



CanopyStyle Audit Report for Century Rayon

NCR verification audit 2020

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Organisation Contact

Murbad Road, Shahad 421103 Dist. Thane

Maharashtra, India

Audit managed by

Preferred by Nature FMBA
Copenhagen, Denmark
Contact person: Gweneth Langdon
Tel: +1 802 434 3420
Email: glangdon@nepcon.org

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INTRODUCTION

Preferred by Nature (formerly 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 **Century Rayon (Under the Management & Operation of Grasim Industries Limited)** hereafter referred to as "Company", against the requirements of the Verification Framework and Guidelines, (February 2019 version¹) and related guidance documents² developed by Canopy and approved, supported and requested by the Fashion and Textile Leaders for Forest Conservation (Leaders Group)³ and the over 320 brands, retailers and designers looking to implement their sourcing policies for man-made cellulosic textiles. The focus of this verification audit is to manage the risk and avoid sourcing from ancient and endangered forests and other controversial sources and implement other sustainable sourcing measures, across the supply chain from the point of wood harvesting in forests and/or plantations and through to the brand and retail customers. Man-made cellulosic fibre (MMCF) producers, are required to document and provide evidence towards a set of pre-defined social and environmental criteria and key progress indicators as part of the CanopyStyle initiative.

The audit presents the findings of Preferred by Nature auditors who have evaluated company systems and performance against the applicable standard(s). Section 4 below provides the evaluation conclusions. The auditor reviewed and used Canopy's map of ancient and endangered forests, which has been overlaid with the sourcing regions and list of suppliers of the company to assess the level of risk. The auditor also made use of Canopy's dissolving pulp risk tool where applicable.

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.

¹ <https://canopyplanet.org/wp-content/uploads/2019/04/CanopyStyle-Audit-Guidelines-and-Framework-2019-version.pdf>

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

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

1. GENERAL DESCRIPTION

1.1 Company overview

In February 2018, an agreement was signed between the Board of Directors of Century Textiles and Industries Limited (A flagship company of B.K. Birla Group) and Grasim Industries Limited (one of the major Group Companies of Aditya Birla Group), whereunder the rights to manage and operate **Century Rayon Company's Viscose filament yarn business was granted** to Grasim Industries Limited (GIL) for a period of 15 years beginning on such other earlier date as defined in the Agreement.

By virtue of this agreement Century Rayon, a leading player in Viscose Filament Yarn business in India is now under the Management and Operation of Grasim Industries Limited belonging to Aditya Birla Group (ABG) with Mr. Kumar Mangalam Birla as its Chairman. The group has diversified interest in textile, cement, metals, carbon black, financial services, insurance, chemicals, fertilizer, insulators and telephony etc.

Century Rayon contributes to the Viscose Filament Yarn (VFY) business in the group and has the distinction of being the largest producer of the product in India. Century Rayon holds the following certifications:

- ISO 9001:2015
- OEKO-TEX 100
- ISO 14001:2015
- ISO 45001:2018
- STeP (Sustainable Textile Production)
- ISO / IEC 20000-1:2011
- ISO / IEC 27001:2013
- FSC-C149993/SGSHK-COC-400115Century

Rayon is strategically located 54 Km Northeast of Mumbai, the commercial capital of India that has major air and sea ports. The factory campus is spread over 130 acres land astride Murbad Road on the bank of Ulhas River..

The factory is well connected to the industrial hub of Western India with good connectivity to Mumbai and various other major cities in the region. Company scope (sites, locations, etc)

The scope of the audit included Century Rayon headquarters and manufacturing plant located in Maharashtra state India. See scope description in section 2.

Originally, Century Rayon was included in the CanopyStyle audit of Aditya Birla. However, it was discovered during Aditya Birla's annual audit that while Century Rayon is managed by Aditya Birla, it has independent ownership and sourcing. Therefore, it was decided to assess the facilities at Century Rayon via separate, independent audit.

