

CanopyStyle Audit Report

Kelheim Fibres GmbH

DATE OF EVALUATION
13 – 14 July 2022
DATE OF REPORT FINALIZATION
31 October 2022



SCS Contact:
Brendan Grady | Director
Forest Management Certification
+1.510.452.8000
bgrady@scsglobalservices.com

SCS global
SERVICES

Setting the standard for sustainability™

2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA
+1.510.452.8000 main | +1.510.452.8001 fax
www.SCSglobalServices.com

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1. Introduction

2. General Information

2.1 Organizational overview

Kelheim Fibres GmbH, headquartered in Kelheim, Germany, is a producer of viscose speciality fibres, that was established in 1935 as Süddeutsche Spinnfaser AG, which after several acquisition and changes occurred previously, it was taken over by EQUI-Fibres GmbH and renamed as Kelheim Fibres GmbH in 2004. Its fibres under GALAXY®, DANUFIL®, VISETA® and VILOFT® trademark, are used to produce textiles, hygiene and medical products to speciality papers as well as technical and household products.

Kelheim Fibres GmbH holds FSC Chain of Custody and PEFC certification and sources all inputs as FSC Controlled Wood, FSC Mix and PEFC Certified. Referred from its Wood Pulp Sourcing Policy, Kelheim Fibres GmbH's main raw material for the production of viscose fibres is wood pulp. Kelheim Fibres GmbH's wood sourcing is from one sole supplier, that its dissolving pulp comes from three dissolving pulp mills suppliers. The regions the wood is potentially sourced from are Czech Republic, Slovakia, Slovenia, Poland (excluding Bialowieza, Hajnowska and Browsk Forest Districts), South Africa, France, Hungary, Switzerland, Austria, and Germany.

2.2 Organization sourcing policy

The organization's publicly available sourcing policy(ies) can be found on the following website(s):
https://kelheim-fibres.com/wp-content/uploads/2019/09/Wood_Pulp_Sourcing_Policy.pdf
https://kelheim-fibres.com/en/sustainability/wood-fibres/

3. Organization Scope

3.1 Name and Contact Information

Organization name	Kelheim Fibres GmbH		
Contact person	Michael Svoboda		
Address	Regensburger Str. 109	Telephone	+49 9441 99-326
	93309 Kelheim	Fax	+49 9441 99-1326
	Germany	e-mail	Michael.Svoboda@kelheim-fibres.com
		Website	www.kelheim-fibres.com

3.2 Certificate Scope

Item	Certificate scope (check all that apply)	
Number of sites	<input checked="" type="checkbox"/> Single	<input type="checkbox"/> Multi-site
Input material source	<input checked="" type="checkbox"/> Listed in supplier COC form and on organization's website.	<input type="checkbox"/> Other suppliers
Majority fiber input	Dissolving pulp	
Map of Ancient and Endangered Forests Overlay Completed	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No Comments: Kelheim Fibres GmbH supplier has been audited to the CanopyStyle Initiative.
Mill capacity (KMT/yr.)	90,000 Ton/year	

Primary activity	Manufacturing of viscose fibres	<input type="checkbox"/> N/A, no primary activity
Outsourcing	<input type="checkbox"/> FSC-certified outsourcers	<input type="checkbox"/> Non-certified outsourcers
	<input type="checkbox"/> Outsourcing of entire production process	
	<input type="checkbox"/> High-risk outsourcing site(s) included	
	<input checked="" type="checkbox"/> No outsourcing	
Workforce data	Permanent male: 457	Permanent female: 70
	Contract male: 10	Contract female: 0
	TOTAL: 537	

Site(s)	Location	Function	Year(s) evaluated
Kelheim Fibres GmbH	Regensburger Str. 109 93309 Kelheim Germany	<input type="checkbox"/> Corporate <input checked="" type="checkbox"/> MMCF producer <input type="checkbox"/> Sales/distribution <input type="checkbox"/> Other (<i>describe</i>):	2021-2022

3. Evaluation Process

3.1 Evaluation Team

Audit team leader name	Dr. Stefan Teusan
Qualifications	Freelance auditor for various traceability schemes on behalf of SCS Global Services since 2004; professional forester (MSc Forestry), European Diploma in Environmental Sciences (Saarbrücken, Metz, Arlon); regional experience in central and eastern Europe, West-Africa and Central/SE-Asia.

