopy requirement and with the low risk. The performance of active suppliers has been being monitored annually.

The identified non-compliance will be announced to the suppliers and must be addressed within 6 months.

In December 2020, the company conducted the evaluation on the following indicators: forest of origin's risks, sustainable development performance,

	<p>human rights, corporate social responsibility, performance on GHG emission, tropical peatlands and IFLs based on the documents collected from the suppliers as well as take the Canopy Dissolving Pulp Classification Tool into consideration. The monitoring results for all suppliers is provided to the auditor.</p> <p>The monitoring results are concluded based on the documents collected from the suppliers as well as take the Canopy Dissolving Pulp Classification Tool into consideration.</p>
<p>1.8 The MMCF producer has put in place a grievance procedure.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The grievance procedure has been compiled into the management operation manual, which is provided to the auditor. According to the grievance procedure, any complaint/ grievance can be submitted to the company via telephone, email or regular mail. Once the complaint/ grievance are received, responsible personnel (designated from the Purchasing department) will take care of the complaint/ grievance and report to the management team. The management team will provide feedback/solution within one week. The performance of the solution will also be provided, in addition.</p> <p>So far, no grievance received yet.</p>
<p>1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>Based on the supplier performance monitoring procedure compile in the SOP, the supplier must comply with Canopy requirement and with the low risk. The performance of active suppliers will be monitored annually.</p> <p>The identified non-compliance will be announced to the suppliers and must be address within 6 months.</p> <p>During this audit, no complaints have been received.</p>
<p>1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p>

	<p>Since the 1<sup>st</sup> audit in 2019, the Company organized several trainings on the policy and Canopy requirements before the audit. Training records were provided for auditor review, selected samples are:</p> <ul style="list-style-type: none"> <li>- 08:30-10:00 on March-19-2020, Procurement, Sales, Logistics, Comprehensive Management Office, Production, EHS and Energy dept.</li> <li>- 08:30-10:30 on 26-May-2020, same departments as above</li> <li>- 08:30-10:30 on 03-Aug-2020, same departments as above</li> <li>- 08:30-11:00 on 09-Sept-2020, same departments as above</li> <li>- 08:30-11:00 on 09-Nov-2020, same departments as above</li> </ul> <p>The interview with the representative from the production department confirms that they are aware of the policy and are implementing it.</p>
<p>1.11 Each production site manager has developed procedures to implement the Policy, when relevant. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>          Yes, the management operational manual developed by the group headquarters was shared with the viscose mill.          Interview with the key managers confirmed that they are aware of and implementing the management operational manual</p>
<p><b>Summary:</b>          The Company has developed a fibre sourcing policy with supporting procedures for implementation of Canopy requirements and conducted training. The sourcing policy is made available on the company's website and communicated to the dissolving pulp suppliers. The sustainable development committee was established to ensure the implementation.          The suppliers signed and confirmed the commitment to the implementation of the Policy in different forms either directly signed the commitment letter/ supply agreement of dissolving pulp or signed with the trader. Contract samples are provided to the auditor with added requirement on the implementation of the policy.          The company conducted evaluation and provided the monitoring result on the compliance performance.</p>	

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	
Indicators	Findings
<p>2.1 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and the Dissolving Pulp Classification tool, to make their supply assessment. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>          The company provided its pulp suppliers management operational manual which aims at avoiding purchase raw materials from HCV, HCS forest, ancient and endangered forest or endangered species habitat forest, any controversial sources, as well as requires that all suppliers respect the indigenous people and FPIC as well as the worker's rights.          The company conducted the evaluation on the following indicators: forest of origin's risks,</p>

sustainable development performance, human rights, corporate social responsibility, performance on GHG emission, tropical peatlands and IFLs based on the documents collected from the suppliers as well as take the Canopy Dissolving Pulp Classification Tool into consideration. The monitoring results for all suppliers is provided to the auditor.

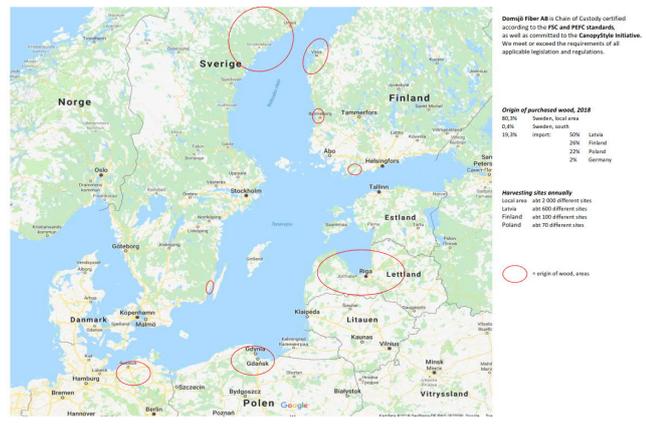
All 8 suppliers are graded as low risk according to the company internal risk assessment, whereas, according to the Canopy Dissolving Pulp Classification Tool, Fujian Qingshan Paper is graded as potential risk with further sourcing information and/or auditing required.

2.2 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.

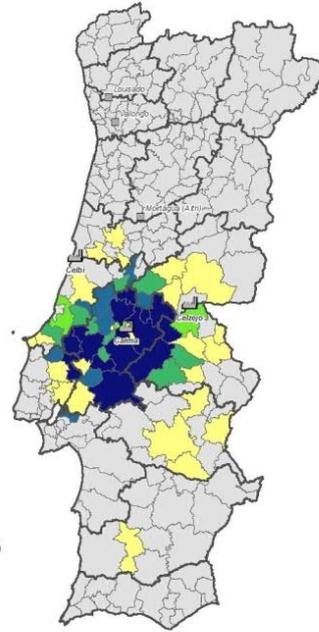
- Conformance with Indicator:**
- Not Applicable
  - Commitment Met
  - Commitment in Progress
  - Commitment Not Met
  - Insufficient Information Available

**Description of the finding:**  
 The company provided suppliers list. The dissolving pulp mills on the supply chain are identified.  
**AustroCel Hallein, Borregaard, Lenzing Paskov, Sappi** didn't provide the forest level information, but only up to sub-regional, regional or country level despite the fact that the company tried hard to ask for the disclosure of the forests of origin.  
 Domsjo, Caima and Sodra provided the forest level info with maps.

**Domsjo:**



**Caima:**



Wood Supply for Caima - Total 2018  
Volumes by county (cubic meters under bark)

- < 1000
- 1000 a 2000
- 2000 a 4000
- 4000 a 8000
- > 8000

PORTUGAL

Sodra:

ESTONIA (whole country)



### Götaland, Sweden



### LATVIA



### Vologodskaya Oblast – a Key Timber Producing Region



	<p><b>Fujian Qingshan Paper</b> didn't provide the forest map, but came up with a statement confirming that all bamboo material sourcing from certified bamboo forests. Fujian Qingshan Paper owns both a FSC FM/COC certificate(<b>SGS-FM/COC-012002</b>) as a FMU and as a FSC COC certificate (<b>SGSHK-COC-330915</b>) as a secondary processor. According to the FSC FM/COC public report for Fujian Qingshan paper, it shows in total, the FMU has 11172.5 ha of forest and the composition of the certified forest is 1174.8 ha of high conservation value forest and 9997.7 ha of Area of production forest classified as "plantation". The statement they provided indicated that the natural bamboo forest from Sanming and Nanping city in Fujian Province, China and not overlapping with natural reserves.</p> 
<p>2.3 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The assessment is updated every year. During the audit this time, the evidence and the assessment for 2020-2021 are already shared with Canopy. The company is also willing to share with the Leaders Group.</p>
<p>2.4 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  In the supplier management operation manual developed for evaluating the dissolving pulp supply, these additional criteria are added to complete the risk assessment.  The company evaluated these extra criteria based on the documents collected from the suppliers.</p>

2.5 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textiles retailers.

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

The Company has published its updated suppliers on its website on June 01, 2021:

<http://www.jlhxjt.com/Detail/623.html>

**Summary:**

The company conducted the assessment based on the evidence collected from the suppliers as well as the Dissolving Pulp Classification Tool. The company provided the risk assessment conclusion for 2020-2021 to the auditor. However, no evidence showed Forest Mapper is used for assessment for all suppliers. The company provided suppliers list. The dissolving pulp mills on the supply chain are identified. However, not all suppliers provide the full and exact forest or plantation of origin. Additional criteria were added in the supplier’s management operation manual to complete their risk assessment, including legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism. The Company has published its updated suppliers on its website on June 01, 2021

**3. No conversion of natural forest to plantations**

Indicators	Findings
3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate.**	<p><b>Conformance with Indicator:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Not Applicable</li> <li><input type="checkbox"/> Commitment Met</li> <li><input checked="" type="checkbox"/> Commitment in Progress</li> <li><input type="checkbox"/> Commitment Not Met</li> <li><input type="checkbox"/> Insufficient Information Available</li> </ul>

### Description of the finding:

**AustroCel Hallein** stated via email that they are not purchasing wood originating from plantations. AustroCel sources from PEFC managed forest from Austria or Bavaria (South Germany) regions and they provide 100% PEFC certified pulp. However, PEFC certification at the forest level or in the supply chain does not preclude material originating from plantations.

3. Pls confirm if mill's wood comes from planted forest. If yes, pls provide planted forest information and its established date. If no, need pulp mill issue a statement with signature and stamp.

**Answer: AustroCel Hallein is not purchasing wood coming from planted forest. The wood AustroCel Hallein is supplying is coming from PEFC managed Forest from Austria or Bavaria (South Germany) regions.**

**Borregaard** provided a raw material statement in which they stated that they do not buy plantation wood, and that all wood raw inputs originate from cultivated natural forests. However, the Borregaard supplies FSC Controlled Wood pulp, not FSC-certified pulp. FSC controlled wood does not necessarily exclude material originating from plantations established after 1994.

We only buy spruce of the specie Norway spruce (Picea Abies). About 50% of the volume is purchased as round wood, for cutting at our site, while the remaining 40% is bought as sawmill chips from regional sawmills. Out of the total volume of round wood and sawmill chips about 90% are from forests certified according to PEFC or FSC.