1.2 Company sourcing policy

Century Rayon's Fibre Procurement Policy for Protecting Forests (23 September 2020) highlights that:

"Century Rayon is committed to playing a leadership role in the dissolving pulp & cellulosic fibre industry and will work with our wood fiber supplier and Canopy in order to



promote sustainable forest management and the protection of ancient and endangered forests.”

“Century Rayon supports a future that does not use ancient and endangered forest for dissolving pulp to make cellulosic fibres. We will therefore:

- Assess our existing use of wood pulp and fibre and ensure that we are not sourcing fibres made from ancient and endangered forests areas such as the Canadian and Russian Boreal Forests, Coastal Temperate Rainforests, tropical forests and peatlands of Indonesia, the Amazon and West Africa, or endangered species habitat.
- Work with our fibre suppliers to phase out and find suitable alternatives to any fibre sources from these regions.
- Eliminate sourcing fibre from other controversial sources including companies that are logging forests illegally and from tree plantations established after 1994 through the conversion or simplification of natural forests.”

For the full policy components and commitments visit centuryrayon.co.in/pdf/Fiber_Procurement.pdf

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:	Dissolving Grade Pulp	
Map of Ancient and Endangered Forests Overlay Completed:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No Comments: The Overlay has not been completed for the sourcing area of Century Pulp and Paper who are the Indian suppliers of dissolving pulp for Century Rayon.
Mill Capacity:	29300 MT/Annum	
Primary Activity:	Man Made Cellulosic Fibre Manufacturers	
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: As on 31 st December 2020	Staff/Officers male: 431	Staff/Officers female: 27
	Permanent workers male: 3324	Permanent workers female: 2
	Casual/Temporary workers male: 732	Casual/Temporary workers female: 14
	Total Male: 4487	Total Female : 43

3. EVALUATION PROCESS

2.1 Audit Team

Auditor name(s)	Qualifications
Marimuthuram Mahendran	M.Sc Tropical and International Forestry, DAAD Scholar, University of Goettingen, Germany and B.Tech Agricultural Biotechnology, Tamilnadu Agricultural University, Coimbatore, India. FSC Chain of Custody & ISO 19011 Lead Auditor.

2.2 Audit Overview

Site(s)	Audit date	Total on-site audit time (Hours)
Remote Desk Audit – Century Rayon	25-09-2020	8 hours

2.3 Description of Overall Audit Process

The Canopy Audit for “Century Rayon” was conducted on the 25th September 2020 remotely through a Microsoft Teams call at their Central Office at Murbad Road, Shahad, 421103 Dist, Thane, Maharashtra, India. The audit started with an opening meeting at 9:00 am, where the auditor introduced himself and briefed the organization on the audit process and explained the requirements against which the audit was to be performed. During the opening meeting, all the key responsible personnel and the responsible employees in-charge of implementing the Canopy Style requirement from the Central Office were present. The auditor had prepared in advance by checking all the documents submitted by the organization like training records, evidences for sourcing, volume summaries, document control system, etc. before the day of the audit and made his judgements based on the documentation review. During the audit, the auditor checked the documents like purchase invoices, sales invoices, delivery challans, training records, policies and their implementation, volume summaries, FSC Chain of Custody certification details of suppliers, sourcing details, etc to ensure Canopy Style requirements are complied. The auditor further checked the Policy records, legal compliances, non-conformance, grievances, and complaint handling procedures and interviewed the key personnel in-charge. The closing meeting was held in the presence of all the key responsible personnel on the 25th September at 5pm, where the preliminary findings of the audit was discussed, further the auditor encouraged queries and made clarification to the questions raised by the organization. The auditor later thanked the organization for their support & cooperation and on this note the meeting was closed.

4. EVALUATION RESULT

4.1 Evaluation Conclusion

The organization has invested time and resources into the development and implementation of their sourcing policies, being sure to have preference for FSC certified suppliers and pulp. The organization was able to demonstrate strong COC systems and commitment to the CanopyStyle initiative. The organization has demonstrated evidence of achievements in environmental performance at their mill, regarding use of alternative fibers, reduced GHG gas emissions and pollution prevention.