3.2 Audit Overview

Site(s)	Date	Audit time
Kelheim Fibres GmbH	13-14 July 2022	16 h

3.3 Description of Overall Audit Process

4. Evaluation Result

4.1 Evaluation Conclusions

The organization only sources from one sole supplier that sources from two dissolving pulp mills, which are classified as low risk supply chain in Classification of Dissolving Pulp mills (Feb 2020).

Table 1. Supplier information and risk summary

Risk Result from CanopyStyle Dissolving Pulp Mill Classification Tool (August 2020) ¹		
Supplier	Company Risk Assessment	Canopy Dissolving Pulp Classification
Lenzing AG, Austria	Low Risk	No sourcing issues identified based on current information and/or CanopyStyle audit.

¹ More information, including sources of information, contained in the Classification Tool and is available upon request from CanopyStyle.

4.2 Summary of Findings

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

Key Commitments	Performance Indicators	Corporate	Mills/Production Sites
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 **		Commitment Met
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **		Commitment Met
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **		Commitment Met
	1.4 The MMCF producer has developed capacity and company structure to implement the Policy.		Commitment Met
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **		Commitment Met
	1.6 The MMCF producer has included requirements to implement the Policy in		Commitment in Progress

	agreements/contracts with current and future suppliers. **		
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **		Commitment Met
	1.8 The MMCF producer has put in place a grievance procedure.		Commitment Met
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **		Commitment Met
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **		Commitment Met
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **		Commitment Met
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 (ie, wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (ie, FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC certified FMU		Commitment Met
	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 the Dissolving Pulp Classification tool, to make their supply assessment. **		Commitment Met
	2.3 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.		Commitment Met
	2.4 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.		Commitment Met
	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 natural forests to plantations (1994 date), use of Genetically Modified Organism.		Commitment Met

	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.		Commitment Met
3. No conversion of natural forest to plantations	3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate. **		Commitment in Progress
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. **		Commitment Met
	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. **		Commitment Met
	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. **		Not Applicable
	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. **		Commitment Met
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **		Commitment Met
5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices	5.1 All MMCF producers’ suppliers are identified and the forest of origin is known. **		Commitment Met

and then re-evaluate its relationship with them			
	5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)		Commitment Met
	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **		Not Applicable
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 When requested, Canopy, Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process. **		Commitment Met
	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. **		Not Applicable
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, 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. **		Not Applicable
	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		Not Applicable

	Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **		
	6.5 The MMCF producer has 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. **		Not Applicable
7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations. **		Commitment Met
	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. **		Commitment Met
	7.3 The MMCF producer and its suppliers show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties and includes relevant stakeholders.		Commitment Met
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers		Commitment Met
	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		Commitment Met
	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		Commitment Met

	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. **		Commitment Met
	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.		Commitment in Progress
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. **		Commitment Met
	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. **		Commitment Met
	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.		Commitment Met
	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. **		Commitment in Progress
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. **		Commitment Met
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the	11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.		Commitment in Progress

importance of forests and peatlands as carbon storehouses			
	11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.		Commitment in Progress
	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. **		Commitment in Progress
12. Pollution Prevention	<p>12.1 * This verification process <u>will not</u> address 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 https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released</p>		Not Applicable