**Borregaard do not buy plantation wood, all wood raw material is from cultivated natural forests. Borregaard do not source the wood from Intact Forest Landscapes.**

Borregaard holds both a PEFC and an FSC certificate, hence all our speciality cellulose can be delivered as PEFC Chain of Custody or FSC controlled Wood certified material.

**Caima** via email stated that the *Eucalyptus globulus* sourced by them is from established plantations in Portugal planted in early 1960, however, no supporting evidence was provided. Caima supplies non-certified pulp.

2. Is the raw materials from plantation? If it is from plantation, please provide the establishment date of plantation and the forest land information. If it is not from plantation, please provide a statement signed and stamped by Caima. All the Eucalyptus globulus wood sourced by Caima is from established plantations in Portugal mainland planted in the early 1960.

**Domsjo** provided their fibre sourcing policy, where they state that Domsjo does not purchase bio raw materials from wood harvested from plantations established after 1994 through conversion of natural forests or converted to non-forest use. They provided both FSC certified (FSC Mix Credit) and non-certified pulp. For FSC Mix Credit pulp, some portion of the supplier's procurement would originate from FSC-certified forests, which meet this requirement. However, some portion would originate from as controlled material, which does not necessarily preclude sourcing from plantations established after 1994. For the non-certified pulp, no information on origin was provided, therefore there is insufficient evidence to determine that this material does not originate from plantations established after 1994.

Ansvarig utgivare  
Lars Samuelsson

Datum  
2019-10-01

Sida  
1(1)

**Fibre sourcing policy Domsjö Fiber**

Domsjö Fiber AB imposes stringent requirements on the bio raw material purchasing process.

**Basic requirements**

The current laws and regulations applied by respective countries of origin determine the basic level of environmental requirements.

Domsjö Fiber AB does **not** purchase bio raw material that:

- has been harvested illegally
- derives from genetically modified trees or crops
- comes from areas where common law and civil rights are actively impeded
- comes from **uncertified High Conservation Value Forests**
- **includes wood harvested from plantations established after 1994 through conversion of natural forests or converted to non-forest use**
- comes from protected areas, in Sweden known as "key biotopes"
- has been harvested in ancient and/or endangered forests, nor endangered species habitats.

**Lenzing Paskov** provided a statement on raw material sourcing for the pulp production indicating that it does not derive material from any plantations or peatlands. Pulp purchased by Lenzing mostly comes from wood grown in the semi-natural forests of Scandinavia, the Baltic States, South Africa, and the USA. No evidence was provided regarding plantation date.



**Confirmation**

This is to confirm that  
the wood species Spruce (picea abies) used for the wood pulp production in

**Lenzing Biocel Paskov a.s.**  
does not derive from any plantations or peatlands.

Dear Mr Wang :

this is what Lenzing provided, pls kindly check it ,thanks

**Wood from certified sustainable forestry**

Lenzing procures for pulp production at its sites in Lenzing (Austria) and Paskov (Czech Republic) from sustainably managed forests. More than half of the raw material we procure comes from Austrian forests, with a smaller part coming from other European countries. For decades now, Lenzing has been acting as a reliable and supportive partner to the European forestry sector.

We buy almost exclusively wood that is certified according to recognized sustainability criteria, such as the FSC® (FSC-C041246) and PEFC™ (PEFC-06-33-92) standards. All wood suppliers, about 700, in all sourcing countries are assessed once a year by a scoring system utilizing FSC® Controlled wood criteria.

Lenzing primarily makes use of timber generated by thinning, a practice applied in sustainable forestry. Thus, the timber that is unsuitable for high-grade products, such as furniture, finds a meaningful purpose in our production of botanic fibers. We make sure that our wood sources are as close as possible to our pulp mills and that wood is transported in an environmentally friendly manner.

Be it wood sourcing for our own pulp plants or pulp procurement from partners: In both cases we apply the same strict criteria regarding sustainable forestry. More than 99 percent of the wood used at our own sites and at our partners' pulp plants is certified or controlled. Our suppliers also comply to the high level of social responsibility and human rights standards we at Lenzing are committed to.

Lenzing supports the preservation of endangered and primeval forests. Therefore, we do not procure wood or pulp derived from primeval forests in Canada or Russia, from the Amazon region or from the endangered rainforests in Indonesia or West Africa. Pulp purchased by Lenzing mostly comes from wood grown in the semi-natural forests of Scandinavia, the Baltic States, South Africa, and the USA. Eucalyptus is the predominant type of wood used by our partners, but beech wood, spruce, birch wood and pine wood from certified sustainable forest operations are also processed.

<https://www.lenzing.com/sustainability/production/resources/wood-and-dissolving-wood-pulp#:~:text=Lenzing%20supports%20the%20preservation%20of,in%20Indonesia%20or%20est%20Africa>

**Sappi** provided their Woodfibre Procurement Policy in which they stated that they don't source wood coming from commercial timber plantations which have been converted from natural forests post 1994. They provided FSC Mix70% certified pulp. For FSC Mix 70% pulp, some portion of the supplier's procurement would originate from FSC-certified forests, which meet this requirement. However, some portion would originate from as controlled material, which does not necessarily preclude sourcing from plantations established after 1994.



## Group Woodfibre Procurement Policy



This policy supports Sappi's Group Sustainability Charter and our approach to sustainable development.

Our approach to sustainability is based on a holistic view of Prosperity, People and Planet (the 3Ps).

Being a sustainable organisation means that we balance and integrate the 3Ps into our business decisions, strategies and processes to help us add more value for all our stakeholders. Our strong sustainability governance structure is underpinned by our commitment to living our value statement: *At Sappi we do business with Integrity and Courage; making Smart decisions which we execute with Speed. Our values are underpinned by an unrelenting focus on and commitment to safety.*

At the heart of our business is a renewable, recyclable natural resource – wood. We use this to create dissolving wood and paper pulp, paper, packaging and biorefinery solutions which enhance the lives of consumers around the world. Ensuring fibre supply from responsibly managed sources underpins our commitment to treading more lightly on the Planet. Accordingly, we:

- Avoids areas knowingly converted from forests to non-forest uses.
- Does not come from commercial timber plantations which have been converted from natural forests post 1994.
- Is not genetically modified.

**Sodra** provided their raw material procurement policy where they stated that Sodra controls that wood does not originate from natural forests that have been harvested to established plantations or non-forest use. No further information or evidence was provided, and material does not carry any certification.

Södra controls that wood not originate from the following sources:

- Illegal harvesting.
- Forests where traditional and civil rights are violated.
- Forests that have been identified to be of particular biological and/or cultural value.
- Genetically modified trees.
- Natural forests that have been harvested to establish plantations or non-forest use.

**Fujian Qingshan Paper** provided a statement confirming that all bamboo material sourcing originates from the natural bamboo forest from Sanming and Nanping city in Fujian Province, China and not overlapping with natural reserves. They provided FSC 100% certified pulp, which can be considered meeting this indicator's requirement.

By checking the pulp purchasing documents, it's seen that the pulp sourced from Caima and Sodra are not certified. The majority of the pulp sourced from Domsjo is also non-certified, and a small part left is FSC Mix Credit claimed pulp. Pulp sourced from AustroCel Hallein and Lenzing Paskov are 100% PEFC Certified. Pulp sourced from Boregaard is made of FSC Controlled Wood material. Pulp sourced from Sappi is FSC Mix 70% claimed. Bamboo pulp sourced from Fujian Qingshan Paper is all FSC 100%, the only forest certification which guarantees no conversion after 1994 is FSC 100%. This indicator is graded as "in progress" as not all suppliers could demonstrate that material does not originate from plantations.

### Summary:

The company required all suppliers to disclose the plantation establishment information. Some suppliers stated they don't source from plantations, via wood fibre procurement policies or other similar statements. By verifying the pulp purchasing documents, it's seen that the pulp sourced from Caima and Sodra are not certified. The majority of the pulp sourced from Domsjo is also non-certified, and a small part left is FSC Mix Credit claimed pulp. Pulp sourced from AustroCel Hallein and Lenzing Paskov are 100% PEFC Certified. Pulp sourced from Boregaard is made of FSC Controlled Wood material. Pulp sourced from Sappi is FSC Mix 70% claimed. Bamboo pulp sourced from Fujian Qingshan Paper is all FSC 100%. However, the only forest certification which guarantees no conversion to plantation after 1994 is FSC 100%. This indicator is graded as "in progress" as not all suppliers could demonstrate that material does not originate

from plantations. This indicator is graded as “in progress” as not all suppliers provided solid evidence on plantations.

**4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated**

Indicators	Findings
<p>4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient &amp; endangered forests,” “intact forest,” “natural forest,” “endangered species,” “controversial sources,” “high conservation value,” “high carbon area,” “peatlands,” etc. that are consistent with this document and the forest sourcing policy template.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The Company’s policies and procedures include the definitions of ancient &amp; endangered forests, intact forests, and controversial sources as the CanopyStyle framework.</p>
<p>4.2 All areas meeting the definition of “ancient and endangered forests” have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  <b>AustroCel Hallein, Borregaard, Lenzing Paskov, Sappl</b> didn’t provide the forest level information, but some of them provided their procurement policy and/or self-explanatory statements. They declared the wood is either certified or from non-controversial sources. For example:</p> <p><b>AustroCel Hallein:</b></p> <p><b>Answer: AustroCel Hallein is supplying wood exclusively from Austria and South Germany (Bavaria) regions. These areas are not defined as “endangered forest”. The supplied wood AustroCel Hallein is PEFC certified stating about a sustainable management of the forest.</b></p> <p><small>Final Finding:  AustroCel Hallein answered as follows:  Quote:  We are supplying our wood from North/West part of Austria and from South of Germany (Bavaria), both areas are not located in an endangered forest. Plus we would like to underline that our wood is PEFC certified which is proving to Canopy that our raw material is coming from sustainable forest.  Unquote</small></p> <p><small>Best regards/Grüße/Gracias,  AustroCel Hallein  Willy Brandt-Strasse 23  48127 Hallein  Germany</small></p> <p><b>Borregaard:</b></p>

Sarpsborg, July 2019

**Speciality cellulose - raw material statement**

Borregaard's raw material is spruce pulpwood, predominantly from Norway and Sweden, but small volumes might also be purchased from other neighboring European countries. All wood raw material are purchased from countries that have ratified the EU Timber Regulation.