While the majority of their suppliers have successfully been confirmed as low risk, one supplier (Century Pulp & Paper) has not been assessed fully for the risk of sourcing from ancient and endangered forests and/or controversial sources. This mill is providing eucalyptus wood pulp, sourced from small farmers and plantations. The dissolving pulp mill (Century Pulp & Paper) is located in proximity to critical biodiversity areas (see ForestMapper), and does not source wood materials for the manufacture of dissolving pulp under their FSC certification scope (or with an FSC claim). The organization has provided maps to demonstrate the proximity of these risk areas to the mill, but has not clearly outlined the sourcing area of their supplier in comparison with the maps of ancient and endangered forest areas identified.

Therefore, inputs sourced from the Indian supplier cannot be determined low risk at this time.

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

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 **	Green
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy with input from and agreement of civil society stakeholders. **	Yellow
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	Yellow

	1.4 The MMCF producer has developed capacity and Companyal structure to implement the Policy.	
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	
	1.8 The MMCF producer has put in place a transparent/public grievance procedure with the input and agreement of civil society stakeholders	
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 An assessment of the MMCF producer supply chain has been completed globally and shared with Leaders Group. This assessment will be updated every year and shared with the Leaders Group. **	
	2.2 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	
	2.3 A risk assessment has been done with the information and shared with Leaders Group.	
	2.4 This supply chain assessment has been presented to the Leaders Group and stakeholders, allowing for questions to be answered and information gaps to be highlighted.	
	2.5 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.	
3. No conversion of natural forest to plantations	3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate. **	
4. Since the signature of the Policy, all sourcing 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. **	
	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 Leaders Group. **	

	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. **	
	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. **	
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	
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. **	
	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.)	
	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process. **	
	6.2 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. **	
	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. **	
	6.4 The MMCF producer has developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	
	6.5 The MMCF producer 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. **	
7. The MMCF producer shall recognize, respect and uphold human rights and the rights of	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	

communities and workers affected by the operations of their supply chain and affiliated companies	Consent of indigenous people and local communities. **	
	7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	
	7.3 The MMCF producer and its suppliers 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.	
	7.4 The MMCF producer and its suppliers have developed internal capacity and Companyal structure to recognize and respect the rights of its workers	
	7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Company (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.	
	7.6 Recognition and respect for human rights is demonstrated. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. **	
8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	
	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	
	9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.	
	9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **	
10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	

11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has developed and implemented procedures to evaluate their suppliers' performance in reducing GHG.	
	11.2 The MMCF producer can document giving preference to suppliers that have identified and adopted management measures to protect forested peatland at the concession and landscape level (peat dome) and that have identified, withdrawn from and restored peatlands and their hydrology. **	
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>However, it will be noted when MMCF producers invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process). The indicators will be the number of mills using such cleaner processes and the % of overall volumes produced with such technology. This information will be treated and framed as additional bonus performance by the MMCF producer.</p>	

4.3 Volume Summaries⁴

Category	Explanation	Volume	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	8199 MT	34%
Controlled material	Noncertified material controlled by the company's FSC Due Diligence System	6392 MT	26%
FSC Mix	Material received with an FSC Mix Credit or FSC Mix % claim from an FSC CoC certified company	136 MT	0.6%
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	None	None
Non-FSC	Material received with no FSC claim.	Not reported	Not reported
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	9439	39%

⁴ The volume summary is provided by the organization. Non-FSC material is acknowledged as a portion of the supply but the volume is not reported.

