



# CanopyStyle Audit Report

## for Jilin Chemical Fiber Stock CO.,LTD

Annual audit 2024

Evaluation date: 18 June 2024

Report date: 28 October 2024

### Organisation Contact

Jilin Chemical Fiber Stock CO.,LTD

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

### Audit managed by

**Preferred by Nature FMBA**

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## 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 2021 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 500 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.

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<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 annual production capacity 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 2022, the company has progressively reconstructed and launched several technical transformation projects for viscose filament, each with different annual output capacities. The company's viscose fiber (filament and staple fiber) business covers five continents including Europe and the United States, Japan and South Korea, India and Pakistan, Southeast Asia, West Asia, Africa, and Oceania. The company's filament yarns focus on high quality. According to the 2022 sustainability report, the proportion of exports continued to rise. The high-end market share of the products exceeded 45%, with downstream customers spread across more than 20 provinces, municipalities, and autonomous regions in China, as well as 24 countries and regions globally. The company's short fiber segment focuses on differentiation, making it unique in the regenerated cellulose fiber industry, and exports to 28 countries and regions.

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.

## 1.3 Company sourcing policy

The Company updated and published their Fibre Procurement Policy for Protecting Forests being effective on March 2023 and committed to:

- Conserve Ancient and Endangered Forests and intact forest landscapes.

- Recognize, respect and uphold human rights of communities
- Innovative and alternative fibre development
- Advocacy for conservation solutions
- Forest certification
- Transparency, traceability and verification
- Reduce greenhouse gas footprint
- Pollutions prevention
- Communication/Promotion.

Note: The company updated the Policy in March 2023

## 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:	Used for production: 93.77% dissolving pulp, 1.85% bamboo pulp, 4.38% cotton linter. Procured: 0% cotton linter, 90.132% dissolving pulp, 9.868% bamboo pulp.	
Map of Ancient and Endangered Forests Overlay Completed:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No  Comments: Maps overlay with Ancient & Endangered Forests were provided by most of the supplier except one supplier.
Mill Capacity:	170,000 ton/year	
Primary Activity:	Viscose fiber production ( Staple Fiber and Filament Yarn)	
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: 3,397	Permanent female: 1,158
	Contract male: 0	Contract female: 0
	TOTAL: 4,655	

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 周培楹 (lead Auditor)	Sustainability Specialist; Qualified LegalSource auditor; 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.
Hue Su Wah 邱诗华 (Auditor in training)	Hue Su Wah is graduated from the University Malaysia Sabah with a Master's degree in GIS application in forestry. She joined Preferred by Nature in 2021 with the position of Sustainability Specialist. She completed legal source training in 2022 and ecosystem training in 2023, she is currently a FSC FM lead auditor. Her responsibility as sustainability specialist includes delivering supply chain risk assessment, mitigation activities, and system development to meet international legal requirements (e.g. EUTR) and sustainability criteria. Besides that, she also provides advisory services to clients in the forest-impact sector to support them in sourcing legal and responsible sources. She also involved in project related to RSPO smallholder standard review and rubber responsible supply chain.

### 3.2 Audit Overview

Site(s)	Audit date	Total on-site audit time (Hours)
Jilin Chemical Fiber Stock Co., Ltd. Corporate office	June 18, 2024	4 hours
Viscose mill (start production in 1964)	June 18, 2024	4 hours

**Note:** more details about audit process are provided in a separate audit plan

### 3.3 Description of Overall Audit Process

The audit officially started on 6 - Mar -2024. The auditor started contacting the Company by requiring relevant documentation based on the latest CanopyStyle audit guidelines and framework.

The Company sent over a number of documents such as sourcing policy, organizational chart in implementing the policy, standard operation manual, communication with suppliers on sourcing requirements, risk assessments with evidence for the reporting period (01-Mar-2023 to 31-May-2024) for all suppliers, procurement data, sales data, update on innovative and alternative fiber, evidence on conservation, evidence on social issues from suppliers, etc.

In the meantime, the auditor also communicated and cross-checked with the Company over any issues and questions occurred during the review process. As there are eleven dissolving pulp suppliers supplying as well as one supplier providing recycled cotton pulp, the auditor needed to review the documentation for each supplier's related documentation, especially on the risk assessments.

During the initial review phase, auditor detected that the purchasing evidence provided was not at a sufficient level, i.e. only provided a few purchasing invoices, therefore, auditor asked for more detailed purchasing documents samples from all declared suppliers. The company provided the required documentation.

On 18-June-2024, the auditors conducted the on-site audit at the corporate office, with the presence of management representative and the key staff from relevant departments from the corporate office. During the opening meeting, the objective and scope of the audit, agenda, conflict of interest (COI) issues, etc were communicated. The management representative gave a brief introduction of the company and operation activities and the efforts made on Canopy sourcing policy. The auditor then shared major findings from reviewing the documentation.

Following the opening meeting, the auditor interviewed the management team regarding action plan and any updates in regard of practices 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 records, communication with the suppliers, etc.

Then, the auditor toured the company's mill(s) including the production line(s) and warehouse(s). When touring the warehouse(s), the auditor checked on the mill's input and output records, storage for the pulp in use.

In combination with reviewing documents and visiting the company's facilities, the auditors interviewed the staff from various departments, including product department, sourcing department, etc.

The closing meeting was held on the same day. The auditors gave a summary of the meeting, raised issues and acquired for additional further information within two weeks' time after the meeting. The Company provided further required additional documentation at a later stage as well as responded to some of the major concerns,. For details please refer to the report findings.

Participants(partly):

- Mrs. Kong YuYing, Deputy General Manager of Company
- Mrs. Yu ShuJuan, Senior Manager of General Management Office
- Mr. Wang DongQi, Business administrator of General Management Office
- Ms. Yuan Yuyao, senior manager of Production Department
- Mr. Wang Yuanxu, purchasing staff from Purchasing Department
- Mr. Xu Jianze, Sales staff from Sales Department
- Mr. Jiao Chu, Warehouses staff from Logistic Department
- Mr. Huang Bo, Staff Union President from Production Department

## 4. EVALUATION RESULT

### 4.1 Evaluation Conclusion

#### Positive Findings:

The company has been implementing the sourcing policy in line with CanopyStyle initiative.

A standard operation procedure (SOP) has been developed by the HQ to implement the Policy as well as monitor on the suppliers' performance. The standard operation procedure is shared with the mills.

The Company has also developed capacity as well as organizational structure in implementing the Policy. Management team as well as the production site managers are trained how to implement the policy and procedure.

The Company keeps communicating about this policy with all suppliers.

The dissolving 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.

The Company has made significant improvements in their systems to comply with the CanopyStyle audit, particularly in the areas of Leadership Group engagement, risk assessment, and commitments to increase the FSC certified materials.



The company has increased its use of FSC raw materials and plans to further increase FSC raw material usage over the next three years.

The company is actively providing Canopy-related training to all employees, including production and warehouse staff.

The Company has been developing fibre by using recycled cotton. Different percentage of recycled cotton has been put into use.

**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 disclosed their forest level info to a detailed manner where sourcing areas are identified, others disclosed up to sub-regional/country level, while some didn't reveal their forest level info. Therefore, origin of material for suppliers who is only known at a sub-regional/country level or from unknown region, creating a broad sourcing area with potential overlap with Ancient and Endangered Forests. However, the company's sourcing follows the guidance provided in the DP classification tool.

As to whether company is sourcing from controversial sources, there are FSC certified, FSC Controlled Wood claimed, PEFC Controlled Sources and non-certified pulp supplied to the company. Therefore there is no guarantee that all wood chips are not from other controversial sources. Company shall extend the evaluation on controversial sources from each supplier.

In terms of whether the wood comes from forest/plantation where there has been no conversion of natural forest to plantations, although some suppliers provide their sourcing policy or commitment, no solid evidence was provided from the Company as well as from the suppliers except their products' FSC certificate status. Company shall work further to gather solid evidence from supplier in this regard.

The company has a procedure to prevent sourcing from tropical peatlands and/or intact forest landscapes. Although there are FSC certified and FSC CW sourced material supplied to the Company, both FSC certified and FSC CW sourced material could be sourced from peatlands and IFLs. In addition, there is non-certified dissolving pulp supplied as well, where the commitment of not sourcing from tropical peatlands and/or IFLs cannot be guaranteed.

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 for 2022 and the Canopy Dissolving Pulp Classification Tool:

Supplier	Company Risk Assessment	Canopy Dissolving Pulp Classification
Borregaard AB	Low Risk Picea Abies from Norway	No Ancient and Endangered Forest sourcing issues identified based on current

		information and/or CanopyStyle Audit.
AustroCel Hallein GmbH	Low Risk Spruce from Austria, Germany, Czech Republic	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit. However, the mill has lost its FSC certificate and cannot sell FSC-certified products.
Domsjö Fabriker AB	Low Risk Picea abies and Pinus sylvestris from Sweden, Latvia, Finland, Germany and Poland	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Södra Skogsägarna ek. för., Södra Cell	Low Risk Betula pendula, betula pubescens, Populus tremula, and Fagus sylvatica from Sweden, Latvia, Estonia, and Russia	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Lenzing Biocel Paskov A.S	Low Risk Picea abies from Poland, Slovakia and Czech Republic,	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Celulosa Arauco Y Constitucion S.A	Low Risk Eucalyptus spp from Chile.	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.  Arauco has had conflict with local and Indigenous communities over logging and plantations on their customary lands.
Caima	Low Risk Eucalyptus globulus from Portugal	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Sappi Saiccor	Low Risk Eucalyptus spp from South Africa.	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Fujian Qingshan Paper Co. LTD	Low Risk Bamboo pulp from China	No information available.

		Bamboo is not included in the DP classification tool.
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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 Forests, and more assessment is needed for controversial sources.