We only buy spruce of the specie Norway spruce (Picea Abies). About 60% of the volume is purchased as round wood, for cutting at our site, while the remaining 40% is bought as sawmill chips from regional sawmills. Out of the total volume of round wood and sawmill chips about 90% are from forests certified according to PEFC or FSC. Borregaard do not buy plantation wood, all wood raw material is from cultivated natural forests. Borregaard do not source the wood from Intact Forest Landscapes.

Borregaard holds both a PEFC and an FSC certificate, hence all our speciality cellulose can be delivered as PEFC Chain of Custody or FSC controlled Wood certified material.

Borregaard do not purchase any round wood or sawmill chips that is illegally harvested, harvested in violation of traditional and civil rights or from protected forests with high conservation value. This is monitored by close contact with the suppliers of round wood and saw mill chips. We arrange the transport ourselves, picking up the wood at the location where it is cut, which means we know the origin of each delivery arriving the Borregaard site.

Borregaard do not purchase any wood that is genetically modified. This can be guaranteed as the trees reaching us are all more than 20 years old, and as planting of gene modified trees is not allowed in any of the countries from which we purchase our raw material.

Borregaard do not purchase recycled fiber. All fibers used in our process are virgin fibers.



Ali Moosavifar  
Technical Service Manager  
Borregaard Speciality Cellulose

**Lenzing:**

Dear Mr Wang:

this is what Lenzing provided, pls kindly check it ,thanks

**Wood from certified sustainable forestry**

Lenzing procures for pulp production at its sites in Lenzing (Austria) and Paskov (Czech Republic) from sustainably managed forests. More than half of the raw material we procure comes from Austrian forests, with a smaller part coming from other European countries. For decades now, Lenzing has been acting as a reliable and supportive partner to the European forestry sector.

We buy almost exclusively wood that is certified according to recognized sustainability criteria, such as the FSC® (FSC-C041246) and PEFC™ (PEFC/06-33-92) standards. All wood suppliers, about 700, in all sourcing countries are assessed once a year by a scoring system utilizing FSC® Controlled wood criteria.

Lenzing primarily makes use of timber generated by thinning, a practice applied in sustainable forestry. Thus, the timber that is unsuitable for high-grade products, such as furniture, finds a meaningful purpose in our production of botanic fibers. We make sure that our wood sources are as close as possible to our pulp mills and that wood is transported in an environmentally friendly manner.

Be it wood sourcing for our own pulp plants or pulp procurement from partners: In both cases we apply the same strict criteria regarding sustainable forestry. More than 99 percent of the wood used at our own sites and at our partners' pulp plants is certified or controlled. Our suppliers also comply to the high level of social responsibility and human rights standards we at Lenzing are committed to.

Lenzing supports the preservation of endangered and primeval forests. Therefore, we do not procure wood or pulp derived from primeval forests in Canada or Russia, from the Amazon region or from the endangered rainforests in Indonesia or West Africa. Pulp purchased by Lenzing mostly comes from wood grown in the semi-natural forests of Scandinavia, the Baltic States, South Africa, and the USA. Eucalyptus is the predominant type of wood used by our partners, but beech wood, spruce, birch wood and pine wood from certified sustainable forest operations are also processed.

<https://www.lenzing.com/sustainability/production/resources/wood-and-dissolving-wood-pulp/#:~:text=Lenzing%20support%20the%20preservation%20of,ln%20Indonesia%20or%20West%20Africa>



**Confirmation**

This is to confirm that  
the wood species Spruce (picea abies) used for the wood pulp production in

**Lenzing Biocel Paskov a.s.**  
does not derive from any plantations or peatlands.



## Confirmation

This is to confirm that  
the wood species used for the wood pulp production in Lenzing Biocel Paskov are not listed  
by

### CITES

(last update June 2020 Austria)  
(Convention on International Trade in Endangered Species of Wild Fauna and Flora, also  
known as the Washington Convention / Washingtoner Artenschutzabkommen)  
as endangered species.  
Website: <http://www.cites.at>

The wood used for the manufacturing of Lenzing cellulose pulp complies with the  
requirements set out in

Regulation (EU) regulation No 995/2010 (EUTR) of the European Parliament  
and of the Council of 20 October 2010

Also known as the Timber Regulation –that combats issues of illegal logging (in force since  
March 3rd, 2013).

See: [http://ec.europa.eu/environment/forests/timber\\_regulation.htm](http://ec.europa.eu/environment/forests/timber_regulation.htm)



## Wood and Pulp Policy

The supply of wood and pulp of a specified quality and quantity to all of the Group's pulp and fiber  
production sites is an important part of the Lenzing Group's core business.

The Lenzing Group is an environmentally responsible company operating as sustainably as possible.

We strive to source wood and pulp exclusively from non-controversial sources, preferring suppliers participating  
in credible forest certification programs, in particular the Forest Stewardship Council® (FSC®) and Programme  
for the Endorsement of Forest Certification (PEFC™).

### Controversial sources include wood which has been harvested:

- illegally
- from forests of high conservation value, including ancient and endangered forests, and endangered species  
habitats
- from plantations established after 1994 through significant conversion of natural forests or converted to non-  
forest use
- from forests or plantations growing genetically modified trees
- in violation of traditional, community and/or civil rights
- in violation of any of the ILO Core Conventions as defined in the ILO Declaration on Fundamental Principles  
and Rights at Work.

In order to protect the world's remaining ancient and endangered forests and the biodiversity and ecosystems integrity contained within these forests, Lenzing is committed to avoiding the use of wood and pulp containing wood sourced from regions such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests, tropical forests and peatlands of Indonesia, the Amazon and West Africa.

In case Lenzing sources wood and pulp from the above-referenced regions, Lenzing strives (i) that at a minimum it be certified by the Forest Stewardship Council® (FSC®) and (ii) to ensure that science-based conservation planning is supported from the area and (iii) to support conservation solutions that protect ancient and endangered forests.

Regular risk-assessments, audits and on-site visits as well as independent third-party certification of the sustainable forest management programs help to ensure the policy compliance.

If we discover that we are sourcing wood or pulp from controversial sources, we will first engage our suppliers to encourage consistent practices with our policy and if the response is unsatisfactory, we will eliminate it from our supply chain with a reasonable lead time.

We strive to establish long-term partnerships with our wood and pulp suppliers, and we seek to do our business personally and directly with forest owners and pulp mills.

Lenzing, May 2018

Stefan Doboczyk  
Chief Executive Officer

Robert van de Kerkhof  
Chief Commercial Officer

Thomas Obendrauf  
Chief Financial Officer

Heiko Arnold  
Chief Technology Officer

Wilhelm Feilmair  
SVP Global Pulp

Vineet Singhal  
SVP AMEA

Marco Schlimpert  
SVP Europe & Americas

Hu Jian  
SVP North Asia

Wolfgang Stehle  
SVP Global HR

## Sappi provided their procurement policy:



### Group Woodfibre Procurement Policy

policy

This policy supports Sappi's Group Sustainability Charter and our approach to sustainable development.

Our approach to sustainability is based on a holistic view of Prosperity, People and Planet (the 3Ps).

Being a sustainable organisation means that we balance and integrate the 3Ps into our business decisions, strategies and processes to help us add more value for all our stakeholders. Our strong sustainability governance structure is underpinned by our commitment to living our value statement: *At Sappi we do business with Integrity and Courage, making Smart decisions which we execute with Speed. Our values are underpinned by an unrelenting focus on and commitment to safety.*

At the heart of our business is a renewable, recyclable natural resource – wood. We use this to create dissolving wood and paper pulp, paper, packaging and biorefinery solutions which enhance the lives of consumers around the world. Ensuring fibre supply from responsibly managed sources underpins our commitment to treading more lightly on the Planet. Accordingly, we:

- Promote biodiversity
- Conserve soil and water resources
- Influence wise land-use decisions
- Acknowledge the vital role that well-managed forests play in carbon sequestration in both preventing and mitigating climate change
- Support rural community development
- Provide smallholders with market opportunities and management assistance
- Invest in and utilise forestry research, and
- Communicate transparently with our stakeholders.

To achieve a balance of environmental, social and economic values, we are committed to sourcing woodfibre from forests and timber plantations in a manner that promotes their health and supports community wellbeing. Specifically,

**We will only source woodfibre that:**

- Complies with all applicable legal and regulatory obligations in the countries from which it originates.
- Comes from forests where the customary, traditional or civil rights of people are upheld.
- Is procured from forestry and manufacturing operations where health and safety legal requirements are upheld.
- Where applicable, maintains critical, unique attributes within officially designated high conservation value areas.

- Avoids areas knowingly converted from forests to non-forest uses.
- Does not come from commercial timber plantations which have been converted from natural forests post 1994.
- Is not genetically modified.

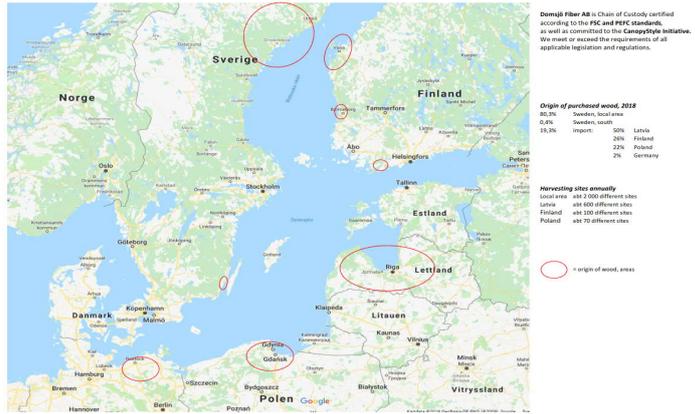
**To achieve these objectives, we:**

- Require rigorous tracing practices and documentation of the origin of the wood.
- Recognise the following credible third-party forest certification systems: the Forest Stewardship Council® (FSC®-C015022), the Programme for the Endorsement of Forest Certification™ (PEFC™), the Sustainable Forestry Initiative® (SFI®), and other PEFC-endorsed systems.
- Require suppliers to provide evidence that all woodfibre is sourced from controlled, non-controversial sources in accordance with the FSC Controlled Wood Standard, as well as PEFC (and SFI in North America) risk-based due diligence system(s) (DDS).
- Strive to increase our use of certified woodfibre, as specified in our global target.
- Promote the increased use of certified woodfibre throughout our supply and value chains.
- Support innovative initiatives for smallholder certification.
- Implement risk-mitigating activities including supplier audits and surveys.
- Track and report our progress towards these actions.