Appendix A: STANDARD CHECKLIST (CanopyStyle Verification Framework – Corporate Sourcing)

1. Evaluation of Site: Century Rayon

Primary Responsible Person: (Responsible for control system at site(s))	Dr. Sandeep R Naik (Deputy General Manager – Rayon – P & QC) (Management Representative – FSC COC Certification)
Auditor(s):	Marimuthuram Mahendran
People Interviewed, Titles:	Milind Bhandarkar (Vice President – TC & CSY Plant), Abhay Raj Singh (General Manager – Rayon Operations), Ashish Kothari (Senior Manager – Marketing), Pradeep Chakravarthi (Senior Manager – Purchase), Amit Kataria (Officer – Stores), Sachin Kulkarni (Manager – Rayon Viscose Production), J.R. Hirwarkar (Deputy General Manager Spg. Production), Sumit Bhosale (Manager – Warehouse).
Brief Overview of Audit Process for this Location:	<i>Please refer to Section 2.3 above for Description of Overall Audit Process.</i>
Comments:	This audit was conducted remotely due to the health and safety risks presented by the COVID-19 pandemic.

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their Fiber Sourcing/Forest Policy	
Indicators	Findings
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person shared a link with the auditor as an evidence to show that the senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy. This was confirmed by the auditor by checking the official website of Century Rayon in which the 'Fibre Procurement Policy for Protecting Forests' was uploaded in the Environmental Health and Safety (EHS) tab of the website (Refer: Fibre Procurement Policy for Protecting Forests - EHS Management tab – www.centuryrayon.co.in).</p>

<p>1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy with input from and agreement of civil society stakeholders.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person shared the organizations generic standard operating procedures (SOP), however was not specific to the implementation of this Policy with input from and agreement of civil society stakeholders.</p>
<p>1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**</p>	<p>Conformance with Indicator:</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 the finding: The organisation is FSC COC certified and had defined the key responsible people for the implementation of the FSC COC management system, hence the same personnel will also be responsible for the implementation for the policy, however this has not yet been specified in a documented record.</p>
<p>1.4 The MMCF producer has developed capacity and Company structure to implement the Policy.</p>	<p>Conformance with Indicator:</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 the finding: The organisation is FSC COC certified and had defined the key responsible people for the implementation of the FSC COC management system, hence the same personnel will also be responsible for the implementation for the policy, thus the organization has developed capacity and company structure to implement thir policy as it is closely aligned with their FSC program.</p>
<p>1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person has shared the email communications of its commitment to implement its Policy to all their suppliers as an evidence for the said requirement to the auditor during the audit.</p>
<p>1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization has included requirements to implement the Policy in agreements/contracts with current and future suppliers. The organization source material from FSC certified vendors, hence the agreements/contracts clearly mentions responsible sourcing and most of their existing suppliers are already aware of the policy. However, evidence of contracts with all suppliers were not provided that includes language regarding their commitments to not source from ancient and endangered forests and other controversial sources.</p>
<p>1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization has developed and is implementing a system to monitor suppliers' conformance with the Policy. Most of their existing suppliers are FSC Chain of Custody certified and are already aware of the policy. However, FSC CoC certification alone is not a sufficient mechanism to monitor suppliers' compliance with this policy and it is clear that not all pulp sourced is received with FSC claims or from the scope of their suppliers FSC certification.</p>
<p>1.8 The MMCF producer has put in place a transparent/public grievance procedure with the input and agreement of civil society stakeholders.</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organisation has put in place a transparent/public grievance procedure (link). This was confirmed during the audit by a documentation review of the external grievance management policy and interviews with responsible persons implementing the external grievance management mechanism. However, evidence is lacking to demonstrate the input and agreement of civil society stakeholders.</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>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organisation has put in place a procedure for an action plan that addresses any identified non-conformance and public grievance procedure. This was confirmed during the audit by a documentation review of the external grievance management policy and interviews with responsible persons implementing the external grievance management mechanism. However, given that there have been no noncompliances or grievances noted, as this is their first CanopyStyle audit, this indicator is not applicable.</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>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that all the key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. This was confirmed by the auditor by interviews with the key managers of each of the production sites on the awareness towards the policy. The auditor concluded that the key managers of each of the production sites were trained and were aware of the policy.</p>
<p>1.11 Each production site manager has developed procedures to implement the Policy, when relevant.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress</p>