4.3 Volume Summaries (01.01.2021 – 31.05.2022)

Category	Description	Range (as a % of total sourced material)
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from a COC- or CW/FM- certified supplier)	17 %
Controlled material	Noncertified material verified in the organization's FSC Due Diligence System (DDS)	0 %
FSC Mix	Material received with an FSC Mix Credit or FSC Mix XX% claim from a COC-certified supplier.	49 %
FSC 100%	Material received with an FSC 100% claim from an FM/COC- or COC-certified supplier.	0 %
Non-FSC	Material received with no valid FSC claim.	0 %
PEFC	Material received with a PEFC claim. Note that material can be received with both PEFC and FSC claims (no double-counting)	34 %

Appendix A – STANDARD CHECKLIST (CanopyStyle Verification Framework)

1. Evaluation of Site:

Primary responsible person(s): <i>(Responsible for control system at site(s))</i>	Kelheim Fibres GmbH
Auditor(s):	Stefan Teusan
People interviewed/Title: <i>Note: names are withheld to protect privacy; all interviewees corporate, unless otherwise noted.</i>	Wolfgang Ott, head CSR Timo Thunitgut, sustainability manager Matthew North, commercial director Michael Svoboda, quality manager Ina Freudenberger, marketing Ilka Kaczmarek, innovation management/new business development Ulrike Kauer, controlling Robert Tremmel, purchase Konrad Brunner, production manager Theresa Schreiner, CSR Siegfried Schrödl, CSR

2. Standard Checklist - CanopyStyle Audit Guidelines and Verification Framework – 2021 Version (Effective September 2021)

NOTE: Where the *CanopyStyle Audit Guidelines and Verification Framework* document has declared that a requirement is not applicable to certain MMCF sites by default, a diagonal line has been drawn through the indicator and finding. For example, the *Guidelines* declare 1.1-1.9 applicable to the corporate level only.

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy			
Corporate		Mills/Production Sites	
Indicators	Findings – Corporate	Findings – Site #1	Findings – Site #2
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	<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>Description of finding: Kelheim Fibres GmbH commitment is publicly available on Kelheim Fibres GmbH and dated 03.06.2019.</p> <p>https://kelheim-fibres.com/wp-content/uploads/2019/09/Wood_Pulp_Sourcing_Policy.pdf</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> <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>Description of finding: The organization has developed Standard Operating Procedures (SOP) for its staff and its suppliers to implement the policy. Except for internal handbooks, the procedures are publicly available. Handbooks are available for stakeholders upon request.</p> <p>Code of Conduct Energy policy Business policy Handbook chain of custody Management system handbook Mission statement Environmental policy Wood Pulp Sourcing Policy</p>		
<p>1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**</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>Description of finding: Key staff (including the procurement unit) have been designated and are given responsibility to implement the defined policy and code of</p>		

	<p>conduct. The organizational chart (dated 01.05.2022) defines responsibilities for the following departments:</p> <ul style="list-style-type: none"> Management team Marketing New Business Development Analysis and Development: Laboratory and Group Leader Fiber and Application Development (ISO 17035:2018 Certification) Production Human Resources and Social CSR Corporate Social Responsibility Technology / Site / Infrastructure Finance and accounting / Controlling Purchasing, Information Technologies, Risk Management 		
<p>1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.</p>	<ul style="list-style-type: none"> <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>Description of finding: Each department has developed and has been implementing a training plan to build its staff's capacity to understand and implement the policy and SOPs. There exist evaluations procedures to check understanding of procedures (RuM Skill Matrix).</p>		
<p>1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**</p>	<ul style="list-style-type: none"> <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>Description of finding: Kelheim Fibres GmbH has proactively communicated its wood pulp sourcing policy to its supplier by email communication.</p>		

<p>1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**</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>Description of finding: The organization will state supplier requirements to implement the policy is in its supplier contracts. The present contract predates organization’s CanopyStyle certification. With the next signing the contract will be update. Responsible staff shows sufficient awareness.</p>		
<p>1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**</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>Description of finding: The organization has developed a system to check its supplier conformance with the policy through its due diligence in procurement system such as, FSC CoC delivery documents and supplier declarations on wood origin and tree species. The supplier validation procedure categorizes (classification A, B, and C) and monitors regularly supplier performance.</p>		
<p>1.8 The MMCF producer has put in place a grievance procedure.</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>Description of finding: The organization has set up a compliance management system and developed a supporting process to receive complaints and a system to</p>		