We will continue to develop our manufacturing, human, social and natural resources in a way that ensures our approach to sustainability enhances our long-term viability and overall Prosperity.

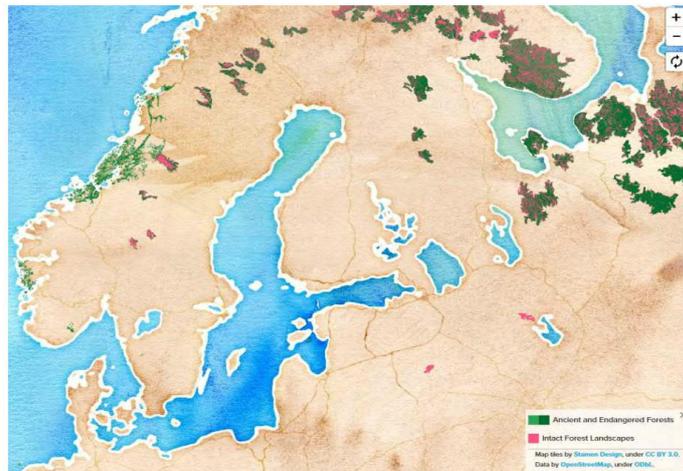
Domsjo, Calma and Sodra provided the forest level info with maps.

Domsjo provided its forest map and also provided the results by using the Forest Mapper, which confirm no sourcing from ancient and endangered forests and IFLs:

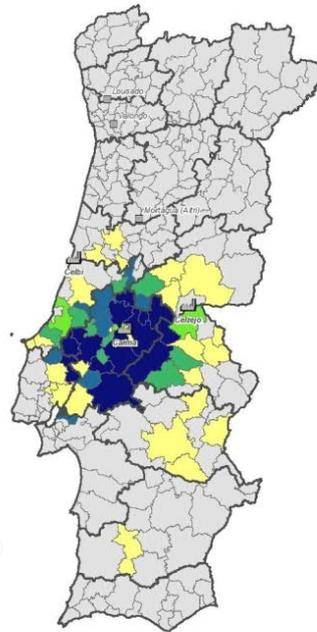


canopy

<https://canopyplanet.org/tools/forestmapper/app/>



Calma also provided its forest map and also provided the results by using the Forest Mapper, which confirm no sourcing from ancient and endangered forests and IFLs:



Wood Supply for Caima - Total 2018  
Volumes by county (cubic meters under bark)

- < 1000
- 1000 a 2000
- 2000 a 4000
- 4000 a 8000
- > 8000

PORTUGAL

12:40



Campaign Solutions Tools Partners About Us  
Media Room Donate

### ForestMapper Application

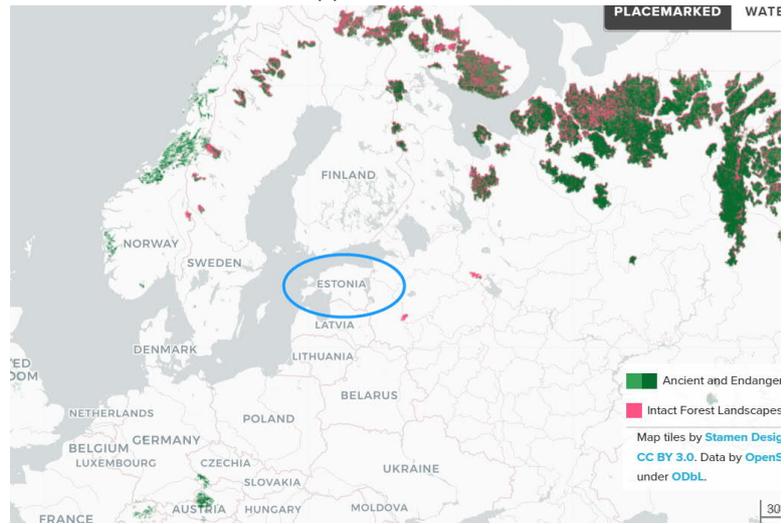
[Back to ForestMapper Introduction](#) [Back to Tools](#)

Sodra:

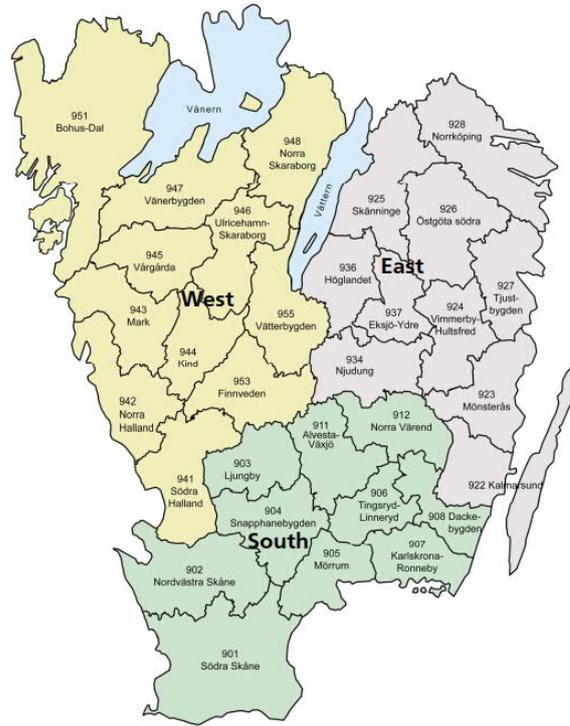
ESTONIA (whole country)



Areas shown on ForestMapper for Estonia, no A&E forests and IFLs:



### Götaland, Sweden



Areas shown on ForestMapper for Götaland, no A&E forests and IFLs.:



LATVIA



Areas shown on ForestMapper for Latvia, no A&E forests and IFLs:



Vologodskaya Oblast – a Key Timber Producing Region



Sodra also mentioned there are A&E forests in the Vologda region to their Russian supplier (According to the ForestMapper, the auditor found that there are IFLs near the Vologda area), but it has been proven in the earlier audit that their Russian supplier does not harvest in the A&E forests, below is the email provided from Sodra:

王静姐：

你好！请见以下Sodra关于森林地图问题的回复：

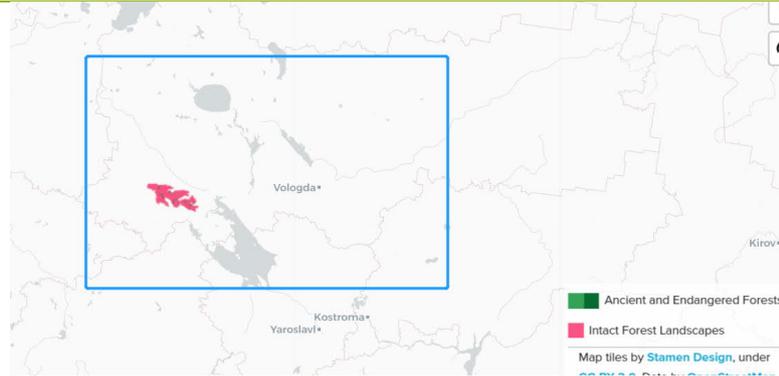
"We have been in contact with Canopy and Canopy ForestMapper cannot be used for producing maps, but the maps we have sent [enclosed again] can be compared with Canopy ForestMapper. To the contrary what we had planned earlier we will get some wood raw material from our Russian supplier this year too. When comparing the maps you will see that there are spots of ancient and endangered forest in the Vologda region of our Russian supplier, but it has been proven in an earlier audit that our Russian supplier does not harvest in the ancient and endangered forests. There are also two small spots in Gotaland in Sweden in Canopy ForestMapper, but in the contact with Canopy we got confirmed that this is not an issue. For Latvia and Estonia there are no ancient and endangered forests at all in Canopy ForestMapper"

中文意思如下：

Sodra一直和Canopy保持联系，Canopy ForestMapper无法用于制作地图，请与Canopy进一步核实。另外，再次附上Sodra发送的地图，可以与Canopy ForestMapper进行比较。Sodra今年将从俄罗斯供应商处获得一些木材材料，在对比地图时可以看到Sodra的俄罗斯供应商在沃洛格达州有一些古老和濒危森林，但在之前的审计中已经证明，Sodra的俄罗斯供应商没有在古老和濒危森林中采伐。

在Canopy ForestMapper中可以看到瑞典的哥特兰有两个小点，Canopy已经确认这不是一个问题。对于拉脱维亚和爱沙尼亚来说，Canopy ForestMapper根本没有古老和濒危的森林。

王静静



**Fujian Qingshan Paper** provided a statement confirming that all bamboo material sourcing from the natural bamboo forest from Sanming and Nanping city in Fujian Province, China and not overlapping with natural reserves. By comparing with the ForestMapper, the auditor found there is no A&E forests and IFLs engaged in Sanming and Nanping Cities:



Fujian Qingshan Paper owns both a FSC FM/COC certificate (**SGS-FM/COC-012002**) as a FMU and as a FSC COC certificate (**SGSHK-COC-330915**) as a secondary processor. According to the FSC FM/COC public report for Fujian Qingshan paper, it shows in total, the FMU has 11172.5 ha of forest and the composition of the certified forest is 1174.8 ha of high conservation value forest and 9997.7 ha of Area of production forest classified as “plantation”. The company conducted the internal risk assessment in December 2020 based on the above collected evidence from suppliers as well as the Canopy Dissolving Pulp Classification Tool. According to the company, all 8 suppliers are low risk.

\ All this info has been shared with Canopy via email. The company is also willing to share with the Leaders Group. This indicator is graded as Commitment in Progress as not all suppliers disclosed forest level information.