	<input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that all the production site managers have developed procedures to implement the Policy, when they think new procedures are needed. The auditor concluded that while the key managers of each of the production sites were trained and aware of the policy, they had not fully developed procedures to implement the policy.</p>
<p>Summary: The Senior executive and key managers have made a publicly available commitment to full implementation of the forest sourcing policy. The organization has assigned personnel with responsibility for Policy implementation. The organization has developed capacity and company structure to implement the Policy. The organization has communicated its commitment to implement its Policy to all its suppliers. The organization has provided evidence of a grievance procedure, but it is not clear if there has been input and agreements of the civil society stakeholders. However, the organization is yet to develop standard operating procedures (SOP) related to this policy and is yet to develop & implement a system to monitor supplier's conformance with the Policy.</p>	

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy

Indicators	Findings
<p>2.1 An assessment of the MMCF producer supply chain has been completed globally and shared with Leaders Group. This assessment will be updated every year and shared with the Leaders Group.**</p>	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the assessment of the MMCF producer supply chain has been completed globally and shared with Canopy, with permission to share with the Leaders Group. . However, during documentation review it was found that the supply chain assessment has been done for all suppliers except for one; the Century Pulp and Paper Mill based in Nainital, Uttarakhand. There was no risk assessment or due diligence system in place for the dissolving pulp purchased by the CPP Mill. The client submitted documental evidences of purchase of Eucalyptus logs from the Uttarakhand Forest Corporation and individual farmer through purchase invoices, however there was no due diligence or risk assessment done by Century Rayon or the CPP Mill to ensure that the logs are not from ancient and endangered forests.</p>

<p>2.2 The assessment identifies all suppliers in the chain beginning at the forest or plantation of origin, that supply the MMCF mills.</p>	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person confirmed that the assessment identifies all suppliers in the chain beginning at the forest or plantation of origin, that supply the MMCF mills. However, during documentation review it was found that the supply chain assessment has not been done adequately for the Century Pulp and Paper Mill based in Nainital, Uttarakhand. The dissolving pulp mill has supplied evidence of suppliers from Uttarakhand Forest Corporation and individual farmer through purchase invoices, but a comprehensive identification of supply area has not been provided.</p>
<p>2.3 A risk assessment has been done with the information and shared with Leaders Group.</p>	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person confirmed that a risk assessment has been done with the information and shared with Canopy. However, during documentation review it was found that the supply chain assessment has been done for all suppliers except for one; the Century Pulp and Paper Mill based in Nainital, Uttarakhand. There was no risk assessment or due diligence system in place for the dissolving pulp purchased by the CPP Mill. The client submitted documental evidences of purchase of Eucalyptus logs from the Uttarakhand Forest Corporation and individual farmer through purchase invoices, however there was no due diligence or risk assessment done by Century Rayon or the CPP Mill to ensure that the logs are not from ancient and endangered forests.</p>
<p>2.4 This supply chain assessment has been presented to the Leaders Group and stakeholders, allowing for questions to be answered and information gaps to be highlighted.</p>	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the supply chain assessment has been presented to Canopy, with permission to share with the Leaders Group.</p>
<p>2.5 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textiles retailers.</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik primary responsible person mentioned that the organisation does not have a system in place to publish its suppliers publicly. Moreover, since the tracking system is not robust, with exceptions like Century Pulp and Paper Mill which does not have a due diligence system in place, at present it does not provide 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>December 2020 Update: The organization has published its suppliers publicly via a PDF overview of their sourcing against the Canopy Forestmapper (link). While this indicator is now graded as green due to this public disclosure, it is important to note that the risk ratings presented in this document are not consistent with the findings of this audit for one supplier, Century Pulp and Paper.</p>
<p>Summary: The assessment to identify all suppliers from which the organization sources in the chain beginning at the forest or plantation of origin is not yet complete. A risk assessment has been conducted for all suppliers, but the assessment for one supplier in India is not adequate. The supply chain assessment has been presented to Canopy with permission to share with the leaders group and stakeholders. Finally, the organization has published its suppliers publicly.</p>	

3. No conversion of natural forest to plantations	
Indicators	Findings
<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 with a supporting FSC certificate.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the initial date of the plantation development has</p>