According to Supplier Management Operations Manual of the company, the supplier monitoring and evaluation system incorporates additional criteria based on documents obtained from dissolving pulp mills or suppliers. The sourcing country information for each pulp mill or supplier is available on the sourcing information. The company utilized the Supplier Evaluation Form to assess each supplier in terms of forest risk, respect for human rights and social responsibility, sourcing from tropical peatlands. 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	Grey
Commitment Met	Green
Commitment in Progress	Yellow
Commitment Not Met	Red
Insufficient Information Available	Grey

\*\* 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 **	<i>Commitment Met</i>
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **	<i>Commitment Met</i>
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	<i>Commitment Met</i>

	1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	<i>Commitment Met</i>
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	<i>Commitment Met</i>
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	<i>Commitment Met</i>
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	<i>Commitment Met</i>
	1.8 The MMCF producer has put in place a grievance procedure.	<i>Commitment Met</i>
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	<i>Not Applicable</i>
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	<i>Commitment Met</i>
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	<i>Commitment Met</i>
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.	<i>Commitment Met</i>
	2.2 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 Dissolving Pulp Classification tool, to make their supply assessment.	<i>Commitment Met</i>
	2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	<i>Commitment in Progress</i>
	2.4 The assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.	<i>Commitment Met</i>
	2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of	<i>Commitment Met</i>

	natural forests to plantations (1994 date), use of Genetically Modified Organism.	
	2.6 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.	<i>Commitment Met</i>
3. MMCF supply chain is deforestation free- there is 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. **	<i>Commitment in Progress</i>
4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & 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. **	<i>Commitment Met</i>
	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. **	<i>Commitment in Progress</i>
	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. **	<i>Not Applicable</i>
	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. **	<i>Commitment Met</i>
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	<i>Commitment in Progress</i>
5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	5.1 All MMCF producers’ suppliers are identified and the forest of origin is known. **	<i>Commitment in Progress</i>
	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. **	<i>Commitment Met</i>

	(Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	
	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	<i>Not Applicable</i>
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	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. **	<i>Not Applicable</i>
*If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is doing so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning and FSC certification themselves)	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. **	<i>Not Applicable</i>
	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. **	<i>Not Applicable</i>
	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. **	<i>Not Applicable</i>
	6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to	<i>Not Applicable</i>

	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>7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies in the forestry sector</p> <p>Note: This audit focuses on only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.</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 affected by forest operations. **	<i>Commitment Met</i>
	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. **	<i>Commitment in Progress</i>
	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.	<i>Commitment in Progress</i>
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	<i>Commitment in Progress</i>
	7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.	<i>Commitment in Progress</i>
	7.6 Recognition and respect for human rights is demonstrated by the MMCF	<i>Commitment in Progress</i>

	producer 's forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or resolved 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. **	<i>Commitment Met</i>
	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.	<i>Commitment Met</i>
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. **	<i>Commitment Met</i>
	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. **	<i>Not Applicable</i>
	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.	<i>Commitment Met</i>
	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. **	<i>Not Applicable</i>
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. **	<i>Commitment Met</i>
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.	<i>Commitment Met</i>
	11.2 MMCF producer has procedures to know whether their suppliers are sourcing from	<i>Commitment in Progress</i>



	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. **	<i>Commitment in Progress</i>
12. Pollution Prevention	<p>12.1 * This verification process <u>will not</u> verify 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>	<i>Not Applicable</i>

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

Reporting period (Jilin Chemical Fiber Stock Co., Ltd): 01-Mar-2023, to 31-May-2024

Category	Explanation	Volume	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	17,745 tons	18.64%
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	48,346tons	50.79%
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	6,800 tons	7.14%
Non-FSC	Material received with no FSC claim.	21,300tons (exclue the 34 tons recycled cotton from RE: NEWCELL)	22.38%
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	1,000 tons	1.05%

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

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

### 1. Evaluation of Participating site: Jilin Chemical Fiber Stock Co., Ltd

<b>Primary Responsible Person:</b> (Responsible for control system at site(s))	Mrs. Yu ShuJuan, Senior Manager of General Management Office
<b>Auditor(s):</b>	Ms. Zhou Peiying, Ms. Hue Su Wah
<b>People Interviewed, Titles:</b>	Mrs. Kong YuYing, Deputy General Manager of Company Mr. Wang DongQi, Business administrator of General Management Office Ms. Yuan Yuyao, senior manager of Production Department Mr. Wang Yuanxu, purchasing staff from Purchasing Department Mr. Xu Jianze, Sales staff from Sales Department Mr. Jiao Chu, Warehouses staff from Logistic Department Mr. Huang Bo, Staff Union President from Production Department
<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 the 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  <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 published Fibre Procurement Policy for Protecting Forests to promote sustainable forest management and conserve Ancient and Endangered Forests (effective on 7th July 2021), the policy is publicly available on its website:  <a href="http://www.jlhxt.com/Detail/624.html">http://www.jlhxt.com/Detail/624.html</a></p> <p>Interview conducted with Deputy General manager and key managers responsible for</p>

	<p>Canopy audit and confirm their understanding on the definition of Ancient and Endangered Forests and other controversial sources.</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>  The SOP (Supplier Management Operation Manual) was developed by the company to implement the policy related to conserve ancient and endangered forests and avoid controversial sources.</p> <p>The complaint handling mechanism regarding the sale of FSC certified wood pulp rayon products was also developed. Grievance mechanism was also included with the channel of phone, email, letter and online form.</p> <p>The company has also implemented a product traceability system, recognizing the importance of assessing and managing supply chain risks, particularly those involving materials from pristine and endangered forests, as well as potentially controversial or illegal sources. To support the initiative of greenhouse gas emission reduction, the company encourages suppliers to actively take measures to reduce emissions by offering a range of support and incentives, such as technical assistance and financial subsidies. Additionally, the company regularly evaluates the progress and effectiveness of suppliers' emission reduction efforts, providing public recognition and cooperation opportunities to those with outstanding performance.</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>  Mrs. Kong YuYing, the Deputy General Manager of Company has the overall responsibility for sourcing policy implementation. Mr. Wang Yuanxu,</p>

	<p>purchasing staff from Purchasing Department and Mrs. Yu ShuJuan, Senior Manager of General Management Office are responsible for practicing the detailed sourcing requirements to suppliers. Written commitment to procurement policy is available from each supplier.</p>
<p>1.4 The MMCF producer has developed capacity and organizational 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>  Environmental Management Organization Chart available on the SOP Hazardous Waste Management Leadership Accountability System. Besides, the Sustainability Organization Chart was also provided. The Sustainable Development Committee was established with members from various departments, including Purchase, Sales, Logistics, Production, EHS (Environment, Health, and Safety), Equipment &amp; Energy, and Comprehensive Management.</p> <p>Interviews conducted with relevant staff, and they are 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>  Most of the dissolving pulp suppliers signed the commitment letter confirming the commitment to follow the Company's sourcing policy except AustroCel Hallein GmbH.</p> <p>Email samples with Arauco, Borregaard and Sodra were shared with auditor for review.</p>



	<input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available  <b>Description of the finding:</b> Sales contract, Signed document Fibre Procurement Policy for Protecting Forests, negotiation plan and statement regarding the supply of dissolved pulp between Jilin Chemical fiber stock Co.,Ltd and all supplier regarding the understanding and support of conservation of Ancient and Endangered Forests and Intact Forest Landscapes, and the reduction of Greenhouse Gas Footprint.
1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**	<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  <b>Description of the finding:</b> According to Supplier Management Operation Manual, Jilin Chemical Fiber Co., Ltd. evaluates each supplier based on the evidence provided by the supplier, creates a monitoring and evaluation report, and shares this report with the supplier. If a supplier does not comply with Jilin Chemical Fiber Co., Ltd's policies during the evaluation, they will be informed of the non-conformities and given a 6-month rectification period. If the requirements are not met after this period, the supplier will be disqualified from further cooperation. This decision will be promptly communicated to the supplier and disclosed accordingly.  Supplier Evaluation Form was used by company in evaluating each supplier in the aspect of Risk at the forest, Respect human rights and social responsibility, raw material from tropical peatland, intact forest landscape, and Supply quality.  Besides, Canopy Dissolving Pulp Classification Tool is also used in monitoring the supplier performance for sourcing from Ancient and Endangered Forests.
1.8 The MMCF producer has put in place a grievance procedure.	<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  <b>Description of the finding:</b> Grievance mechanism was included in Complaint Management System of Supply Chain, FSC wood pulp viscose filament sales policy and its implementation plan, standard operating procedures, and business plan, with the channel of phone, email, letter and online form.  Once a complaint or grievance is received, the supply chain management office shall confirm to receive the complaint with the claimant within 5 working days. If the complaint meets the acceptance criteria, the supply chain management office will collaborate with relevant departments to investigate and gather evidence. They will seek opinions and support from the company's top management when necessary. A response and resolution proposal will be provided to the claimant within 15 working days of receiving the complaint. If the claimant accepts the response, the complaint will be closed. If the claimant does not accept the proposed resolution, the issue will be escalated to the company's manager within 5 working days for further review. The office will then respond to the claimant within 30 working days with a final solution at the company level. If the claimant accepts this final solution, the complaint will be formally closed.  In addition, the company is FSC certified which requires a grievance procedure as well.
1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**	<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  <b>Description of the finding:</b> No complaints have been received, and no non-conformities have yet been recognized during the time scope of this audit.
1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it.**	<b>Conformance with Indicator:</b> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met