4.3 Any raw materials in the MMCF producer’s supply chain originating from ancient and endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. \*\*

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

	No such materials have been identified by the company as of this audit.
<p>4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The interviews to the management confirmed they were aware all relevant laws and regulations. Auditor reviewed the legally required documents in China, such as business licence, environment impact assessment, export license, etc.</p> <p>There is no news and info disclosed that the organize is non-compliance with national and international laws.</p> <p>The company holds a number of third-party certificates, most of which covers the compliance with applicable law, including:</p> <ul style="list-style-type: none"> <li>• ISO9001:2015 quality management system</li> <li>• FSC Chain of Custody</li> <li>• ISO14001:2015 Environment Management System</li> <li>• ISO45001: 2018 Occupational Health and Safety Management System</li> <li>• ISO50001:2018 Energy management System</li> <li>• STANDARD 100 by OEKO-TEX® testing and certification system.</li> <li>• SA 8000:2014 Social Accountability System</li> <li>• Recycled Claim Standard 2.0 (RCS 2.0)</li> <li>• Green Leaf Certification</li> </ul>
<p>4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The company has conducted their annual risk assessment on their supply chains to understand the risk of sourcing from ancient and endangered forests and other controversial sources. The purchasing statistics provided from the 7 overseas suppliers showed that there are both certified and non-certified materials purchased by the company, based on the Canopy Dissolving Pulp Classification Tool, all these 7 overseas suppliers are graded as low risk/ no sourcing issues identified.</p>
<p><b>Summary:</b></p> <p>The MMCF producer has adopted clear definitions for the terms included in their Policy. Some suppliers provided forest map, some provided self-explanatory statements in terms of mapping and identifying ancient and endangered forests.</p> <p>The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.</p> <p>The company has conducted their annual risk assessment on their supply chains to understand the risk of sourcing from ancient and endangered forests and other controversial sources. The purchasing statistics provided from the 7 overseas suppliers showed that there are both certified and non-certified materials purchased by the company, based on the Canopy Dissolving Pulp</p>	

Classification Tool, all these 7 overseas suppliers are graded as low risk/ no sourcing issues identified.

**5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them**

Indicators	Findings
<p>5.1 All MMCF producers' suppliers are identified and the forest of origin is known.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The Company's dissolving pulp supplier list was provided and shared. All dissolving pulp mills are known.  Some suppliers provided their forest level info.  Detailed assessment please refer to findings on indicator 4.2.</p>
<p>5.2 The MMCF producer has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found.**</p> <p>(Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The company included the policy and CanopyStyle requirement in the management operational manual.  The supply agreement defined the situation where the purchase will be stopped "If it is found that the sources of wood are from areas not meeting the requirements, suppliers shall give reasonable improvement program as soon as possible, and make rectification on its purchasing and production activities. If suppliers violate these standards, the company will first help them change the production behaviour. If the fibre is found to come from policy-prohibited areas, the company will re-evaluate whether to continue to cooperate with them".  The company provided a cease determination record as of this audit. The determination was issued on 30th of April 2020, it shows that during last CanopyStyle audit (2019), Cosmo and Borregaard were identified as potential risk. The company decided to temporarily cease the cooperation with these two suppliers and required them to take corrective actions</p>

	<p>and provide evidence. During the interview, the auditor learned that since Borregaard was graded as no sourcing issues in the Canopy Dissolving Pulp Classification Tool at the end of 2020, the company re-initiated procurement with Borregaard.</p>
<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The company provided a cease determination record as of this audit. The determination was issued on 30th of April 2020, it shows that during last CanopyStyle audit (2019), Cosmo and Borregaard were identified as potential risk. The company decided to temporarily cease the cooperation with these two suppliers and required them to take corrective actions and provide evidence. During the interview, the auditor learned that since Borregaard was graded as no sourcing issues in the Canopy Dissolving Pulp Classification Tool at the end of 2020, the company re-initiated procurement again with Borregaard.</p> <p style="text-align: center;"> 吉林化纤股份有限公司于2019年12月份进行了canopy审查, 评审专家根据COSMO SPECIALTY FIBERS, INC.及BORREGAARD AS提供的浆粕制造证据, 依据forest-mapper分析, 认为COSMO SPECIALTY FIBERS, INC.及BORREGAARD AS供应链存在潜在风险, 向吉林化纤股份有限公司提出警示。  针对此种情况, 吉林化纤股份有限公司暂时终止与COSMO SPECIALTY FIBERS, INC.及BORREGAARD AS浆粕采购合作。  要求COSMO SPECIALTY FIBERS, INC.及BORREGAARD AS采取整改措施并提供证据, 也希望COSMO SPECIALTY FIBERS, INC.及BORREGAARD AS能与canopy取得联系, 消除潜在风险。吉林化纤股份有限公司及canopy对证据审查后, 再考虑恢复合作关系。  吉林化纤股份有限公司特此声明    吉林化纤股份有限公司  JILIN CHEMICAL FIBER STOCK CO., LTD.  可持续发展工作委员会  Committee for Sustainable Development  2020年04月30日  April 30, 2020 </p>
<p><b>Summary:</b>  The Company's dissolving pulp supplier list was provided and shared. All dissolving pulp mills are known.  Some suppliers provided their forest level info. Detailed assessment please refer to findings on indicator 4.2.  The Company included the policy and CanopyStyle requirement in the management operational manual regarding if non-conformance is identified.  The company provided a cease determination record as of this audit. The determination was issued on 30th of April 2020, it shows that during last CanopyStyle audit (2019), Cosmo and Borregaard were identified as potential risk. The company decided to temporarily cease the cooperation with these two suppliers and required them to take corrective actions and provide</p>	

evidence. During the interview, the auditor learned that since Borregaard was graded as no sourcing issues in the Canopy Dissolving Pulp Classification Tool at the end of 2020, the company re-initiated procurement again with Borregaard.

**6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.**

Indicators	Findings
<p>6.1 When requested, Canopy, Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The management confirmed leader group and other stakeholders are welcome to join the verification as observers in the future, and any observations could be reported to the auditor freely.</p>
<p>6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed, based on best available science, by a credible third party, and made public. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.</p>
<p>6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.</p>
<p>6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met</p>

<p>Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs.**</p>	<p><input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.</p>
<p>6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free, Prior and Informed Consent.**</p>	<p><b>Conformance with Indicator:</b>  <input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.</p>
<p><b>Summary:</b> The management confirmed leader group and other stakeholders are welcome to join the verification as observers in the future, and any observations could be reported to the auditor freely.  Indicator 6.2-6.5 are only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.</p>	

<b>7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies.</b>	
<b>Indicators</b>	<b>Findings</b>
<p>7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.**</p>	<p><b>Conformance with Indicator:</b>  <input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The company requires its suppliers in its sourcing policy to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.  All suppliers and/or traders have signed a commitment letter that includes a commitment to implement FPIC of indigenous people and local communities.</p>
<p>7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First</p>	<p><b>Conformance with Indicator:</b>  <input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p>

Nations rights and rights of workers. \*\*

### Description of the finding:

**AustroCel Hallein** provided their sustainability report 2020, where they recorded their efforts in recognizing and respect the human rights, community rights, and rights of workers, for example, providing different kinds of trainings to staff, offering a wide range of social benefits such as profit sharing, health programmes, taking measure against COVID-19, maintain a positive relationship with local residents, the City of Hallein and public authorities, donation to support the local hospital in Hallein, etc:

#### IN THE SPIRIT OF A FAMILY COMPANY

AustroCel Hallein has many experienced employees who started as apprentices at the plant. The turnover rate is low and the level of identification with the company is high. Apprentice training is very important to the company. AustroCel currently trains about 25 apprentices – which is about 10 percent of the company's workforce. Along with technical training for occupations such as chemical process technician, electrical technician, laboratory technician, and metallurgy technician, particular emphasis is placed on personal development and social competence. The company supports models for promoting an optimal balance between work and family life as well as for educational leave, partial retirement, and

individual education and training. In addition, the company offers a wide range of social benefits such as profit sharing, meal allowances, and a health programme.

Occupational safety is also a major challenge at an industrial enterprise with such complex production methods and processes. Although the number of work accidents declined in 2019, prevention programmes are still a key focus.

Taking measures against the spread of COVID-19 were a significant challenge in the spring of 2020. A set of conduct guidelines and measures was developed and implemented at short notice.

#### CONSTRUCTIVE COOPERATION

As one of the biggest industrial enterprises in the country AustroCel Hallein maintains a positive relationship with local residents, the City of Hallein, and public authorities. The regular discussion of concerns and problems has a long tradition.

In order to maintain a dialogue with the people of Hallein, stakeholder meetings are held at regular intervals. Complaints usually involve noise, odour

or traffic. For example, the additional sound insulation for the evaporation plant goes back to a suggestion by local residents. To continue the reduction of the noise pollution at the woodyard, vehicles are being replaced by more quiet models. In addition, as much transport as possible is being shifted to railways.

AustroCel Hallein is an important partner for the Province of Salzburg in its Climate and Energy Strategy SALZBURG 2050. Together with more than 30 part-

ner companies and institutions, the Hallein-based enterprise is contributing to the energy transition and the responsible use of resources. In May 2020, AustroCel donated 2,000 FFP2-class masks to support the local

hospital in Hallein. However, AustroCel is also an active sponsor. The company has been supporting the Soccer Academy – a training camp for football enthusiasts between the ages of eight and 15 – for many years now.

**Borregaard, Caima, Domsjo and Sodra** provided their 2020 annual report, Sustainability Report 2020 in which they introduced their efforts in caring for the staff, competence development for staff, diversity and equal opportunities, and contribution to the local society, etc:

For more details, please visit their websites:

Borregaard: [https://www.borregaard.com/media/3w0f5glc/borregaard-annual-report-2020\\_spreads.pdf#](https://www.borregaard.com/media/3w0f5glc/borregaard-annual-report-2020_spreads.pdf#)

Caima: <https://altri.pt/en/sustainability>

Domsjo: [http://www.domsjo.adityabirla.com/en/Documents/Sustainability\\_report\\_Domsjo\\_Fabriker\\_AB\\_FY21.pd](http://www.domsjo.adityabirla.com/en/Documents/Sustainability_report_Domsjo_Fabriker_AB_FY21.pd)

Sodra: <https://www.sodra.com/en/global/sustainability/>

**Lenzing** didn't provide evidence, but auditor found their sustainability management related efforts on their official website in which they documented their efforts related to staff care and community wellbeing contributions, etc.