	<p>been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting FSC certificate. However, during documentation review it was found that the supply chain assessment has been done for most of the suppliers except for the Century Pulp and Paper Mill based in Nainital, Uttarakhand. There was no risk assessment or due diligence system in place for the wood purchased by the CPP Mill. Therefore, evidence is lacking to ensure that the initial date of the plantation development is documented and sourcing occurs in areas identified pre 1994, or post 1994 with a supporting FSC certificate.</p>
<p>Summary: The initial date of the plantation development is yet to be documented for all supply, allowing Century Rayon to determine that sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting FSC certificate.</p>	

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

Indicators	Findings
<p>4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & 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>Conformance with Indicator:</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 the finding: The organization was found to have 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. This was confirmed through interviews with the primary & key responsible people and documentation review of the Policy.</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 Leaders Group. **</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that 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</p>

	<p>have been identified and shared with Canopy. This is true for most of the organizations suppliers like Sodra – Ekman & Co. AB, Sweden, Rayonier Advance Material, USA, Domsjo Fabriker AB, Sweden and GP Cellulose GmbH, Switzerland, but not with the case of Century Pulp and Paper Mill. During documentation review it was found that the supply chain assessment, identification, and mapping of “ancient and endangered forests” has been done for most of the suppliers except for the Century Pulp and Paper Mill based in Nainital, Uttarakhand. There was no risk assessment or due diligence system in place for the controlled wood by the CPP Mill. The client submitted documental evidences of purchase of Eucalyptus logs from the Uttarakhand Forest Corporation and individual farmer through purchase invoices, however there was no due diligence or risk assessment done by the CPP Mill to ensure that the logs are not from ancient and endangered forests.</p> <p>Due to the lack of an adequate assessment of the CPP Mill, and the potential risk of supply from this mill has therefore not been mitigated.</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>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that any raw material in the organizations 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. He further confirmed that no such non-conforming raw material was identified during the audit period (2019 to February 2020). The organization is FSC COC certified and has systems in place to identify, document and handle non-conforming products in the supply chain. This was confirmed by the auditor through interview and documentation review during the time of the audit.</p> <p>However, it is not yet confirmed that all supply is low risk of sourcing from ancient and endangered forests, and therefore this indicator is being graded as in progress. See findings 4.1 and 4.2 above.</p>
<p>4.4 The MMCF producer is aware of all relevant local, national and international laws and there</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p>

<p>is no evidence of non-compliance, with local, national or international laws.</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization is aware of all relevant local, national and international laws and is in compliance with all of them. During documentation review, it was found that the organization under the management and operation of Grasim Industries Limited has evaluated its compliance to legal requirements. Some of the legal requirements pertaining to the Canopy audit were Prevention & Control of Pollution Act, The Environment (Protection) Act, Ozone Depleting Substances Rules, Environmental Impact Assessment Notification, The Energy Conservation Act, Workmen's compensation Act, Contract Labour (Regulation & Abolition) Act, Employees State Insurance Act which the organization was in compliance. This was confirmed through documentation review and interviews with the key responsible people during the audit.</p>
<p>4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization is committed not to source from ancient and endangered forests and other controversial sources. This has been verified for the majority of suppliers. However, it has not yet been verified for fibre from Century Pulp and Paper.</p>
<p>Summary: The organization has adopted clear definitions for the terms included in their sourcing policy. While Century Rayon has done work to identify all of their suppliers and the origins of their materials, there is a lack of an adequate assessment of supply sourced from Century Pulp and Paper's dissolving pulp mill, and therefore low risk cannot yet be determined.</p>	

<p>5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them</p>	
<p>Indicators</p>	<p>Findings</p>
<p>5.1 All MMCF producers' suppliers are identified and the forest of origin is known. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p>