	<p>investigate the problem available for its customers, suppliers, stakeholders and local residents.</p> <p>https://kelheim-fibres.com/en/company/compliance/</p> <p>The workers council receives anonymously or in confidential communication any complaints from employees. A person of trust has been nominated. Also, a youth and trainee representative has been designated.</p>	/	/
<p>1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**</p>	<p><input type="checkbox"/> Not Applicable, no identified non-conformance or grievance received. <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>Description of finding: The organization uses a monitoring tool. All internal and external findings are listed with reporting and due date, corrective action, responsible staff, and status. The company management organizes annually a gathering nearby the facility in the local community. Any local resident can talk to the organization’s top management.</p>	/	/
<p>1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **</p>	/	<p><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>Description of finding: There is only one production site at Kelheim Fibres GmbH. During the</p>	<p><input 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>Description of finding</p>

		<p>interview, the management staff confirmed knowledge and commitment to the policy.</p>	
<p>1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **</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>Description of finding: There is only one production site at Kelheim Fibres GmbH. The production manager is part of the organization's management team and directly contributes to the development of procedures.</p>	<p> <input 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>Description of finding:</p>
<p>Summary: The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy. All but one indicator meet the commitment. The next supplier agreement will include requirements to implement the Policy in agreements/contracts with suppliers, according to staff.</p>			

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
2.1 The MMCF producer identifies all raw material inputs by volume (ie, wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (ie, FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC certified FMU	<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 Description of finding: The organization has produced risk assessment of its supply chain. Upon request these procedures will be provided to Canopy with permission to share to the Leaders Group.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
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 the Dissolving Pulp Classification tool, to make their supply assessment. **	<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 Description of finding: Organization only sources from one sole supplier that sources from two dissolving pulp mills, which are classified as low risk supply chain in Classification of Dissolving Pulp mills (Feb 2020).	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
2.3 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	<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	<input 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	<input 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

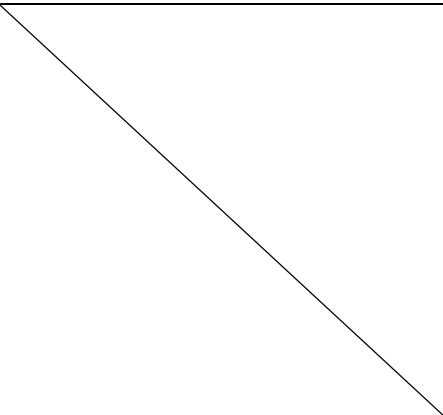
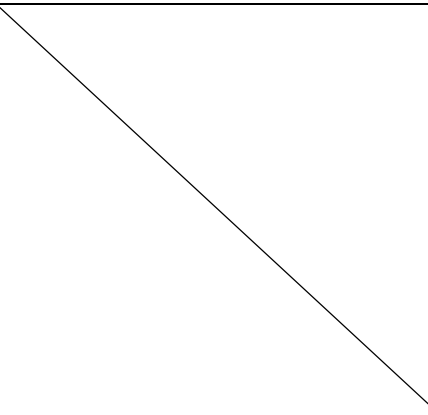
	<p>Description of finding: Organization only sources from one sole supplier Lenzing AG that sources from three dissolving pulp mills, which are classified as low risk supply chain in Classification of Dissolving Pulp mills (Feb 2020).</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>2.4 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group</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>Description of finding: Organization has produced risk assessment of its supply chain. Every quarter the assessment is updated, prior to each purchase. Upon request these procedures will be provided to Canopy with permission to share to the Leaders Group. No request has been received.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>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 natural forests to plantations (1994 date), use of Genetically Modified Organism.</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>Description of finding: Organization’s sustainability report (2021) addresses additional criteria in section 5.1 Fair business practices: Human rights, Conflict of Interest, Bribery and corruption, Trading and export controls, transparent finance</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>