<https://www.lenzing.com/sustainability>

**Sappi** also didn't provide evidence, but auditor found their 2020 Sustainability Report, where also related efforts are made to the staff and community, etc:

<https://sappi-ir-reports.co.za/online-reports/gsr-2020/>

	<p>Although all suppliers hold either PEFC or FSC certification, not all suppliers provided certified pulp, this indicator is considered as commitment in progress.</p>
<p>7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The company is FSC certified and also has a public grievance operation procedure featured for Canopy to accept and handle complaints.</p> <p><del>Three out of the seven suppliers are FSC certified companies which provides some evidence of conformance to this indicator, as FSC COC certified companies are required to have such a mechanism for their certified scope.</del></p> <p><del>Other dissolving pulp mills like Hallein and Lenzing have PEFC certificate which also requires a complaints mechanism and resolution.</del></p> <p>Although all suppliers hold either PEFC or FSC certification, not all suppliers provided certified pulp, this indicator is considered as commitment in progress.</p> <p>Note: FSC COC certification requires certified companies to have such a mechanism for their scope. PEFC certificate also requires a complaints mechanism and resolution.</p>
<p>7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>This company has developed internal capacity and Company structure to recognize and respect the rights of its workers, such as labor union, Production &amp; Environmental Protection department, Safety department, Comprehensive Management Office, Remuneration Committee, Safety Committee, and Emergency Department, etc. The HR policies and procedures samples were also provided to the auditor.</p> <p>The company is FSC COC certified which requires the certificate holders to avoid violation of any ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work.</p> <p>It holds a valid Occupational Health and Safety Management System Certificate (ISO45001:2018); all workers have signed labour contracts and the company pays for their social insurance. Labour contract sample and salary records are checked by the auditor.</p> <p>All 8 suppliers issued their latest sustainability report / annual report/ CSR system in which they introduced their efforts in</p>

	<p>recognizing and respecting the rights of their workers. All 8 suppliers are either FSC or PEFC certificate holders.</p> <p>Although all suppliers hold either PEFC or FSC certification, not all suppliers provided certified pulp, this indicator is considered as commitment in progress.</p> <p>Note: For FSC COC certified companies are required to sign the policy for association is a declaration by the company that they are not involved in directly or indirectly with the activities that can violate workers' rights; for PEFC certificate, it also requires to recognize and respect the rights of the workers.</p>
<p>7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The company has requested the supplier to comply with CanopyStyle framework requirements and included it into contracts with the suppliers.</p> <p>All 8 suppliers are either PEFC or FSC certified companies and which could provide a high level of confidence that ILO is upheld via certification requirements.</p> <p>The requirement on all suppliers of viscose pulp raw material shall provide the evidence of established procedures and guarantee to comply with basic principles of International Labour Organization on workers' rights and the workplace has been included in the Operational Manual.</p> <p>Although all suppliers hold either PEFC or FSC certification, not all suppliers provided certified pulp, this indicator is considered as commitment in progress.</p>
<p>7.6 Recognition and respect for human rights is demonstrated by the MMCF producer and its pulp suppliers. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input checked="" type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>Recognition and respect for human right is included in the Company's policy.</p> <p>Also, the company is FSC certified, which means that they have signed the Policy for Association, which declared that they are not involved in activities that violate human rights. Within the Company, there is a labour union which actively engages in the management of the Company.</p> <p>The Company and all suppliers are FSC or PEFC certified companies. However, the procurement records checked during this audit from Caima, Domsjo and Sodra do not have relevant claim, which lower the confidence in this regard.</p> <p>This indicator is a summary requirement of 7.1-7.5 and thus is being graded as in progress.</p>

**Summary:**

The company requires its suppliers in its sourcing policy to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.

All suppliers and/or traders have signed a commitment letter that includes a commitment to implement FPIC of indigenous people and local communities.

Some suppliers provided their sustainability report/annual report/CSR system to demonstrate their efforts in recognize and respect workers 'rights, community rights and human rights.

The Company and all suppliers are FSC or PEFC certified companies. However, the procurement records checked during this audit from Caima, Domsjo and Sodra do not have relevant claim, which lower the confidence in this regard.

Special Note on the workshop incident occurred on 27<sup>th</sup>-Feb-2021: on 27<sup>th</sup>- Feb-2021, around 22:00, there had been a power system issue which result in the ventilation system being inactive within the facility's workshop No. 8. The workers resumed production, unaware that the ventilation system was not turned on. The absence of ventilation led to hydrogen sulphide poisoning. The company immediately launched their emergency action plan. Affected workers were sent to hospital immediately. According to the news reports, there were 5 fatalities and 8 people sustained related injuries. The company implemented a corrective action and improvement plan and after 3 months, the company met the requirements of the local government's Emergency Department and received the approval from the relevant competent authorities.

**8. Development of Innovative and Alternative Fiber**

Indicators	Findings
<p>8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>1. The company has been working with Renewcell and Ekman &amp;Co AB to create the world's first industrial scale (as the company declared) viscose filament yarn made from 50-100% chemically recycled textiles. This viscose filament yarn is using 95% FSC certified pulp + 5% recycled pulp, among which the 5% recycled pulp is derived from recycled cotton fabric (clothing).</p> <p>Note: 50-100% recycled textiles are the ideal goal of the final product by adding up to 50-100% recycled pulp. Right now, the actual input is 5%.</p> <p>2. The company developed a set of production processes for preparing straw fibre pulp and staple fibre using corn stalks as raw materials, realizing the conversion of corn stalk resources into high value-added industrial raw materials. This project was launched in 2017, so far, up to May 2021, this project has accomplished the following:</p> <ul style="list-style-type: none"> <li>- Applied for 4 invention patents</li> <li>- Authorized 3 invention patents</li> <li>- Formulate 4 enterprise technical standards</li> <li>- Developed a new set of continuous pulping equipment</li> <li>- Published 7 academic papers</li> <li>- Cultivated 5 graduate students</li> </ul>

	<p>- Passed the acceptance from Science and Technology Department of Jilin Province</p> <p>Picture on pulp made of corn stalks:</p>  <p>Picture on fibre made of corn stalk:</p>  <p>3. The company has been working on using natural and biodegradable cellulose pulp to produce viscose fibre such as flax, linen and kenaf since 2003. 2 patent certificates have been obtained.</p> <p>4. The company is also using bamboo pulp, which is FSC certified. When it meet conditions outlined in the Canopy's <a href="#">bamboo position</a>, it can be considered a transitional next generation fibre</p>
<p>8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>1. For the viscose filament yarn made from 50-100% chemically recycled textiles, currently the small-scale testing phase is completed, and entered into a commercial scale phase. According to the company, updated in Sept 2021, 8.025 t of the product has been produced and 2.2149 t has been sold, with a stockpile of 5.8101 t.</p>

	<p>2. The project on using corn stalks as raw material to prepare straw fibre pulp and staple fibre is still under small-scale testing phase.</p> <p>3. For the viscose fibre made by using natural and biodegradable cellulose pulp to such as flax, linen and kenaf, at present, batch production can be realized according to user needs. In recent years, customer orders range from 20-50 tons.</p>
<p><b>Summary:</b></p> <p>The company has been working with Renewcell and Ekman &amp;Co AB to create the world's first industrial scale viscose filament yarn made from 50-100% chemically recycled textiles. This viscose filament yarn is using 95% FSC certified pulp + 5% recycled pulp, among which the 5% recycled pulp is derived from recycled cotton fabric (clothing). Currently the small-scale testing phase is completed and entered into a commercial scale phase.</p> <p>The company also developed a set of production processes for preparing straw fibre pulp and staple fibre using corn stalks as raw materials. This project is still under small-scale testing phase.</p> <p>The company has been working on using natural and biodegradable cellulose pulp to produce viscose fibre such as flax, linen and kenaf since 2003. Two patent certificates have been obtained. This product has been entered into batch production.</p>	

9. Advocacy for conservation solutions	
Indicators	Findings
9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests.**	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input checked="" type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p><b>The company has participated in Canopy events to promote the conservation of ancient and endangered forests, including the 2019 Shanghai summit.</b></p>
9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions including Free, Prior and Informed Consent of affected indigenous and local communities.**	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The organization requested all suppliers make commitments on FPIC of indigenous people and local communities. Additionally, the company sent a letter the Government of British Columbia voicing their support for the protection of forests in BC, including the Great Bear Rainforest.</p>
9.3 The MMCF producer publicly supports science-based international and national	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p>

target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.

- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

The company donated 40 flashlights specially designed for the field patrol for Changbaishan Nature Reserve Centre in December 2019.

**森林资源保护公益捐赠协议**

甲方：吉林化纤股份有限公司  
 乙方：长白山自然保护管理中心

依据《中华人民共和国公益事业捐赠法》、《中华人民共和国合同法》及有关法律、法规、规章的规定，甲、乙双方在平等、自愿的基础上，就甲方参与乙方原始森林保护相关事宜，协商一致签订本合同。具体内容如下：

**第一条**

1、公益捐赠目的：保护长白山保护区原始森林。  
 2、公益捐赠内容：价值壹万元人民币的森林资源管护装备。

**第二条 费用及支付方式**

1、甲方向乙方公益捐赠野外巡护用强光手电 40 个，总价 10000 元人民币。  
 2、乙方在收到捐赠物品后向甲方开具收取凭证。

**第三条 公益活动内容安排**

1、乙方确保甲方捐赠物品全部用于长白山保护区森林资源保护工作。  
 2、若需甲方提供相关素材及文件的，甲方需要全力配合。

**第四条 甲方权利义务**

1、甲方有权要求乙方遵照协议的约定将捐赠物品全部用于保护原始森林公益活动。  
 2、甲方有权要求乙方提供保护原始森林工作的证明材料。  
 3、甲方应依约及时向乙方提供捐赠物品。

2、乙方应向甲方提交保护原始森林工作的证明材料，包括图片、说明材料等。

**第六条 违约责任**

1、甲方应按合同约定的时间及时交付捐赠物品。  
 3、合同签订后，甲乙双方均不得无故单方面解除合同。

**第七条 其他**

1、本协议一式二份，双方各执一份，自甲、乙方法定代表人/负责人或其委托人签字盖章后生效。  
 2、合同未尽事宜，经甲、乙双方协商，可订立补充协议，补充协议与本合同具有同等法律效力。  
 3、本合同履行过程中发生争议，由双方协商解决，协商不成可依法向甲方所在地人民法院提起诉讼。

甲方（盖章）： 乙方（盖章）：  
 甲方代表：李奎 乙方代表：郑依国  
 联系人：王立和 联系人：祖维忠  
 联系电话：0432-63503058 联系电话：0433-5710351  
 传真： 传真：0433-5710170

签约时间：2019年12月20日  
 签约地点：长白山管委会池北区

9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs.\* \*

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress

- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

In 2020 August, the company joined a charity program and planted several ha of ecological forest in Alxa Tengger Desert Ecological Public Welfare Base, which located in Tengger Desert, Alxa, Inner Mongolia. This program is initiated by Green Alxa and China National Textile and Apparel Council.