	<p> <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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that all the organization's suppliers are identified and the forest of origin is known and has been cross reference with the Dissolving Pulp Classification Tool. However, during documentation review it was found that the supply chain assessment has been done for all of the suppliers except for the Century Pulp and Paper Mill based in Nainital, Uttarakhand. There was no risk assessment or due diligence system in place for the wood purchased by the CPP Mill. The client submitted documental evidences of purchase of Eucalyptus logs from the Uttarakhand Forest Corporation and individual farmer through purchase invoices, so information on origin is known, but is not yet confirmed to be complete.</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>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found However, the auditor was not presented with any documented evidence of such a procedure. The organization has developed a manual for Chain of Custody and includes procedures in section 2.3 for engaging with suppliers, including withdrawal, in cases of nonconformance with their policies (section 2 of the manual).</p>
<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that there was no non-conformance found, hence there were</p>

	no documented withdrawals from supply agreements.
<p>Summary: The organization suppliers are known as well as the general information on the supplier's sourcing areas, however, information from the Century Pulp and Paper dissolving pulp mill is not yet complete and verified via a risk assessment or some other type of verification scheme. The organization has verbally confirmed a procedure to disengage with suppliers that are found to be in nonconformance with the policy, but no documented evidence of such procedures have been submitted to date.</p>	

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

Indicators	Findings
6.1 Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process.**	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the main stakeholders of their organization are the customers who include converters based in Surat and other parts of the country. He said that these stakeholders and the Leaders Group are invited to participate freely and to report observations during the verification process. However, there was no evidence made available to the auditor about the invitation or meetings with the stakeholders/Leaders Group regarding the verification process. However, an invitation was extended to Canopy and therefore this indicator is being graded as met.</p>
6.2 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>Conformance with Indicator:</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>Description of the finding: It has not yet been confirmed that the organization is sourcing from ancient and endangered forests or other controversial sources, therefore this indicator is not applicable.</p>
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	<p>Conformance with Indicator:</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>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><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: It has not yet been confirmed that the organization is sourcing from ancient and endangered forests or other controversial sources, therefore this indicator is not applicable.</p>
<p>6.4 The MMCF producer has developed a management plan that identifies and 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>Conformance with Indicator: <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 the finding: It has not yet been confirmed that the organization is sourcing from ancient and endangered forests or other controversial sources, therefore this indicator is not applicable.</p>
<p>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.**</p>	<p>Conformance with Indicator: <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 the finding: It has not yet been confirmed that the organization is sourcing from ancient and endangered forests or other controversial sources, therefore this indicator is not applicable.</p>
<p>Summary: Canopy has been invited to participate to report observations during this verification process. It has not yet been confirmed that the organization is sourcing from ancient and endangered forests or other controversial sources, therefore indicators regarding conservation planning (6.2-6.5) are not applicable to this assessment.</p>	