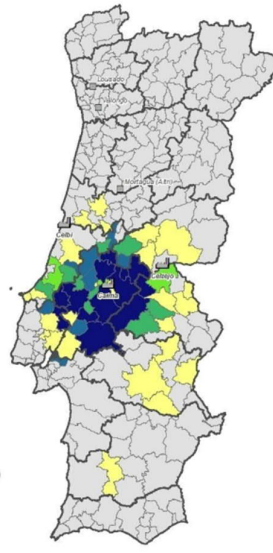
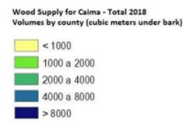
	<input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available  <b>Description of the finding:</b>  Training record on 16 <sup>th</sup> Nov 2023 was provided with signed attendance and description of training. The training was attended by various departments. The training included: <ul style="list-style-type: none"> <li>• Dissolving Pulp Purchasing Policy</li> <li>• CanopyStyle Commitment scope</li> <li>• Understanding of Ancient and Endangered Forests, controversial sources, and illegal sources, and ensuring that purchases are not sourced from these areas.</li> </ul> Interview conducted with representative from production department confirms that they are aware of the policy and are implementing it.
1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	<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  <b>Description of the finding:</b> The management operational manual developed by the group headquarters was shared with the viscose mill.
<b>Summary:</b> The Company has developed and published a fiber sourcing policy to implement Canopy requirements. This policy is available on the company's website and has been communicated to the dissolving pulp suppliers. To ensure proper implementation, the Sustainable Development Committee was established. All suppliers, except AustroCel Hallein GmbH, have signed and confirmed their commitment to the policy, either directly through a commitment letter/supply agreement or via a trader. Contract samples, including the policy requirements, were provided to the auditor. Additionally, email samples with suppliers were shared with the auditor for review.  An organizational structure was established, and specific responsibilities were assigned to ensure implementation. Training records documenting policy implementation were provided. Interviews with the management team and key managers confirm their awareness of and adherence to the policy.  The Company has implemented a non-conformance and grievance procedure, which includes defining scope, assigning responsibilities, collecting complaint information, handling complaints within a specified time frame (within 30 working), using specified forms, and more.  The company conducted evaluations and provided monitoring results on compliance performance.	



**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 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.</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 documented all raw material inputs by volume, as required. The information, recorded in an Excel spreadsheet, includes dissolving pulp, waste, and bamboo pulp. Between March 2023 and May 2024, the company purchased a total of 92,191 tons of pulp (excluding the recycled cotton supplied by RE: NEWCELL )</p> <p>The company provided a sourcing information form detailing data for these 11 suppliers, including the pulp mill name, volume and percentage from each supplier, species information, country or sub-country of origin, and certification status of the purchased pulp.</p>																								
<p>2.2 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 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 sourcing country information for each pulp mill or supplier is available on the sourcing information. Company used the Supplier Evaluation Form in evaluating each supplier in the aspects of Risk at the forest, Respect human rights and social responsibility, raw material from tropical peatland, intact forest landscape, and Supply quality.</p> <p>Besides, Canopy Dissolving Pulp Classification Tool is also used in monitoring the supplier performance for sourcing from Ancient and Endangered Forests.</p> <table border="1" data-bbox="630 1514 1159 1856"> <thead> <tr> <th>No</th> <th>Direct Supplier</th> <th>Dissolving Pulp Mill</th> <th>Forest Origin</th> </tr> </thead> <tbody> <tr> <td colspan="4">Filament yarn</td> </tr> <tr> <td>1</td> <td>AustroCel Hallein GmbH</td> <td>AustroCel Hallein GmbH</td> <td>Austria, Germany, Czech Republic</td> </tr> <tr> <td>2</td> <td>Borregaard</td> <td>Borregaard</td> <td>Norway</td> </tr> <tr> <td>3</td> <td>Ekman &amp; Co AB</td> <td>Domsjö Fabriker AB</td> <td>Sweden, Latvia, Finland, Germany &amp; Poland</td> </tr> <tr> <td>4</td> <td>Ekman &amp; Co AB</td> <td>Södra Skogsägarna</td> <td>Sweden, Latvia, Estonia, Russia</td> </tr> </tbody> </table>	No	Direct Supplier	Dissolving Pulp Mill	Forest Origin	Filament yarn				1	AustroCel Hallein GmbH	AustroCel Hallein GmbH	Austria, Germany, Czech Republic	2	Borregaard	Borregaard	Norway	3	Ekman & Co AB	Domsjö Fabriker AB	Sweden, Latvia, Finland, Germany & Poland	4	Ekman & Co AB	Södra Skogsägarna	Sweden, Latvia, Estonia, Russia
No	Direct Supplier	Dissolving Pulp Mill	Forest Origin																						
Filament yarn																									
1	AustroCel Hallein GmbH	AustroCel Hallein GmbH	Austria, Germany, Czech Republic																						
2	Borregaard	Borregaard	Norway																						
3	Ekman & Co AB	Domsjö Fabriker AB	Sweden, Latvia, Finland, Germany & Poland																						
4	Ekman & Co AB	Södra Skogsägarna	Sweden, Latvia, Estonia, Russia																						

	5	Fujian Qingshan Paper Co., Ltd	Fujian Qingshan Paper Co., Ltd.	China
Staple fiber				
<p>2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.</p>	6	Pulp Trading GMBH	Lenzing Biocel Paskov a.s.	Czech Republic, Slovakia, Poland
	7	Sappi Papier Holding GmbH	Sappi Papier Holding GmbH	South Africa
	8	Ekman & Co AB	Caima	Portugal
	9	Celulosa Arauco Y Constitucion S.A	Celulosa Arauco Y Constitucion S.A	Chile
	10	Fujian Qingshan Paper Co., Ltd.	Fujian Qingshan Paper Co., Ltd.	China
	<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>Description of the finding:</b></p> <p>The sourcing country information for each dissolving pulp mill or supplier is available on the sourcing information. Some have disclosed information down to the sub-regional or country level, while others have not provided forest-level details.</p> <p>The dissolving pulp mill or supplier that failed to provide map of the sourcing region including:</p> <ul style="list-style-type: none"> <li>• AustroCel Hallein GmbH</li> <li>• Borregaard</li> <li>• Sappi Papier Holding GmbH</li> <li>• Lenzing Biocell</li> <li>• Celulosa Arauco Y Constitucion S.A</li> </ul> <p>Below is map of the sourcing region according to dissolving pulp mill or supplier:</p>			

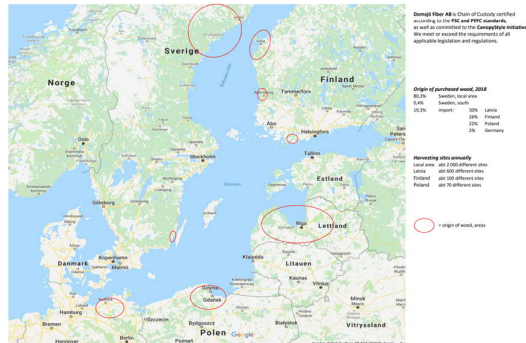


PORTUGAL

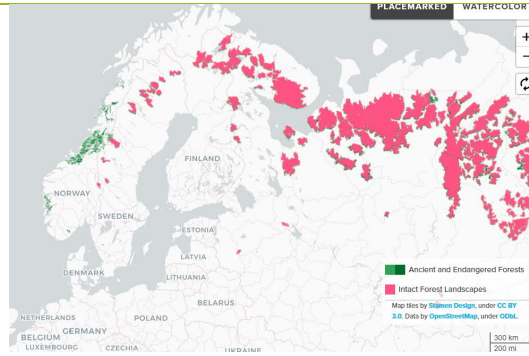
By overlapping with ForestMapper, there is no sourcing from ancient and endangered forests:



Domsjö Fabriker AB:



By overlapping with ForestMapper, there is no sourcing from ancient and endangered forests:



Sodra:

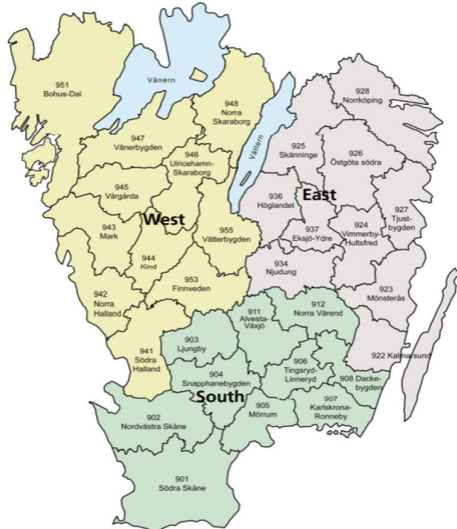
ESTONIA (whole country)



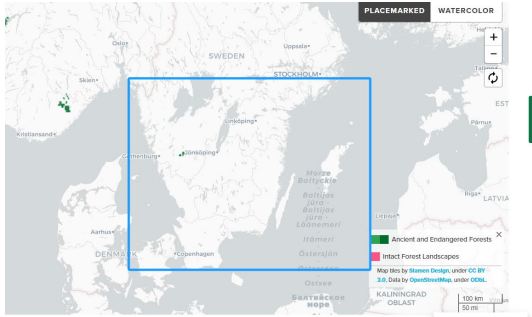
By overlapping with ForestMapper, there is no sourcing from ancient and endangered forests in Estonia:




### Götaland, Sweden



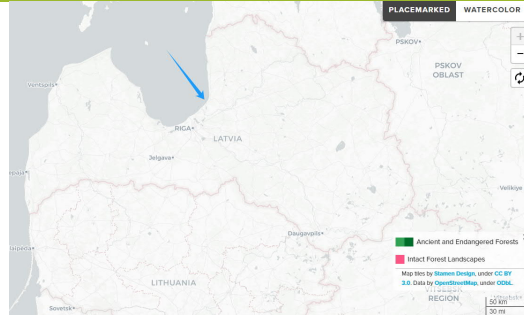
By overlapping with ForestMapper, there is no sourcing from ancient and endangered forests in Götaland, Sweden:



### LATVIA



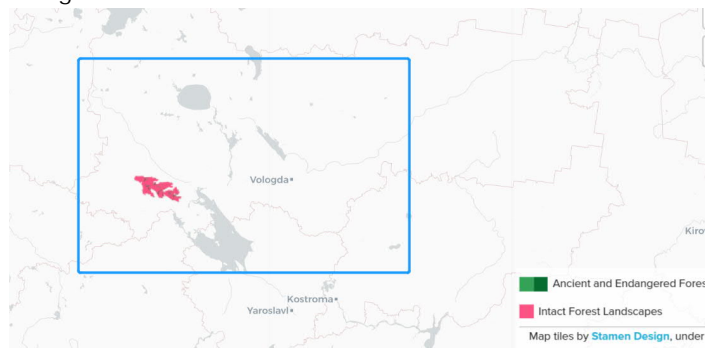
By overlapping with ForestMapper, there is no sourcing from ancient and endangered forests in Latvia:



Vologodskaya Oblast, Russia:



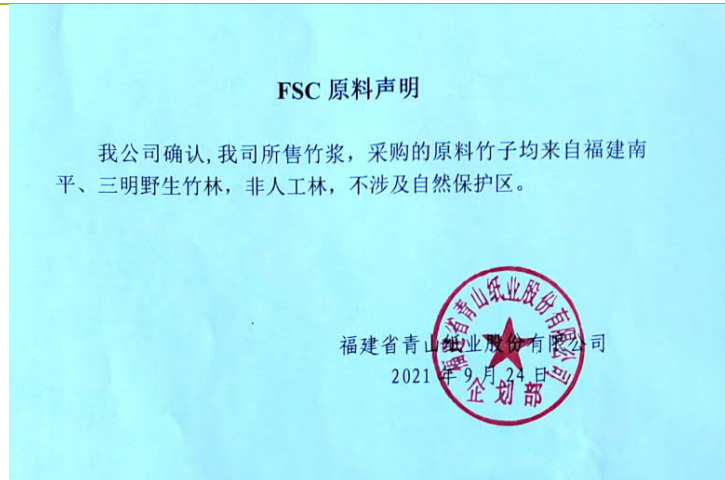
By overlapping with ForestMapper, there is IFL within the Vologda area.



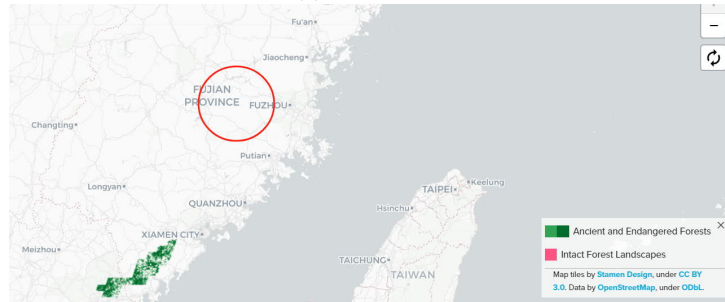
Sodra also mentioned there are A&E forests in the Vologda region to their Russian supplier (According to the ForestMapper, the auditor found that there are IFLs near the Vologda area), but it has been proven in a previous supplier verification audit that their Russian supplier does not harvest in these area.

#### Fujian Qingshan Paper

Fujian Qingshan Paper came up with a statement confirming that all bamboo materials are sourced from non-plantations located in Nanping and Sanming City, Fujian, China. According to the ForestMapper, there are no Ancient and Endangered forests and/or Intact Forest Landscape.



Result from the Forestmapper:



Although Sappi, AustroCel Hallein GmbH and Borregaard does not provide a map of sourcing region, they do provide a declaration regarding the sourcing region.

Declaration from Sappi:



Sappi Southern Africa

WOODFIBRE SOURCING / ORIGIN DECLARATION

Mill name and location:	Sappi Saiccor Pulp Mill, Umkomas, KwaZulu Natal, South Africa
Reporting period:	01 October 2022 – 30 September 2023
Date of issue:	01 November 2023 until superseded
Product groups within scope:	Dissolving Pulp
Description of Merchandise:	Rolls and Bales
Commodity code:	4702
Product names within scope:	Verve®
Percent recycled material:	0%

This declaration refers to the countries of harvest and tree species that may have been used in the production of the woodfibre based products within the scope of this statement.

COUNTRY	SHARE %	TREE SPECIES
South Africa	100	<i>Eucalyptus</i> ( <i>E. grandis</i> , <i>E. nitens</i> , <i>E. smithii</i> , <i>E. dunnii</i> , <i>E. macarthurii</i> , <i>E. urophylla</i> , <i>E. fastigata</i> , <i>E. elata</i> Dehnh., <i>E. benhamii</i> , <i>E. saligna</i> , <i>E. bsdjensis</i> Benzer & Welch); <i>Eucalyptus</i> hybrids of the above species <i>Acacia</i> ( <i>A. mearnsii</i> )

## sappi

Sappi North America

### WOOD ORIGIN DECLARATION / FIBRE SOURCING DECLARATION

Mill name and location:	Sappi Cloquet Pulp Mill, Cloquet, Minnesota, USA
Reporting period:	October 2, 2023 – October 1, 2024
Date of issue:	November 16, 2023 - until superseded
Product groups within scope:	Pulp
Description of Merchandise:	Chemical woodpulp, dissolving grades
Commodity code:	4702
Product names within scope:	Sappi Verve, Verve
Percent recycled material:	0%

This declaration refers to the countries of harvest and tree species that may have been used in the production of the woodfibre based products within the scope of this statement.

COUNTRY	SHARE %	TREE SPECIES
USA	100.00 %	Ash ( <i>Fraxinus americana</i> , <i>Fraxinus nigra</i> , <i>Fraxinus pennsylvanica</i> ) Aspen and/or poplar ( <i>Populus balsamifera</i> , <i>Populus deltoides</i> , <i>Populus grandidentata</i> , <i>Populus tremuloides</i> ) Basswood ( <i>Tilia americana</i> ) Birch ( <i>Betula alleghaniensis</i> , <i>Betula papyrifera</i> , <i>Betula populifolia</i> ) Cherry ( <i>Prunus pennsylvanica</i> , <i>Prunus serotina</i> ) Elm ( <i>Ulmus americana</i> ) Maple ( <i>Acer negundo</i> , <i>Acer rubrum</i> , <i>Acer saccharinum</i> , <i>Acer saccharum</i> ) Mountain-ash ( <i>Sorbus americana</i> )

*Percent share by country of harvest based on FY2023 data.*

*Slight variation for FY2024-2025 is likely, limited to the countries listed above.*

## sappi

Sappi Southern Africa

### WOOD ORIGIN DECLARATION / FIBRE SOURCING DECLARATION

Mill name and location:	Sappi Ngodwana Mill, N4 Highway, Nelspanit, South Africa
Reporting period:	01 October 2022 – 30 September 2023
Date of issue:	01 November 2023 until superseded
Product groups within scope:	Dissolving Pulp
Description of Merchandise:	Bales
Commodity code:	4702
Product names within scope:	Verve®
Percent recycled material:	0%

This declaration refers to the countries of harvest and tree species that may have been used in the production of the woodfibre based products within the scope of this statement.

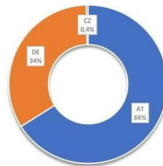
COUNTRY	SHARE %	TREE SPECIES
South Africa	89%	<i>Eucalyptus</i> ( <i>E. grandis</i> , <i>E. nitens</i> , <i>E. dumii</i> , <i>E. macarthurii</i> and hybrid of <i>E. grandis</i> x <i>E. Nitens</i> )
Swaziland	11%	

## AustroCel Hallein GmbH:

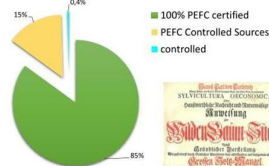
### AustroCel production wood sourcing



Production wood origin 2019 ytd.



Certification production wood input 2019 ytd.



Germany and Austria have the oldest and most stringent forest laws in Europe. The term "sustainability" was coined in 1731 by the German forestry man Carl von Carlowitz.





5

Property of AustroCel - Confidential information

We add value to wood

## Borregaard:



	 <p style="text-align: center;">Sarpsborg, July 2019</p> <p><b>Speciality cellulose - raw material statement</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Borregaard do not purchase recycled fiber. All fibers used in our process are virgin fibers.</p>  <p>Ali Moosavifar Technical Service Manager Borregaard Speciality Cellulose</p>
<p>2.4 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</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 updates its assessment annually. During this year's audit, evidence and assessments for the reporting period were provided to the auditor. The company is also open to sharing this information with the Leaders Group. The assessment and evidence collected for this year's assessment had been shared with Canopy.</p>
<p>2.5 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.</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>According to Section 2 of the Supplier Management Operations Manual, the supplier monitoring and evaluation system incorporates additional criteria based on documents obtained from dissolving pulp mills or suppliers. The company utilized the Supplier Evaluation Form to assess each supplier in terms of forest risk, respect for human rights and social responsibility, sourcing from tropical peatlands, intact forest landscapes, and supply quality.</p>

2.6 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 published its supplier list on the company website with the link below:

[股份公司供应商名单|公司新闻|人造丝、竹纤维、腈纶纤维、碳纤维、化纤浆粕、纱线\\_吉林化纤集团有限责任公司 \(jlhxjt.com\)](http://www.jlhxjt.com)

溶解浆供应商名单(2023年, 长丝)				
序号	溶解浆名称	供应商名称	生产商	国别
1	化学木浆, 溶解浆	BORREGAARD	BORREGAARD AB	挪威
2	化学木浆, 溶解浆	EEMAN & CO AB	DOMSJO FABRIKER AB	瑞典
3	化学木浆, 溶解浆	AUSTROCEL HALLEIN GMBH	AUSTROCEL HALLEIN GMBH	奥地利
4	化学木浆, 溶解浆	EEMAN & CO AB	SODRA SKOGSAGARNA EKONOMISK FORENING	瑞典
5	化学回收浆, 溶解浆	EEMAN & CO AB	RE:NEWCELL AB	瑞典
6	化学竹浆, 溶解浆	福建青山纸业股份有限公司	福建青山纸业股份有限公司	中国

溶解浆供应商名单(2023年, 短丝)				
序号	溶解浆名称	供应商名称	生产商	国别
1	化学木浆, 溶解浆	PULP TRADING GMBH	LENZING BIOCEL PASKOV A.S.	捷克
2	化学木浆, 溶解浆	Sappi Papier Holding GmbH	Sappi Saiccor mill - Sappi Ngodwana mill and Sappi USA	南非
3	化学木浆, 溶解浆	EEMAN & CO AB	CAJMA INDUSTRIA DE CELULOSE S.A.	葡萄牙
4	化学木浆, 溶解浆	CELULOSA ARAUCO Y CONSTITUCION S.A.	CELULOSA ARAUCO Y CONSTITUCION S.A.	智利
5	化学竹浆, 溶解浆	福建青山纸业股份有限公司	福建青山纸业股份有限公司	中国

吉林化纤股份有限公司  
2024年2月26日

**Summary:**

The company provided a sourcing information form containing details such as pulp mill names, volumes and percentages from each pulp supplier, species information, and certification status of purchased pulp. Most dissolving pulp mills or suppliers have disclosed detailed forest-level information, specifying their sourcing areas. Some have provided information down to the sub-regional or country level, while others have not disclosed forest-level details. AustroCel Hallein GmbH, Borregaard, Sappi Papier Holding GmbH, Lenzing Biocell, and Celulosa Arauco Y Constitucion did not provide a map of their sourcing areas.