**Summary:**

The company donated 40 flashlights specially designed for the field patrol for Changbaishan Nature Reserve Centre in December 2019. In 2020 August, the company joined a charity program and planted several ha of ecological forest in Alxa Tengger Desert Ecological Public Welfare Base, which located in Tengger Desert, Alxa, Inner Mongolia. This program is initiated by Green Alxa and China National Textile and Apparel Council.

The organization requested all suppliers make commitments on FPIC of indigenous people and local communities, but the company hasn't been prompted yet.

10. Responsible forest management	
Indicators	Findings
10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	<p><b>Conformance with Indicator:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Not Applicable</li> <li><input type="checkbox"/> Commitment Met</li> <li><input checked="" type="checkbox"/> Commitment in Progress</li> <li><input type="checkbox"/> Commitment Not Met</li> <li><input type="checkbox"/> Insufficient Information Available</li> </ul> <p><b>Description of the finding:</b></p>

	<p>In the FSC certified pulp purchase plan provided during this audit, it is stated the Company source fibre with the preference for FSC certification:</p> <p>The company plans to purchase 6,000 tons of FSC certified pulp for 2021. By the time of the audit, the company has received 2,998.547 tons of FSC Mix 70% claimed pulp from Sappi. The company has signed a contract with Domsjo for 1,000 tons of FSC certified pulp but hasn't been received yet. The goal of purchase of FSC certified pulp for 2022 is 6,800 tons.</p>
<p><b>Summary:</b> In the FSC certified pulp purchase plan provided during this audit. it is stated the Company source fibre with the preference for FSC certification.</p>	

**11. Reduction of Greenhouse Gas (GHG) Footprint by Recognizing the importance of forests and peatlands as carbon storehouses**

Indicators	Findings
<p>11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The Company has procedures to require the suppliers to provide evidence of reducing GHG.  During this audit, AustroCel Hallein, Borregaard, Caima, Domsjo and Sodra provided their annual report and/or sustainability report in which introduction on their efforts in reducing GHG are provided.  Lenzing provided the access to their decarbonization path via a confirmation letter. The auditor found Lenzing's efforts and targets on reducing the GHG via their official website:</p>



Jilin Chemical Fiber Stock Co., Ltd  
c/o  
N.516-1, Jiu Zhan Street,  
Jilin City, Jilin Province

Pulp Trading GmbH  
Werkstraße 2  
4960 Lenzing, Austria  
www.lenzing.com  
Telephone +43 7672 701-3817  
Fax +43 7672 618-3817  
E-Mail a.pric@pulptraiding@lenzing.com

Datum Sept 14, 2021

Confirmation.

We confirm that no wood is sourced from the Ancient and Endangered Forests for pulp from Lenzing Biocel Paskov as stated in our publicly available Wood and Pulp Policy, which can be found on the Lenzing homepage, as attachment and which has also been confirmed in the last Canopy Style audit.

We are working closely with our partners and evolving our product offering to further drive the decarbonization of the value chain. The Lenzing Group including its pulp production has fully committed to the Science Based Targets Initiative. Please find more information also on our webpage <https://www.lenzing.com/sustainability/decarbonization>

Best regards

Pulp Trading GmbH

*Sebastian Rippl*  
(Sebastian Rippl)  
Pulp Trading

Sappi didn't provide solid evidence, the auditor also found their 2020 Group Sustainability Report in which introduction on their efforts in reducing GHG are provided.

Fujian Qingshan Paper also didn't provide solid evidence on reducing GHG, the auditor found their CSR system on the official website as well as their 2020-2021 emission performance for the local area:

社会责任制度

## 第五章 环境保护与可持续发展

**第二十七条** 根据其对环境的影响程度制定整体环境保护政策，指派具体人员负责公司环境保护体系的建立、实施、保持和改进，并为环保工作提供必要的人力、物力以及技术和财力支持。

**第二十八条** 公司的环境保护政策通常包括以下内容：（一）符合所有相关环境保护的法律、法规、规章的要求；（二）减少包括原料、燃料在内的各种资源的消耗；（三）保证废水、废气达标排放，减少固体废料的产生，并尽可能对固体废料进行回收和循环利用；（四）积极推进“林纸一体化”建设；（五）大力推进和实施循环经济，减少和避免由于公司的发展对环境造成的负面影响；（六）为职工提供有关保护环境的培训；（七）创造一个可持续发展的环境。

**第二十九条** 公司按通过认证的 ISO14001—2015 环境保护相关体系文件进行相关环境保护的工作。同时制定环境保护和资源节约监测考核体系以及能耗考核指标，并年末对节能管理工作进行绩效考核。

附件 2



企业事业单位应当公开的环境信息表

单位名称		福建省青山纸业股份有限公司		社会统一信用代码		913500001581574975	
生产地址		福建省三明市沙县青州镇		法定代表人	张小强	联系方式	13850856250
生产经营和管理服务的主要内容、产品及规模		年产 10 万吨纸袋纸生产线、年产 15 万吨箱纸板生产线、年产 20 万吨高强瓦楞原纸生产线、年产 9.6 万吨浆粕生产线		防治污染设施的建设和运行情况		通过环保部门验收并正常运行	
建设项目环境影响评价及其他环境保护行政许可情况		生产线及治理设施通过环保验收 排放许可证号： 913500001581574975001P		环境自行监测方案(国控企业)		已在“福建省亲清服务平台-福建省企业自行监测管理系统”上公布	
突发环境事件应急预案情况		备案编号:350427-2020-121-M		排放口数量和分布情况		水排放口 2 个、气排放口 4 个	
		排放方式	排放浓度(单位:水 mg/L、气 mg/m <sup>3</sup> )	执行标准值(单位:水 mg/L、气 mg/m <sup>3</sup> )	超标情况	排放量(单位:吨)	核定的排放总量(单位:吨)
主要污染物	COD	连续	55.2	90	无	587.861	1745.5
	NH <sub>3</sub> -N	连续	1.24	8	无	13.036	155.5
	SO <sub>2</sub>	连续	23.73	200	无	415.469	1460.8
	NO <sub>x</sub>	连续	45.81	200	无	549.124	1460.8
特征污染物							
填报人员		廖联鸿		企业审核人员:		2021 年 06 月 05 日	

本单位承诺所填信息真实准确,并对因填报或提交虚假信息、资料所引发的一切后果承担相应的法律责任。环境信息有新生成或者发生变更情形的,自变更之日起三十日内予以公开。

附件 2



企业事业单位应当公开的环境信息表

单位名称		福建省青山纸业股份有限公司		社会统一信用代码		913500001581574975	
生产地址		福建省三明市沙县青州镇		法定代表人	张小强	联系方式	13850856250
生产经营和管理服务的主要内容、产品及规模		年产 10 万吨纸袋纸生产线、年产 15 万吨箱纸板生产线、年产 20 万吨高强瓦楞原纸生产线、年产 9.6 万吨浆粕生产线		防治污染设施的建设和运行情况		通过环保部门验收并正常运行	
建设项目环境影响评价及其他环境保护行政许可情况		生产线及治理设施通过环保验收 排放许可证号： 913500001581574975001P		环境自行监测方案(国控企业)		已在“福建省亲清服务平台-福建省企业自行监测管理系统”上公布	
突发环境事件应急预案情况		备案编号:350427-2017-012-M		排放口数量和分布情况		水排放口 2 个、气排放口 4 个	
		排放方式	排放浓度(单位:水 mg/L、气 mg/m <sup>3</sup> )	执行标准值(单位:水 mg/L、气 mg/m <sup>3</sup> )	超标情况	排放量(单位:吨)	核定的排放总量(单位:吨)
主要污染物	COD	连续	58.74	90	无	545.98	1745.5
	NH <sub>3</sub> -N	连续	0.868	8	无	8.24	155.5
	SO <sub>2</sub>	连续	33.69	200	无	527.72	1460.8
	NO <sub>x</sub>	连续	65.29	200	无	630.32	1460.8
特征污染物							
填报人员		廖联鸿		企业审核人员:		2020 年 04 月 07 日	

本单位承诺所填信息真实准确,并对因填报或提交虚假信息、资料所引发的一切后果承担相应的法律责任。环境信息有新生成或者发生变更情形的,自变更之日起三十日内予以公开。

11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.

Conformance with Indicator:

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

Description of the finding:

The company developed the procedure requiring suppliers to provide their sourcing information and documents up to the forest level. The company conducted internal risk assessment based on the evidence submitted by the suppliers, the results show that no supplier sourced from tropical peatlands and/or IFs. Some suppliers disclosed forest level info. Details kindly refer to section 4.2. There is currently no evidence of sourcing from tropical peatlands.

11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. \*\*

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

Based on the supplier management operational manual, the company will give preference to the certified pulp and the suppliers that have management measures to protect forest and peatlands. The suppliers are graded as 4 levels: Best, Good, Qualified and Non-qualified. Preferences are given to the Best, Good and Qualified suppliers.