	<p>reporting, as well as in section 3.2.1 (Raw materials). The supplier’s sustainability report addresses SDGs. The SOP states that only certified material is accepted as raw material, however not all certification types meet all these additional criteria.</p>		
<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 textile retailers.</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>Description of finding: The supplier is published on organization’s website: https://kelheim-fibres.com/nachhaltigkeit/fasern-aus-holz/</p> <p>Citation: “The wood pulps we use for the production of viscose are purchased from Lenzing AG and consequently fall under the Wood and Pulp policy of the Lenzing Group.”</p>		
<p>Summary: All requirements are met. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy.</p>			

3. No conversion of natural forest to plantations			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
<p>3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994</p>	<p> <input type="checkbox"/> Not Applicable, not sourcing from its own plantations. <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>	<p> <input type="checkbox"/> Not Applicable, does not source primary material. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>	<p> <input type="checkbox"/> Not Applicable, does not source primary material. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>

<p>with a supporting valid FSC certificate. **</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization sources only FSC Mix Credit or FSC Controlled Wood certified material. Since only FSC 100% can guarantee pre-1994. Currently no sufficient FSC 100% certified raw material is available. Annually requests are sent to the supplier for information on species and district of origin. The areas are central Europe and south Africa, where FSC CW CNRAs consider category 4 as low risk.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>
<p>Summary: Since the organization sources only from certified and CanopyStyle assessed sub-suppliers, sourcing from conversion areas of natural forest to plantations is avoided. The supplier sources in central Europe (within EU) and South Africa. The FSC CW CNRA are available for all sources areas. The category is “low risk”.</p>			

<p>4. Since the signature of the Policy, all sourcing from Ancient and Endangered Forests and other controversial sources have been eliminated.</p>			
<p>Corporate</p>		<p>Mills/Production Sites</p>	
<p>Indicators</p>	<p>Findings</p>	<p>Findings – Site #1</p>	<p>Findings – Site #2</p>
<p>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.**</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>Description of finding: The organization’s Wood Pulp Sourcing Policy mentions the definition for ancient and endangered forests to refer to Canopy’s Website. Supplier has been informed by email.</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 with the Leaders Group. **</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>Description of finding: Organization’s Sub-suppliers are identified as low risk in the Classification of Dissolving Pulp Mills. The supply chain has been mapped.</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> <input checked="" type="checkbox"/> Not Applicable, no such raw materials sourced. <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>Description of finding:</p>	<p> <input type="checkbox"/> Not Applicable, no such raw materials sourced. <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>Description of finding: <input type="checkbox"/> Raw material supply chain is the same as the corporate/main production site.</p>	<p> <input type="checkbox"/> Not Applicable, no such raw materials sourced. <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>Description of finding: <input type="checkbox"/> Raw material supply chain is the same as the corporate/main production site.</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> <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>Description of finding: Kelheim Fibres GmbH policy states that all relevant German (HolzSIG) and EU policies (EUTR) are applied to its operation. There is no evidence of</p>	<p> <input 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>Description of finding:</p>	<p> <input 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>Description of finding:</p>

	non-compliance with relevant laws for its suppliers as well.		
4.5 The commitment not to source from Ancient and Endangered Forests and other controversial sources is verified. **	<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 Description of finding: . Sub-suppliers have been determined low risk by CanopyStyle audit and the Classification Dissolving Pulp Mills for both suppliers.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
Summary: All requirements are met. Since the signature of the Policy, all sourcing from Ancient and Endangered Forests and other controversial sources have been eliminated.			