The company used the Supplier Evaluation Form to assess each supplier based on forest risk, respect for human rights and social responsibility, sourcing from tropical peatlands, intact forest landscapes, and supply quality. Additionally, the assessment relied on evidence gathered from suppliers and the Dissolving Pulp Classification Tool.

The company shared its assessment with Canopy and has permission to share it with the Leaders Group. The company published its supplier list on its website.

**3. MMCF supply chain is deforestation free – there is 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> </ul>

- Commitment Not Met
- Insufficient Information Available

**Description of the finding:**

Some suppliers (Borregaard, Domsjö and Lenzing) have issued declarations stating that the sourcing area was established as a plantation before 1994 or is not from a plantation. Below is a screenshot of the provided declaration:

Borregaard:

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.

Domsjö Fabriker AB:

**Domsjö Fiber** 

Ansvarig utgivare  
Lars Samuelsson

**Fibre sourcing policy**

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:

## 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.

[www.lenzing.com](http://www.lenzing.com)



Caima issued a declaration indicating the origin of wood comes from eucalyptus plantation in Portugal without mentioning the establishment date info:

**STATEMENT FOR CUSTOMERS**  
**CAIMA-INDÚSTRIA DE CELULOSE, S.A.**  
**FOREST MANAGEMENT AND CHAIN OF CUSTODY CERTIFICATION**

Caima is part of Altri Group and Forest certification is a priority for Altri. The company has voluntarily adhered to the two international forest management and chain of custody certification systems, FSC® and PEFC™.

Altri Forest's are managed in a way to guarantee sustainability in the economic, ecological and social aspects, since its activity is mainly directed to the production of eucalyptus wood with high levels of quality and competitiveness.

Altri promotes the forestry certification of its partners and suppliers of raw material, providing the necessary technical support for the training and operation of forest producers.

In 2018, Altri Wood Supply acquired 57% of FSC® and PEFC™ certified wood for the Group's three industrial units (including Caima), an increase of around 3% over 2017, reflecting its commitment to continuous improvement.

Regarding the origin of the wood supply for Caima mill, it's 100% based on the eucalyptus plantations located in Portugal and focused on the districts contiguous to the mill (as presented in the map – annex – Wood Supply to Caima – Total 2018).

Fujian Qingshan paper:

All sourcing bamboo pulp is from Fujian NanPing SanMing wild bamboo forest and not involved in any protection area.

### FSC 原料声明

我公司确认, 我司所售竹浆, 采购的原料竹子均来自福建南平、三明野生竹林, 非人工林, 不涉及自然保护区。

福建省青山纸业股份有限公司  
 2021年9月24日  
 企划部

	<p>AustroCel Hallein, Celulosa Arauco Y Constitución, Sappi Papier, and Södra Skogsägarna do not provide information on whether their materials are sourced from plantations or natural forests, with the cutoff date for plantations being 1994. All suppliers, except Södra Skogsägarna, are FSC Controlled Wood, FSC Mix certified, FSC 100% certified, and PEFC certified. Södra Skogsägarna has supplied non-certified materials to the Company, this indicator is graded as Commitment in Progress.</p> <p>Kindly note:</p> <ul style="list-style-type: none"> <li>- The only forest certification which guarantees no conversion after 1994 is FSC 100%.</li> <li>- PEFC certification at the forest level or in the supply chain does not preclude material originating from plantations.</li> <li>- FSC controlled wood does not necessarily exclude material originating from plantations established after 1994.</li> <li>- 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.</li> </ul>
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**Summary:**

The company required all suppliers to disclose the plantation establishment information. Some suppliers have stated, through wood fiber procurement policies or similar statements, that they do not source from plantations. According to sourcing information excel and pulp purchasing documents, it revealed that the pulp sourced from Caima, Lenzing, Södra and part of Fujian Qingshan paper are not certified. The only forest certification that guarantees no conversion to plantations after 1994 is FSC 100%. This indicator is graded as "in progress" because not all suppliers could demonstrate that their material does not originate from plantations, and not all suppliers provided solid evidence regarding plantations.

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

Indicators	Findings
4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as "ancient & endangered forests," "intact forest," "natural forest," "endangered species," "controversial sources," "high conservation	<p><b>Conformance with Indicator:</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p>

<p>value," "high carbon area," "peatlands," etc. that are consistent with this document and the forest sourcing policy template.**</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>  The Company's policies and procedures incorporate the CanopyStyle framework definitions of Ancient and Endangered Forests, intact forests, and controversial sources.</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>  <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 internal risk assessments or supplier evaluation form to all suppliers have included identifying Ancient and Endangered Forests as well as controversial sources requirements.  Besides, Canopy Dissolving Pulp Classification Tool is also used in monitoring the supplier performance for sourcing from ancient and endangered forests.  <b>Some have disclosed information down to the sub-regional or country level, while others have not provided forest-level details.</b> Detailed findings please refer to Indicator 2.3.</p> <p>According to the Company:</p> <table border="1" data-bbox="820 1365 1339 1848"> <thead> <tr> <th>No</th> <th>Dissolving Pulp Mill</th> <th>Company Risk Assessment</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Filament yarn</b></td> </tr> <tr> <td>1</td> <td>AustroCel Hallein GmbH</td> <td>Low Risk PEFC certified material</td> </tr> <tr> <td>2</td> <td>Borregaard</td> <td>Low Risk FSC CW certified material</td> </tr> <tr> <td>3</td> <td>Domsjö Fabriker AB</td> <td>Low Risk FSC Mix certified material Domsjö provided the map of sourcing region</td> </tr> <tr> <td>4</td> <td>Södra Skogsägarna</td> <td>Low Risk Non-certified material  Sodra provided the map of sourcing region</td> </tr> </tbody> </table>	No	Dissolving Pulp Mill	Company Risk Assessment	<b>Filament yarn</b>			1	AustroCel Hallein GmbH	Low Risk PEFC certified material	2	Borregaard	Low Risk FSC CW certified material	3	Domsjö Fabriker AB	Low Risk FSC Mix certified material Domsjö provided the map of sourcing region	4	Södra Skogsägarna	Low Risk Non-certified material  Sodra provided the map of sourcing region
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	5	Fujian Qingshan Paper Co., Ltd.	Low Risk FSC 100% and non-certified (Bamboo pulp and declaration provided showing the product harvested not sourcing from any protected area)
	Staple fiber		
	6	Lenzing Biocel Paskov a.s.	Low Risk Non-certified material  Sourcing policy there are no sourcing from ancient and endangered forests, and endangered species habitats.
	7	Sappi Papier Holding GmbH	Low Risk FSC 70% certified material
	8	Caima	Low Risk Non-certified material Caima provided the map of sourcing region
	9	Celulosa Arauco Y Constitucion S.A	Low Risk FSC CW and FSC Mix. Although Chile is one of the potential controversial source countries. A declaration provided by Arauco regarding the land use conflict and their commitment in avoiding land use conflict.
	10	Fujian Qingshan Paper Co.,Ltd	Low Risk FSC 100% and non-certified Bamboo pulp and declaration provided showing the product harvested not sourcing from any protected area)
<p>Company has shared the assessment information to auditors before audit and shared to Canopy and leader group also.</p> <p><b>According to the Canopy Dissolving Pulp Classification Tool, all suppliers are graded as No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit, except Fujian Qingshan Paper Co.Ltd, which is not included because it is a bamboo supplier.</b></p>			

	<p>In regard of whether sourcing from other controversial sources, there are FSC certified, FSC Controlled Wood claimed, PEFC Controlled Sources and non-certified pulp supplied to the company, therefore there is no guarantee that the wood chips are not from other controversial sources.</p> <p><b>This Indicator is graded as commitment in progress.</b></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><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>  The policy was signed and adopted outside of the reporting period.</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><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>  Interviews with management confirmed their awareness of all relevant laws and regulations. The auditor reviewed legally required documents in China, including the business license, and environmental impact assessment. There is no information or news indicating that the organization is non-compliant with national and international laws. 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>