**Summary:**

The Company has procedures to require the suppliers to provide evidence of reducing GHG. During this audit, AustroCel Hallein, Borregaard, Caima, Domsjo and Sodra provided their annual report and/or sustainability report in which introduction on their efforts in reducing GHG are provided. there are GHG reduction efforts introduced on Lenzing and Sappi's official website. Fujian Qingshan Paper also displayed their emission performances for 2020-2021 on their official website. The company developed the procedure requiring suppliers to provide their sourcing information and documents up to the forest level. Based on the operating manual, the Company will give preference to the certified pulp and the suppliers that have management measures to protect forest and peatlands. The suppliers are graded as 4 levels: Best, Good, Qualified and Non-qualified. Preferences are given to the Best, Good and Qualified suppliers.

**12. Pollution Prevention**

Indicators	Findings
------------	----------

12.1 \*This verification process will not verify at first hand the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at <https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released>

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

The CanopyStyle audit will not report on this indicator.

Other tools such as the Hot Button report will address chemical management starting in 2020.

**Summary:**

The CanopyStyle audit will not report on this indicator. Other tools such as the Hot Button report will address chemical management starting in 2020.

\*\* Indicates Critical Indicators

## Appendix B: standard checklist (CanopyStyle Verification Framework – Viscose Mill Checklist)

### 1. Evaluation of Participating site: Viscose mill of the company

<b>Primary Responsible Person:</b> (Responsible for control system at site(s))	Li Kui, Vice GM of the Production
<b>Auditor(s):</b>	Peiyong Zhou
<b>People Interviewed, Titles:</b>	Kong Yuying, Vice GM of the Production Sun He, Director of Sales Wang Yuanxu, Purchase Centre Jiao Chu, Logistic and Warehouse Zhang Xiaoming, Production Yuan Yuyao, Production Yu Shujuan, Cao Ruyi, Comprehensive Management Xiao Hongli, Viscose liquid preparation workshop Zhang Ying, Spinning workshop
<b>Brief Overview of Audit Process for this Location:</b>	<i>Please refer to Section 2.3 above for Description of Overall Audit Process.</i>
<b>Comments:</b>	This mill is responsible for viscose filament rayon production and storage of material and products.

### 2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their Fiber Sourcing/Forest Policy	
Indicators	Findings
1.10 Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it.**	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The policy was public on the company's website:</p> <p>The Company organized several training sessions on the policy and Canopy requirements before the audit. Training records were provided for auditor review.</p> <p>Auditor interviewed key managers of this mill who are aware of wood sourcing policy,</p>

	definition of ancient and endangered forests and controversial sources.
<p>1.11 Each production site's/mill's managers have developed procedures to implement the Policy, when relevant.**</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The Company shared the operating manual for the implementation of Canopy sourcing policy with the mill that ensures the wood sourcing policy is implemented.</p> <p>The material from different suppliers can be clearly identified with identification card.</p>
<p><b>Summary:</b></p> <p>Wood pulp procedure has been established and made public on the website of the Company. Trainings on related procedures and Wood Sourcing Policy has been held. The managers are aware of the policy and procedures.</p>	

2. Sourcing from transparent supply chains that are in conformance with the policy.	
Indicators	Findings
<p>2.6 The production site/mill maintains all <u>purchase and sales</u> documentation related to the wood fibre <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The mill does not involve in sourcing wood pulp sourcing.</p> <p>The contract and transport documents related to wood fibre inputs are documented at the purchasing department. The production workshop and warehouse maintain records of the input volume of pulp from different suppliers every day. The invoices are kept with the financial department of the company.</p>
<p>2.7 The mill/production site maintains all <u>delivery documentation</u> received with the wood fibre <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p>

	<p>The mill does not involve in sourcing wood pulp sourcing. The related to wood fibre inputs transport documents are documented at the purchasing department.</p>
<p>2.8 When sourcing from certified or verified land origin, the supplier code and claim for the applicable third-party verification is included on sales and delivery documentation.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>This mill has no sourcing activity of wood pulp.</p> <p>The certification code and claim are included on the commercial invoice and packing list from the suppliers, including AustroCel Hallein, Borregaard, Domsjo, Lenzing Paskov, Sappi, and Fujian Qingshan Paper.</p>
<p>2.9 The production site maintains a summary of annual purchases and then sales to the MMCF producer.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The mill has no sourcing activity of wood pulp.</p> <p>The corporate office maintains the records of annual purchase and sales.</p>
<p>2.10 All Suppliers provide <u>outgoing</u> transportation documents that include the forest/plantation of origin and certification status if relevant</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>This mill has no sourcing activity of wood pulp.</p> <p>The trade and transport documents from the suppliers carry relevant FSC/PEFC certificate code and claim when relevant.</p> <p>However, the delivery note does not include the forest/plantation of origin.</p>
<p><b>Summary:</b></p> <p>The mill does not involve in purchasing. The delivery documentations are maintained. Certificate code and claim are included in the invoice and packing list from suppliers for certified wood fibre. However, none of the trade and transport documents include the forest of origin.</p>	

**4. Sourcing from ancient and endangered forests and other controversial sources have been eliminated.**

Indicators	Findings
<p>4.4 The production site/mill is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The interviews to the management confirmed they were aware all relevant laws and regulations.  Auditor reviewed the legally required documents in China, such as business licence, environment impact assessment, export license, etc.  At the time of this audit, there is no news and info disclosed that the organize is non-compliance with national and international laws. In addition, the company holds a number of third-party certificates, including:</p> <ul style="list-style-type: none"> <li>• ISO9001: 2015 quality management system</li> <li>• FSC Chain of Custody</li> <li>• ISO14001: 2015 Environment Management System</li> <li>• ISO45001: 2018 Occupational Health and Safety Management System</li> <li>• ISO50001: 2018 Energy management System</li> <li>• STANDARD 100 by OEKO-TEX® testing and certification system.</li> <li>• SA 8000: 2014 Social Accountability System</li> <li>• Recycled Claim Standard 2.0 (RCS 2.0)</li> <li>• Green Leaf Certification</li> </ul>
<p>4.5 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not procure wood from Ancient and Endangered forests and controversial sources.</p>	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable  <input checked="" type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  The mill has no sourcing activity of wood pulp.  By interviews, the management of the mill demonstrated their understandings on ancient and endangered forests and controversial sources.</p>

	<p>The company has conducted their annual risk assessment on their supply chains to understand the risk of sourcing from ancient and endangered forests and other controversial sources.</p>
<p>4.6 Production mills have conducted assessment of presence of ancient and endangered forests and other controversial forests in their wood supply areas.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>The assessment was conducted by sourcing department at headquarters.</p> <p>Detailed findings please refer to section 2 and 4 of the checklist for Corporate Sourcing (headquarters)</p>
<p>4.7 The sourcing from regions that contain Ancient and Endangered forests and other controversial sources is verified to low risk by this CanopyStyle audit.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p> <p>Risk assessment and supplier assessment were conducted by the group headquarter.</p> <p>Detailed findings please refer to section 2 and 4 of the checklist for Corporate Sourcing (headquarters)</p>
<p><b>Summary:</b></p> <p>The interview with the management proves they were aware all relevant laws and regulations. There is no news and info disclosed that the company is non-compliant with national and international laws. Key managers of each position demonstrated awareness of definitions of Ancient and Endanger forests and controversial sources. Supplier assessment and material sourcing risk were evaluated by the headquarter.</p>	

5. Actions if suppliers contravene criteria	
Indicators	Findings
<p>5.4 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to the CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified.</p>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable  <input type="checkbox"/> Commitment Met  <input type="checkbox"/> Commitment in Progress  <input type="checkbox"/> Commitment Not Met  <input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b></p>

	Supplier performance monitoring program was conducted by the headquarter.
--	---

**Summary:**

Supplier performance monitoring program was conducted by the headquarter.

**7. Recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies.**

Please refer to assessment for section 7 under Annex A for this indicator.

**Summary:**

The company requires its suppliers in its sourcing policy to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.

All suppliers and/or traders have signed a commitment letter that includes a commitment to implement FPIC of indigenous people and local communities.

Some suppliers provided their sustainability report/annual report/ CSR system to demonstrate their efforts in recognize and respect workers' rights, community rights and human rights.

The Company and all suppliers are FSC or PEFC certified companies. However, the procurement records checked during this audit from Caima, Domsjo and Sodra do not have relevant claim, which lower the confidence in this regard.

## Appendix C: RECOMMENDATIONS FOR IMPROVEMENT

The CanopyStyle Initiative has developed these recommendations to provide direction on how companies should address some of the main non-conformities found in this audit report.

These recommendations have been developed by Canopy, presented to the company for feedback, and are provided as an appendix in this audit report for use by the company and auditors, starting immediately after finalization of the audit report.

January 2022

Canopy applauds Jilin for embarking on its second CanopyStyle audit. The report concludes that the company is at low risk of sourcing from Ancient and Endangered Forests, has increased its uptake of FSC certified fibre, and is entering commercial scale production for MMCFs containing Next Generation fibres.

The CanopyStyle audit is a learning opportunity, and in the spirit of continuous improvement, additional actions can be taken over time to fully implement Jilin's policy commitments. Based on the review of the audit report, Canopy recommends the following next steps:

1. Determine plantations dates for the relevant Austrian supplier and request that they regain their FSC certification.
2. Continue to scale up the production of Next Generation fibres, with the goal of achieving 50% by 2030;
3. Implement the company's FSC preference by continuing to increase the volumes of certified fibre used, with a preference for fibre from FSC certified forests (FSC 100%);
4. Continue due diligence to learn what forest level wood supply concessions/areas suppliers that have not reported forest level fibre supply are sourcing from;
5. Continue to take action to support the conservation of a key landscapes of hope.

We recommend that the company develop an action plan to address these priority issues, so that they can be addressed before the next annual audit.

As mentioned in the CanopyStyle audit framework, ongoing audits and/or random site visits will be essential to ensure that Jilin continues to implement their policy and meets the expectations of the CanopyStyle Initiative.

Once again, we comment Jilin on the pro-active work related to suppliers with risk and development of risk due diligence tools and congratulate you for the timely completion of the second audit and for achieving low risk in your supply chain.

We look forward to working collaboratively with Jilin to address any outstanding issues.