5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
5.1 All MMCF producers’ suppliers are identified and the forest of origin is known. **	<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 Description of finding: The organization’s supplier has undergone a CanopyStyle audit and two sub-suppliers are listed in the Classification of Dissolving Pulp Mills, indicating low risk. All suppliers are FSC and PEFC certified.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
5.2 The MMCF producer has developed procedure for engaging	<input type="checkbox"/> Not Applicable	<input type="checkbox"/> Not Applicable	<input type="checkbox"/> Not Applicable

<p>with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found.** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)</p>	<p><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>Description of finding: The organization's procedures and the definition in the supplier contract define that only certified material can be accepted. Any non-conforming supplies will be rejected. No such cases has been reported since the last audit.</p>	<p><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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**</p>	<p><input checked="" type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <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>Description of finding: No such case.</p>	<p><input type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <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>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <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>Description of finding:</p>
<p>Summary:</p>			

<p>6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.</p>			
<p>*If sourcing from key priority areas of Ancient and Endangered Forests, the MMCF producer (and/or supplier) is actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC 100% certification for all wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning themselves)</p>			
<p>Corporate</p>		<p>Mills/Production Sites</p>	
<p>Indicators</p>	<p>Findings</p>	<p>Findings – Site #1</p>	<p>Findings – Site #2</p>
<p>6.1 When requested, Canopy, the Leaders Group and other stakeholder observers are permitted to participate freely and to report</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress</p>

<p>observations during this verification process. **</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization is agreeable to having Leaders Group and stakeholders to observe the verification process.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</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><input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <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>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</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</p>	<p><input checked="" type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <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>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <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>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <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>Description of finding:</p>

by a credible and mutually agreed third party and made public. **			
6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	<input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:
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. **	<input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:
Summary: The commitment for the only applicable requirement is met. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation			

7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their mills and their supply chain and affiliated companies in the forestry sector.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
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	<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"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met

<p>indigenous people and local communities affected by forest operations. **</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization states its commitment to fully comply with German/EU law regarding human rights in its company policy as well as commitment to CanopyStyle Verification Framework. The supplier has been informed about the organization’s commitment to CanopyStyle requirements. The only supplier follows the CanopyStyle framework.</p> <p>Within the EU there exist only indigenous peoples in Sweden, Denmark (Greenland), and Finland. No indigenous peoples have been identified in central Europe. For South Africa the FSC CNRA states low risk.</p> <p>EU legislation has evolved by incorporating Indigenous Peoples’ rights, particularly in the European Parliament Resolution on “violation of the rights of indigenous peoples in the world, including land grabbing” (2018) and the recently passed resolutions that confirm the EU’s commitment to Indigenous Peoples.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p> <p><input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p> <p><input type="checkbox"/> Refer to corporate-level finding.</p>
<p>7.2 Suppliers document how they conform with the MMCF producer’s commitment to recognize and respect human rights, community</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"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p>	<p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p>

<p>rights, First Nations rights and rights of workers. **</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization’s supplier signed contract where it is stated that commitment to human rights, as articulated in its procurement policy and company code of conduct. Supplier and sub-suppliers hold FSC and PEFC certificates, which for this sourcing region offer some assurances of recognition for human rights. Sub-suppliers have also been audited to the CanopyStyle Verification Framework.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</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><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>Description of finding: FSC and PEFC standards include requirements for complaint procedure. The supplier’s CSR is publicly available.</p>	<p><input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.</p>	<p><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>Description of finding: Organization’s CSR policy is publicly available. A</p>	<p><input 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>Description of finding:</p>	<p><input 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>Description of finding:</p>

	<p>worker council has been elected at the site. Interview with worker council member confirmed that open and structured dialog between company management and workers is regularly maintained. FSC and PEFC standards also focus on ILO declaration.</p>	<p><input type="checkbox"/> Refer to corporate-level</p>	<p><input type="checkbox"/> Refer to corporate-level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</p>
<p>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</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>Description of finding: The organization only sources from certified FSC or PEFC products. Therefore, all suppliers are upholding ILO Declaration on Fundamental Principles and Rights at Work as this requirement has always been part of FSC and PEFC certification requirements.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</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> <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>Description of finding: The organization states its recognition and respect for human rights in its company code of conduct and principles, as well as being certified by FSC. There are no known social</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding. Interviews with site-level personnel also confirm that there are policies and processes in place,</p>