	<ul style="list-style-type: none"> <li>Social and Labor Convergence Program (SLCP)</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</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>Description of the finding:</b></p> <p>The Company has conducted internal risk assessment on their supply chains to understand the risk of sourcing from Ancient and Endangered forests and other controversial sources.</p> <p>According to the Canopy Dissolving Pulp Classification Tool, all suppliers are graded as low risk of Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit, except <b>Fujian Qingshan Paper Co.Ltd</b>, which is not included because it is a bamboo supplier. However, Fujian Qingshan's sourcing area has no overlap with Ancient and Endangered Forest. Assessment against ForestMapper, and other supplementary evidence also confirms that the other suppliers are at low risk of sourcing from Ancient and Endangered Forests.</p> <p>In regard to sourcing from other controversial sources: the company has completed a risk assessment that covers controversial sources. However, as not all the pulp supplied to the company is certified, these sources cannot be fully verified.</p> <p>This indicator is a summary of 4.1-4.4.</p>
<p><b>Summary:</b></p> <p>The MMCF producer has adopted clear definitions for the terms included in their policy. Some suppliers have provided forest maps, while others have supplied self-explanatory statements for mapping and identifying ancient and endangered forests.</p> <p>The MMCF producer is aware of all relevant local, national, and international laws, with no evidence of non-compliance.</p> <p>The company has conducted its annual risk assessment on supply chains to evaluate the risk of sourcing from ancient and endangered forests and other controversial sources. Purchasing statistics show that the company acquires both certified and non-certified materials. However, not all suppliers can be verified as low risk.</p>	
<p><b>5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them</b></p>	
<p>Indicators</p>	<p>Findings</p>

<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</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>Description of the finding:</b></p> <p>The Company's dissolving pulp supplier list was provided and shared, identifying all dissolving pulp mills.</p> <p>Some have disclosed information down to the sub-regional or country level, while others have not provided forest-level details. For a detailed assessment, please refer to the findings on indicators 2.2, 2.3 and 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</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>Company had established a procedure engaging with supplier. According to Supplier Management Operations Manual, company has to notify suppliers regarding Jilin Chemical Fiber's "Dissolving Pulp Procurement Policy" and requires suppliers to respond. Besides, "Negotiation Plan on the Supply of Dissolving Pulp" is required to be attached to the dissolving pulp purchase contract.</p> <p>Jilin Chemical Fiber Co., Ltd. evaluates each supplier based on the evidence provided by the supplier, creates a monitoring and evaluation report, and shares this report with the supplier. If a supplier does not comply with Jilin Chemical Fiber Co., Ltd's policies during the evaluation, they will be informed of the non-conformities and given a 6-month rectification period. If the requirements are not met after this period, the supplier will be disqualified from further cooperation. This decision will be promptly communicated to the supplier and disclosed accordingly.</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 checked="" type="checkbox"/> Not Applicable</p> <p><input 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>According to Supplier Management Operations Manual, non-conformities of supplier will be given a 6-month rectification period. There is no record of supplier withdrawers due to non-conformities during the auditing period.</p>
<p><b>Summary:</b></p> <p>Company had established a procedure for engaging with suppliers. Jilin Chemical Fiber Co., Ltd. evaluates each supplier based on the evidence provided by the supplier, creates a monitoring and evaluation report, and shares this report with the supplier. If a supplier does not comply with Jilin Chemical Fiber Co., Ltd’s policies during the evaluation, they will be informed of the non-conformities and given a 6-month rectification period. If the requirements are not met after this period, the supplier will be disqualified from further cooperation. This decision will be promptly communicated to the supplier and disclosed accordingly. There is no record of supplier withdrawers due to non-conformities during the auditing period.</p>	

<p><b>6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.</b></p> <p>*If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is doing so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning and FSC certification themselves)</p>	
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 checked="" type="checkbox"/> Not Applicable</p> <p><input 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>Management confirmed that the leader group and other stakeholders are welcome to join future verifications as observers, and any observations can be freely reported to the auditor.</p> <p>This indicator is graded as “Not Applicable” due to the fact that no such practice has happened to date.</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 coming from areas where there is record of conflict or human rights violations.</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 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><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>6.5 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></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><b>Summary:</b></p>	

Management confirmed that the leader group and other stakeholders are welcome to join future verifications as observers, and any observations can be freely reported to the auditor. Indicator 6.2-6.5 are only required when Company's sourcing has been verified as key priority areas of ancient and endangered forest.

**7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of mills and their supply chain and affiliated companies in the forestry sector**

*Note: This audit focuses on only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.*

Indicators	Findings
<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 affected by forest operations.**</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>  According to Supplier Management Operations Manual, company has to request Dissolving pulp suppliers provide evidence of plans to build capacity and improve relationships with affected First Nations/Indigenous/local communities (4.8). In the sourcing policy, it also included requirement for suppliers respect the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or tree plantations are developed. Besides, 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>Based on the company internal risk assessment or supplier evaluation form, Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations was included as part of the risk assessment.</p>
<p>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.**</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>All suppliers provided either statements or policies, including the latest sustainability reports outlining their commitments and efforts in recognizing and respecting human rights, community rights, and worker's rights. Besides, human rights are part of the supplier evaluation of the company.</p> <p>Most dissolving pulp suppliers provided FSC or PEFC certified pulp, except for, Lenzing Biocel Paskov a.s., , Caima and Fujian Qingshan (Fujian Qingshan provided both FSC 100% and Non-certified bamboo pulp). The FSC certification, including the FSC Controlled Wood standard, contains FSC Core ILO requirements and association policy, which can partially cover these requirements. Holding an FSC-COC certification alone is insufficient to document conformance with this commitment. Only FSC 100% certification fully meets these requirements which are Fujian Qingshan and Sappi Papier Holding GmbH. The rest of the suppliers provided either PEFC certified, FSC Mix certified, or FSC Controlled Wood certified pulp.</p> <p>Although most suppliers hold either PEFC or FSC certification, not all have provided certified pulp. Therefore, this indicator is considered as a 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</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>Description of the finding:</b></p> <p>Grievance mechanism was included in Complaint Management System of Supply Chain, FSC wood pulp viscose filament sales policy and company implementation plan, standard operating procedures, and business plan, the grievance mechanism with the channel of phone, email, letter and online form. Besides, the company is FSC certified and has a public grievance operation procedure specifically for Canopy to accept and handle complaints.</p> <p>Although most suppliers hold either PEFC or FSC certification, not all have provided certified pulp, where there is not any guarantee that the upper stream suppliers are implementing the requirement for non-certified sources Therefore, this indicator is considered as a commitment in progress.</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.

**Conformance with Indicator:**

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

**Description of the finding:**

The company has developed internal capacity and a structured organization to recognize and respect workers' rights. This includes a labor union, Production & Environmental Protection department, Safety department, Comprehensive Management Office, Remuneration Committee, Safety Committee, and Emergency Department. HR policies and procedure samples were also provided to the auditor.

Besides, the company is FSC COC certified which requires them to avoid violation of any ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

It also 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.

All suppliers provided either statement/policy, latest sustainability report, sub-suppliers code of conduct introducing their commitments and/or efforts in recognizing and respecting human rights, community rights, First Nations rights and rights of workers.

Most dissolving pulp suppliers provided FSC or PEFC certified pulp, except for, Lenzing Biocel Paskov a.s., Caima, and Fujian Qingshan (Fujian Qingshan provided both FSC 100% and Non-certified bamboo pulp). As these suppliers are not fully supplying certified material, and there is no guarantee that the upper stream suppliers are implementing the requirement for non-certified sources. This indicator is considered a commitment in progress.


7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

**Conformance with Indicator:**

- Not Applicable
- Commitment Met
- Commitment in Progress
- Commitment Not Met

	<p><input type="checkbox"/> Insufficient Information Available</p> <p><b>Description of the finding:</b>  Company had developed a procedure to ensure the uphold of International Labour Organization. According to the Supplier Management Operations Manual of the company, the dissolving pulp suppliers are required to provides evidence of a statement that procedures are in place to ensure compliance with the ILO’s fundamental principles on workers’ rights and the workplace (4.9). A statement is provided from each supplier together with the contract agreement between supplier and the company.</p> <p>Most dissolving pulp suppliers provided FSC or PEFC certified pulp, except for, Lenzing Biocel Paskov a.s., Caima, and Fujian Qingshan (Fujian Qingshan provided both FSC 100% and Non-certified bamboo pulp).As these suppliers are not fully supplying certified material, and there is no guarantee that the upper stream suppliers are implementing the requirement for non-certified sources . This indicator is considered a commitment in progress.</p>
<p>7.6 Recognition and respect for human rights is demonstrated by the MMCF producer’s forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or resolved 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>  This indicator is also a summary requirement of 7.2-7.5 and therefore is graded as Commitment in progress.</p>
<p><b>Summary:</b>  The company has developed internal capacity and a structured organization to recognize and respect workers' rights. This includes a labor union, Production &amp; Environmental Protection department, Safety department, Comprehensive Management Office, Remuneration Committee, Safety Committee, and Emergency Department. HR policies and procedure samples were also provided to the auditor.</p> <p>Recognition and respect for human rights are included in the Company’s fiber procurement policy. Additionally, the company is FSC certified, meaning they have signed the Policy for Association, which declares they are not involved in activities that violate human rights. Within the company, there is an active labor union that engages in the company's management.</p> <p>However, not all dissolving pulp suppliers provided FSC or PEFC certified pulp. Non-certified pulp was supplied by Lenzing Biocel Paskov a.s., Caima, Fujian Qingshan (Fujian Qingshan provided both FSC 100% and Non-certified bamboo pulp. As these suppliers are not fully supplying certified material, indicators 7.2-7.5 are considered a commitment in progress.</p>	




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</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 is working with Re:Newcell AB in producing the filament yarn by using a mix of dissolving pulp with 20% and 30% of recycled cotton pulp. The technology is mature enough to receive orders from the clients. The company has started the experiment by raising up the percentage of recycled pulp to 40%. Recycled fiber production monitoring was provided. Recycled Pulp methyl fiber:</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>The company has been working on the R&amp;D of using recycled cotton pulp in their productions. In March 2023, Jilin Chemical Fiber Co., Ltd. launched its Ecojilin-plus products, consisting of 20% Circulose and 80% RCS certified cotton linter. In the first half of 2023, the company produced 20 tons of these products, accounting for a total output ratio of 0.03%. These products were distributed to numerous customers in Turkey for weaving and proofing purposes. In 2024, the company produced and put on</p>

	the market for another 30.2 tons of filament yarn product by raising up the percentage of recycled cotton to 30% with 70% dissolving pulp.
<p><b>Summary:</b>          The company has been working with Re:Newcell to create filament yarn product using recycled cotton pulp.</p> <p>The company has been working on the R&amp;D of using recycled cotton pulp in their productions. In March 2023, Jilin Chemical Fiber Co., Ltd. launched its Ecojilin-plus products, consisting of 20% Circulose and 80% RCS certified cotton linter. In the first half of 2023, the company produced 20 tons of these products, accounting for a total output ratio of 0.03%. These products were distributed to numerous customers in Turkey for weaving and proofing purposes. In 2024, the company produced and put on the market for another 30.2 tons of filament yarn product by raising up the percentage of recycled cotton to 30% with 70% dissolving pulp.</p>	

9. Voluntary 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  <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 participated in the Promotion Conference on the Standardization Conditions of the Viscose Fiber Industry and Annual Meeting of the Cellulose Fiber Branch during June 2024 held by the China Chemical Fibers Association. During this conference, Jilin Chemical join the panel discussion together with CV League and Canopy on next generation fiber. Jilin Chemical proposed to add bamboo pulp and cotton linter as alternative fiber during the panel discussion.</p>
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. **	<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> During this audit, no solid evidence provided for this indicator. In addition, the company is not prompted during this audit period.</p>
<p>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.</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 signed the World's MMCF Producers Call on the Convention of Biological Diversity to support conserving at least 30% of the world's forests by 2030.</p> <p><small>(IN RELATION TO CRITERIA 2.3) PLEASE CONFIRM YOUR ORGANIZATION'S SUPPORT BY EMAIL BY SEPTEMBER 1, 2023</small>  <small>(与排名报告第 2.3 标准项有关) 请于最晚 2023 年 9 月 1 日之前向 Canopy 告知贵司是否支持该倡议</small></p> <p><b>World's MMCF Producers Call on the Convention of Biological Diversity to support implementation of conservation commitments: protect at least 30% of the world's forests by 2030</b>  <b>全球再生纤维素纤维生产商支持《生物多样性公约》兑现保护承诺：</b>  <b>截至 2030 年保护至少 30% 的全球森林</b></p> <p>We, the undersigned companies, represent more than 95% of the world's production capacity of man-made cellulosic fibre, supplying the world's leading fashion brands with products such as viscose, which is conventionally made from trees.</p> <p>我们所有联名签署企业代表全球再生纤维素纤维产能的 95%，为世界领先的时尚品牌供应黏胶纤维等传统上产自木浆的产品。</p> <p>As part of the CanopyStyle Initiative, we have committed to not source our fibre from ancient and endangered forests, and to look for ways to reduce the use of virgin forest fibre, by using recycled and alternative materials instead of trees. More than 530 brands, with over US\$900 billion in annual revenue, to whom we sell our products, have similarly committed to buying MMCF that meets these criteria.</p> <p>通过加入 CanopyStyle 倡议，我们承诺淘汰供应链中来自原始濒危森林的原材料，积极探索降低原生森林材料的使用，采用回收型和替代性材料替代木浆。购买我们产品的品牌商客户超过 530 多家，总年营业额超过 9,000 亿美元，都承诺只与满足标准的再生纤维素纤维生产商合作。</p> <p>We support conservation efforts that protect what little remains of the world's increasingly rare and irreplaceable forests, as an essential way to address the climate and biodiversity crises that we currently face.</p> <p>我们支持全球仅存的越来越稀有、不可替代的森林的保护工作，这是应对目前的气候和生物多样性危机的必要途径。</p> <p>We wish to congratulate all countries that are Party to the CBD on last year's successful agreement of the Kunming-Montreal Global Biodiversity Agreement, in which you collectively agreed to:</p> <p>我们想要祝贺《生物多样性公约》所有缔约方在去年成功通过了《昆明-蒙特利尔全球生物多样性框架》；通过该框架，各国集体承诺：</p> <ul style="list-style-type: none"> <li>- Protect at least 30% of the world's land and ocean area by 2030;</li> <li>- 截至 2030 年保护全球至少 30% 的陆地和海洋面积；</li> <li>- Prioritize the protection of areas of particular importance for biodiversity, and ensure that protected areas are ecologically representative and well-connected;</li> <li>- 重点保护对生物多样性具有重要意义的区域，确保保护区具有生物代表性和连通性；</li> <li>- Recognize Indigenous rights and traditional territories in doing so.</li> </ul>
<p>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. **</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>Company applied to be part of Jilin Province Ecological Environmental Protection Association in May 2024. The objective of joining the association is to contribute to sustainability efforts.</p>  <p>This is graded as Not Applicable as this indicator only applies to integrated companies who are involved with timber harvesting.</p>
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**Summary:**

The company participants in survey related to conservation organized by canopy in September 2023. **The company has signed the World’s MMCF Producers Call on** the Convention of Biological Diversity to support conserving at least 30% of the world’s forests by 2030. Company applied to be part of Jilin Province Ecological Environmental Protection Association in May 2024. The objective of joining the association is to contribute to sustainability efforts.

10. Responsible forest management	
Indicators	Findings
<p>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>	<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 past 3 years company purchase volume as following:            2021: 6,968.464 tons            2022: 7,068.958 tons            2023: 7,068.958 tons            And company promised to increase the FSC volume intake for the coming 3 years:            202: 100,000 tons            202: 120,000 tons            2027: 140,000 tons            According to Fiber Procurement Policy, company prefers FSC certified wooden pulp.</p>
<p><b>Summary:</b></p>	

Record of the FSC certified pulp purchase and future FSC purchased plan was provided during this audit. According to Fiber Procurement Policy, it is stated that the company prioritizes sourcing fiber with FSC certification.

**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>  According to Fiber procurement policy, reduction of Greenhouse Gas Foot is part of the policy for supplier to comply. Besides, the Supplier Management Operations Manual of the company require dissolving pulp supplier to provides an implementation plan for reducing greenhouse gas emissions, which details the measures and evidence of performance effects. SOP of Greenhouse gasses emission reduction assessment on supplier was provided as well.</p>
<p>11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.</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>  According to Supplier Management Operations Manual of the company, the supplier monitoring and evaluation system incorporates additional criteria based on documents obtained from dissolving pulp mills or suppliers. The sourcing country information for each pulp mill or supplier is available on the sourcing information. The company utilized the Supplier Evaluation Form to assess each supplier in terms of forest risk, respect for human rights and social responsibility, as well as whether sourcing from tropical peatlands.</p> <p>Although there are FSC certified and FSC Controlled Wood claimed material supplied to the company, both FSC certified and FSC</p>

	<p>CW sourced material could be sourced from peatlands and IFLs. In addition, there is non-certified dissolving pulp supplied as well, where the commitment of not sourcing from tropical peatlands and/or IFLs cannot be guaranteed.</p> <p><b>Note:</b> FSC FM and CW/FM certifications do not prohibit harvesting in IFLs or from natural forest or plantations established on peatland. IFLs are classified as HCV under FSC and require protection but harvesting is allowed on percentage of area outside defined core areas. Peatland may be classified as HCV in certain contexts and conformance with Principle 9 is required. It can be also the case with FSC COC CW (DDS) to source from Peatlands and IFLs if the country does not prohibit this by legislation. Therefore, the final conclusion is that FSC 100% and FSC CW could be sourced from Peatlands and IFLs if it is not prohibited by the national legislation.</p>
<p>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. **</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>According to the fiber procurement policy, suppliers are required to ensure that their raw materials are not sourced from Ancient and Endangered Forest areas, such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests, tropical forests and peatlands of Indonesia, the Amazon, West Africa, or habitats of endangered species. The company utilized the Supplier Evaluation Form to assess each supplier in terms of forest risk, respect for human rights and social responsibility, sourcing from tropical peatlands.</p> <p>Based on the comprehensive evaluation of suppliers, four levels are determined: A (excellent), B (good), C (qualified), and D (unqualified). Level A denotes an excellent supplier, which may result in increased purchase volume or priority under the same conditions. Level B represents a good supplier, which may lead to an increased purchase amount or certain priority under the same conditions. Level C signifies a qualified supplier, which can be purchased</p>

	<p>from normally. Level D indicates an unqualified supplier, which will be removed from the supplier network.</p> <p>The company gives preference to the FSC certified pulp and there are both FSC certified and FSC CW claimed material supplied to the Company, in addition, the Company is planning to increase the intake of FSC certified pulp.</p> <p>FSC can help reduce the risk/probability of material from intact forest landscapes or on drained tropical peatlands, although there is still possibility that certified material still could be sourced from peatlands and IFLs as FSC gives exemptions (for example, when they are not classified as HCV; the converted area is very limited).</p>
<p><b>Summary:</b></p> <p>The Fiber Procurement Policy requires suppliers to reduce their greenhouse gas emissions. The Supplier Management Operations Manual mandates that dissolving pulp suppliers provide an implementation plan for reducing emissions, detailing measures and evidence of performance. While most supplier contracts include statements about greenhouse gas reduction except Domsjö Fabriker AB and Fujian Qingshan Paper, indicating the commitment is still in progress. Additionally, there is no standard operating procedure for carbon footprint reduction.</p> <p>The company uses a Supplier Evaluation Form to assess suppliers on forest risk, human rights, social responsibility, and sourcing from tropical peatlands.</p> <p>Suppliers are evaluated and categorized into four levels: A (excellent), B (good), C (qualified), and D (unqualified). Level A suppliers may receive increased purchase volume or priority, Level B may see increased purchase amounts or certain priority, Level C can be purchased from normally, and Level D will be removed from the supplier network.</p>	

12. Pollution Prevention	
Indicators	Findings
<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>	<p><b>Conformance with Indicator:</b></p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p><input 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 CanopyStyle audit will not report on this indicator.</p> <p>Other tools such as the Hot Button report will address chemical management starting in 2020.</p>

**Summary:**

The CanopyStyle audit will not report on this indicator.