	<p>conflicts found. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department. Personnel interviewed were knowledgeable of processes available to resolve conflicts and human rights violations such as discrimination</p>		<p>such as a Human Resources department. Personnel interviewed were knowledgeable of processes available to resolve conflicts and human rights violations such as discrimination.</p>
<p>Summary: All commitments are met. The MMCF producer recognizes, respects and upholds human rights and the rights of communities and workers affected by the operations of their mills and their supply chain and affiliated companies in the forestry sector. No conflicts came to the attention of the auditor.</p>			

8. Development of Innovative and Alternative Fiber			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
<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 fibre sources that reduce environmental and social impacts, such as agricultural residues and recycled fibres. **</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 Description of finding: The organization does have and implement internal action plans with innovative companies to develop alternative fibres that reduce environmental and social impacts. Several recent press releases document the organization’s commitment. Nominated for the German Sustainability Award in the category “Biodiversity” for the concept of our biodegradable </p>	<p> <input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding. </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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding. </p>

	<p>fibres for absorbent hygiene products (AHP). 2022: Winning the Techtextil Award in the “New Concept” category for their project “Cellulose-based nonwovens for highly absorbent reusable products” 2022: For the second time in a row, the speciality viscose fibre manufacturer Kelheim Fibres was awarded a place on the podium at the Cellulose Fibre Innovation of the Year Awards 2021: 2nd place in the Cellulose Fibre Innovation of the Year 2021 2020: Finalist at the Sustainability Heroes Awards with our fibres for absorbent hygiene products (AHP)</p>		
<p>8.2 The research and development phase for the production of pulp and cellulosic fibre made from alternative fibre sources has been successfully completed and the MMCF producer is entering a commercial scale phase.</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>Description of finding: The organization is currently in the testing stage of several alternative sources. Meanwhile several research reports have been produced, the company will prepare for entering a commercial scale phase after the test results.</p>	<p><input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p><input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>Summary: The new business development department has launched several new projects and the organization did win several awards. One indicator meets commitment, but additional progress is to be expected.</p>			

9. Voluntary advocacy for conservation solutions			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
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. **	<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 Description of finding: The organization has been showing its support to protect remaining ancient and endangered forests through advocating CanopyStyle Verification Framework at Dornbirn Global Fibre Congress and communicate its commitment to the framework at some fairs its staff attended. International Textile Machinery Association (ITMA) exhibition) news reported that Kelheim Fibres GmbH was joining CanopyStyle and that attracted people to further discuss it at its exhibition booth.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
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. **	<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 Description of finding: The organization has taken action to support the conservation of critical forest landscapes, such as Indonesia’s		

	<p>Leuser Ecosystem, and Vancouver Island Rainforests.</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> <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>Description of finding: In the past, after consulting with CanopyStyle, the organization publicly released a statement to support conservation efforts by relevant governments and Canopy of the Leuser ecosystems and ancient forests on Vancouver Island, dated Nov. 11, 2019.</p> <p>Since the audit occurred the organization has supported a public letter calling for international conservation targets of 30% by 2030.</p>	<p> <input 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>Description of finding:</p> <p><input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding:</p> <p><input type="checkbox"/> Refer to corporate-level finding.</p>
<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> <input type="checkbox"/> Not Applicable, does not source directly from forests. <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>Description of finding: The organization intends cooperation with local conservation projects (National “Park Bayerischer Wald”). Talks with CanopyStyle staff have been requested for additional input</p>	<p> <input type="checkbox"/> Not Applicable, does not source directly from forests. <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>Description of finding:</p>	<p> <input type="checkbox"/> Not Applicable, does not source directly from forests. <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>Description of finding:</p>

Summary: Voluntary advocacy for conservation solutions has been initiated. Additional improvement is needed. Fiber is sourced from central Europe and South Africa. Specific program should be developed for this sourcing areas.