\*\* Indicates Critical Indicators



## Appendix B: standard checklist (CanopyStyle Verification Framework – MMCF (Man-made Cellulosic Fibre) Mill Checklist)

### 1. Evaluation of Participating site: Jilin Chemical Fiber Stock Co., Ltd

<b>Primary Responsible Person:</b> (Responsible for control system at site(s))	Mrs. Yu ShuJuan, Senior Manager of General Management Office
<b>Auditor(s):</b>	Ms. Zhou Peiying, Ms. Hue Su Wah
<b>People Interviewed, Titles:</b>	Mrs. Kong YuYing, Deputy General Manager of Company Mr. Wang DongQi, Business administrator of General Management Office Ms. Yuan Yuyao, senior manager of Production Department Mr. Wang Yuanxu, purchasing staff from Purchasing Department Mr. Xu Jianze, Sales staff from Sales Department Mr. Jiao Chu, Warehouses staff from Logistic Department Mr. Huang Bo, Staff Union President from Production Department
<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 the Fiber Sourcing/Forest Policy	
Indicators	Findings
1.1 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> <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><b>Description of the finding:</b> The Company published Fibre Procurement Policy for Protecting Forests to promote</p>

	<p>sustainable forest management and conserve ancient and endangered forests (effective on 7th July 2021), the policy is publicly available on its website:  <a href="http://www.jlhxt.com/Detail/624.html">http://www.jlhxt.com/Detail/624.html</a></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 to confirm their understanding on definition of ancient and endangered forests and controversial sources.</p>
<p>1.2 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 company fiber sourcing policy is implemented.</p> <p>The material from different suppliers is clearly identified at the site with signboard.</p>
<p><b>Summary:</b></p> <p>The Fiber Procurement Policy for Protecting Forests, which promotes sustainable forest management and conserves ancient and endangered forests, has been established and made public on the Company's website. Training sessions on related procedures and the Fiber Procurement Policy have been conducted, ensuring that managers are aware of the policy and procedures.</p>	

<p><b>2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy- and all sourcing from the local site is consistent with the corporate desktop audit.</b></p>	
Indicators	Findings
<p>2.1 The production site/mill maintains all <u>purchase and sales</u> documentation related to the wood fiber <u>inputs</u>.</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 company's corporate office oversees fiber procurement, and the mill is not involved in any fiber procurement activities. Contract and transport documents related to wood fiber</p>

	<p>inputs are maintained by the purchasing department. The production workshop and warehouse keep daily records of the pulp input volumes from different suppliers. Sales documents are kept in the company's financial department.</p>
<p>2.2 The mill/production site maintains all <u>delivery documentation</u> received with the wood fiber <u>inputs</u>.</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 company's corporate office oversees fiber procurement, and the mill is not involved in any fiber procurement activities. Contract and transport documents related to wood fiber inputs are maintained by the purchasing department. Transport documents are kept in the company's financial department.</p>
<p>2.3 All wood fibre input going into the mill is consistent with and identified within the MMCF supply chain assessment provided during the desktop audit.</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 dissolving pulp entering the mill aligns with and is identified within the Company's supply chain assessment.</p> <p>Through document review, field observations, and staff evaluations, it has been confirmed that 9 pulp suppliers (AustroCel Hallein GmbH, Borregaard AB, Domsjö Fabriker AB, Södra Skogsägarna, Fujian Qingshan Paper, Lenzing Biocel, Sappi Papier Holding GmbH, Caima, Celulosa Arauco) have been supplying since March 2023. All of these suppliers have been included in the supplier list and assessed for risk.</p>
<p>2.4 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>Three sets of sales documents from each supplier (AustroCel Hallein GmbH, Borregaard</p>

	<p>AB, Domsjö Fabriker AB, Södra Skogsägarna, Fujian Qingshan Paper, Lenzing Biocel, Sappi Papier Holding GmbH, Caima, Celulosa Arauco) were audited, some supplier provide 2 sets because of small order. Certification information was shown on the relevant invoices.</p>
<p>2.5 The production site maintains and can verify a summary of annual purchases (or inputs).</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. The company's corporate office oversees fiber procurement, and the mill is not involved in any fiber procurement activities. Contract and transport documents related to wood fiber inputs are maintained by the purchasing department. Transport documents are kept in the company's financial department. During the on-site check, auditor sample cross checked the input and output records at the warehouse.</p>
<p>2.6 All MMCF producers provide <u>outgoing</u> transportation documents and certification status if relevant. Supplementary information should include the forest/plantation of origin when known.</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>During the audit, samples of trade and transport documents for outgoing products were provided to the auditor. Certificate info is shown on the documents when relevant.</p>
<p><b>Summary:</b> The company's corporate office oversees fiber procurement, and the mill is not involved in any fiber procurement activities. Contract, invoice and transport documents related to wood fiber inputs are maintained by the purchasing department.</p> <p>The dissolving pulp used in the mill is in accordance with and identified within the Company's supply chain assessment. Through document review, field observations, and staff evaluations, it has been confirmed that 9 pulp suppliers (AustroCel Hallein GmbH, Borregaard AB, Domsjö Fabriker AB, Södra Skogsägarna, Fujian Qingshan Paper, Lenzing Biocel, Sappi Papier Holding GmbH, Caima, Celulosa Arauco) have been supplying since March 2023. All of these suppliers have been included in the supplier list and assessed for risk.</p> <p>During the audit, auditors sampled three sets of purchasing documents from each supplier for verification. Samples of trade and transport documents for outgoing products were also provided to the auditor, with certificate information shown on the documents when relevant.</p>	

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 plantations established before 1994**	<p><b>Conformance with Indicator:</b></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><b>Description of the finding:</b>            The risk assessments on supply chains for all suppliers were conducted by the corporate office. Detailed findings please refer to indicator 3 under Appendix A for corporate audit.</p>	
<p><b>Summary:</b>            The risk assessments on supply chains for all suppliers were conducted by the corporate office. Detailed findings please refer to indicator 3 under Appendix A for corporate audit.</p>	

4. Since the signature of the Policy, all sourcing from ancient and endangered forests or other controversial sources have been eliminated.	
Indicators	Findings
4.1 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><b>Conformance with Indicator:</b></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><b>Description of the finding:</b>            The operation of the mill is under responsibility of the company corporate office and Interviews with management confirmed their awareness of all relevant laws and regulations. The auditor reviewed legally required documents in China, including the business license, and environmental impact assessment.</p> <p>There is no information or news indicating that the organization is non-compliant with national and international laws.</p>	
4.2 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not <b>receive</b> wood from Priority Ancient and Endangered forests,	<p><b>Conformance with Indicator:</b></p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met

<p>as outlined in the <a href="#">Advice Note</a> and from controversial sources.</p>	<p><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 corporate office oversees fiber procurement, and the mill is not involved in any fiber procurement activities. According to interviews with mill management, they demonstrate understanding of the definitions of ancient and endangered forests and controversial sources.</p> <p>Additionally, the company conducts an annual risk assessment of its supply chains to assess the risks associated with sourcing from ancient and endangered forests and other controversial sources. Detailed findings please refer to indicator 2 and 4 under Appendix A.</p>
<p>4.3 Production mills have conducted assessment of presence of Ancient and Endangered forests, as outlined in the <a href="#">Advice Note</a> and other controversial sources in their wood supply areas.</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>  The assessment was conducted by corporate office. Detailed findings please refer to indicator 2 and 4 under Appendix A.</p>
<p>4.4 The sourcing from regions that contain Ancient and Endangered forests, as outlined in the <a href="#">Advice Note</a> and other controversial sources, is verified to be low risk by this CanopyStyle audit.</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>  The assessment was conducted by corporate office. Detailed findings please refer to indicator 2 and 4 under Appendix A.</p>
<p><b>Summary:</b>  The mill's operations are overseen by the company's corporate office, and interviews with management confirmed their awareness of all relevant laws and regulations. There is no information indicating that the company is non-compliant with national and international laws. Key managers in each position demonstrated understanding of the definitions of ancient and endangered forests and controversial sources. Supplier assessments and material sourcing risks are evaluated by the company's corporate office.</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**

Indicators	Findings
<p>5.1 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to their 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>  Supplier performance monitoring program was conducted by the company corporate office.</p>
<p><b>Summary:</b>  Supplier performance monitoring program was conducted by the company corporate office.</p>	

## Appendix C: RECOMMENDATIONS FOR IMPROVEMENT

Canopy applauds Jilin Chemical Fiber for completing its third CanopyStyle audit. The audit shows that the company has developed standard operating procedures to implement its policy, and monitor its suppliers. It has also increased the use of FSC Mix and FSC 100% since the last audit. Jilin Chemical Fiber is at low risk of sourcing from Ancient and Endangered Forests.

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

- Conduct more detailed supplier verification related to all categories of controversial sources;
- Seek additional evidence from suppliers related to plantation dates;
- Implement the action plan to increase the use of FSC certified fibre inputs;
- Continue to scale-up commercial products containing Next Generation alternative fibres;
- With support from Canopy, continue to support advocacy actions for the conservation of key priority forest regions;
- Continue to adopt best in class processing technologies. Work with experts in the field to implement pollution control technologies to limit their impact. Implement the new ZDHC MMCF guidelines<sup>1</sup> for chemical management, which give suppliers unified criteria for measuring output indicators like wastewater, sludge, air emissions and other process- related parameters.

We recommend that the company develop an action plan for 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 support Jilin Chemical Fiber to continue to implement their policy and meet the expectations of the CanopyStyle Initiative.

Once again, we congratulate you for the completion of your third audit and for proactively taking steps to implement your CanopyStyle policy. We look forward to working collaboratively with Jilin Chemical Fiber to address any outstanding issues.