10. Responsible forest management			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
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.**	<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 Description of finding: All input is certified against FSC and / or PEFC and FSC Controlled Wood. The quantities of FSC sales are customer driven. Some customers have no demand on their own market. The intake for each certification scheme has been steadily increased for years. The new business development department has defined internal strategic targets to further increase the percentage of FSC certified quantities over the next years. The organization has signed long-term purchase contracts with its supplier. Upon signing a new contract, updated targets will be incorporated.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.	<input 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 Description of finding: <input type="checkbox"/> Refer to corporate-level finding.
Summary: The organization supports responsible forest management and sales of certified material is annually increasing.			

11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – ECC	Findings – ESC

<p>11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.</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>Description of finding: The organization is EMAS certified and has published a carbon footprint report. The BREF definitions, ZDHC specifications and common labelling schemes such as the Nordic Swan and the EU Ecolabel are used as benchmarks for sustainability. The organization sustainability report (2021) states in section 3.4.2.3 (Carbon footprint: Scope 3 emissions): "We aim to improve data quality and to establish closer cooperation in this area with our suppliers within the coming years."</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>11.2 The MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.</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>Description of finding: The SOP does not explicitly refer to intact forest landscapes or peat. The organization requests annual confirmation on tree species and sourced regions (district of origin). The supplier holds a higher ranking in the Canopy supplier as the organization.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p> <input 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>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</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><input type="checkbox"/> Not Applicable, does not source primary material. <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>Description of finding: The organization has signed a long term contract with its supplier. The supplier assessment procedure excludes all non-certified suppliers, but does not explicitly refer to peatlands of intact forest landscapes. The sustainability report (2021) refers in section 3.2.1 to the organization’s policy on pulp purchasing.</p>	<p><input type="checkbox"/> Not Applicable, does not source primary material. <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>Description of finding:</p>
<p>Summary: Organization has significantly increased its awareness and support of GHS reduction.</p>		

12. Pollution Prevention			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Site #1	Findings – Site #2
<p>12.1 * This verification process will not verify at first hand the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality.</p> <p>Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell</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>Description of finding: The organization does not have lyocell process but since a fire recently occurred at Kelheim Fibres GmbH mill,</p>	<p><input 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><input 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>process), and to implement the ZDHC new viscose guidelines available at https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released.</p>	<p>it switched into more efficient technologies. The technologies include sulphur and CO2 emission reduction and waste purification. Its power plant uses 100% natural gas. The organization’s latest sustainability report (2021) states an average gas power generation efficiency of more than 90%. Facing a regional energy crisis, the organization has initiated the construction of an alternative energy system as back up. https://kelheim-fibres.com/wp-content/uploads/2022/01/2021_Sustainability-Report-Kelheim-Fibres.pdf</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate-level finding.</p>
<p>Summary: Pollution Prevention and energy efficiency is a major concern. The current and future energy crises will be challenging for organization.</p>			

Appendix B – Canopy Recommendations



Canopy applauds Kelheim Fibres for embarking on its second CanopyStyle audit. The report concludes that the company is at low risk of sourcing from Ancient and Endangered Forests, has increased its uptake of FSC certified fibre year over year, and is actively working on the development of Next Generation fibre solutions.

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

1. Include company policy commitments in contracts with suppliers.
2. Develop procedures to ensure that no wood fibre from plantations established after 1994, Intact Forest Landscapes or from plantations established on peat, is entering the supply chain;
3. Update the company's CanopyStyle risk assessment to include all controversial sources, some of which are not assured by all certification types (PEFC, FSC Mix and FSC Controlled Wood).
4. Continue to work on Next Generation fibres, and adopt ambitious targets and timelines with the goal of achieving 50% by 2030;

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

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

Once again, we commend Kelheim Fibres on the timely completion of the second audit and for achieving low risk of sourcing from Ancient and Endangered Forests in your supply chain.

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