<p>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.</p>	
<p>Indicators</p>	<p>Findings</p>
<p>7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.**</p>	<p>Conformance with Indicator: <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 the finding: The organization has required suppliers as part of their Sourcing Policy to respect FPIC, however, they the not made it mandatory for its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities. Some suppliers have adopted similar policies, but not all have to date. This indicator is therefore being graded as “in progress.”</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>Conformance with Indicator:</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 the finding: The suppliers do not have a documented procedure to conform with the organizations commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. Century Rayon and all of its suppliers hold FSC CoC certification, and therefore sign a policy for association that they are not directly or indirectly involved in activities that violate traditional and human rights in forestry operations or violate any of the ILO Core Conventions.</p>
<p>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.</p>	<p>Conformance with Indicator:</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 the finding: The organization and its suppliers are FSC COC certified, hence they have a robust system in place for handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties and includes relevant stakeholders. However, the complaints process may not refer specifically to the sourcing policy and be applicable only to FSC certification.</p>
<p>7.4 The MMCF producer and its suppliers have developed internal capacity and Company structure to recognize and respect the rights of its workers.</p>	<p>Conformance with Indicator:</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 the finding: The organization and its suppliers are FSC COC certified, hence they have developed an internal capacity and company structure to recognize and respect the rights of its workers. As a part of FSC CoC certification, the organization and its suppliers have signed the FSC Policy for association, which includes elements related to workers rights, see indicator 7.2. Moreover, the organization has also developed a Human Rights Management Policy.</p>
<p>7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.</p>	<p>Conformance with Indicator:</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 the finding: The organization and its suppliers are FSC COC certified, hence the all suppliers (including the Tier one suppliers) have signed the FSC Policy for Association which includes commitments to not violate the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Moreover, the organization has also developed a Human Rights Management Policy.</p>
<p>7.6 Recognition and respect for human rights is demonstrated. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. **</p>	<p>Conformance with Indicator:</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 the finding: The organization is FSC COC certified and signed the FSC Policy for Association, hence the organization has demonstrated recognition and respect for human rights. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. Moreover, the organization has also developed a Human Rights Management Policy. However two indicators above remain in progress, and therefore this indicator is being graded as "in progress".</p>
<p>Summary: The organization and its suppliers hold FSC certification and therefore sign the FSC policy for association which declared their lack of involvement in unacceptable activities regarding human and traditional rights. The FSC CoC standards also require a complaints mechanism that can be used for all types of complaints. However the FSC certification and policies alone do not fully cover the requirements of the Canopy style and some of the indicators above are only partially met.</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>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person confirmed verbally that the organization has collaborated with their supplier Sodra to develop Once More pulp which claims that part of the pulp has an origin in discarded textiles. Where the collaborative work aims at increasing the percentage of textile waste in the pulp. Thus, encouraging the development of new alternative fiber sources that reduce environmental and social impact.</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>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources (recycled grade pulp) is still ongoing by their supplier, and in progress, and not yet completed.</p>
<p>Summary: The organization has developed 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. The research and development phase to produce pulp and cellulosic fiber made from alternative fiber sources is in progress.</p>	

9. Advocacy for conservation solutions

Indicators	Findings
<p>9.1 The MMCF producer has a track record of participating in events and taking actions that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests.**</p>	<p>Conformance with Indicator:</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</p>

	<input type="checkbox"/> Insufficient Information Available Description of the finding: The organization has not shown any evidence in having a track record for participating in events and taking actions that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests during the audit. However, the company was proactive about adopting a policy and commencing the audit immediately after being contacted by Canopy.
<p>9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions including Free, Prior and Informed Consent of affected indigenous and local communities. **</p>	<p>Conformance with Indicator:</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>Description of the finding: As this is their first audit, the organization has not yet been prompted by Canopy, the Leaders Group or customers to meet this requirement.</p>
<p>9.3 The MMCF producer publicly supports large scale scientifically based conservation solutions, international and national target(s) and programs for preserving designated protected and conservation areas including the Free, Prior and Informed Consent of affected indigenous and local communities.</p>	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input checked="" type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of the finding: The organization has invested in various initiatives and has received recognition by various entities for their environmental efforts (Environmental Best Practices Award and Climate Change Champion received from Confederation of Indian Industry (CII) and "India Green Manufacturing Challenges(IGMC): 2019, sustainability Gold award from The International Research Institute for Manufacturing (IRIM), Mumbai). They have also invested in and achieved various sustainability certifications (FSC, Oekotex, STeP, etc). However this indicator is related to investments specifically regarding direct public support of forest level conservation solutions that has not yet been undertaken by the organization.</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>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input checked="" type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available

	<p>Description of the finding: The organization has demonstrated investment in many environmental initiatives and certifications (see 9.3 above) but not yet shown evidence of 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 during the audit.</p>
<p>Summary: The organization has invested in various sustainability initiatives and certifications as seen in findings 9.1-9.4 above. However, these indicators are not met as the organization is just newly involved in the CanopyStyle audit program and learning on which type of conservation solutions they can contribute to meet these requirements.</p>	

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>Conformance with Indicator:</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>Description of the finding: The organization by establishing and implementing the forest sourcing policy has defined the criteria for responsible forest management. While the organization has clearly demonstrated their preference for FSC, and all of its suppliers are FSC CoC certified, most of the inputs are from FSC Mix or FSC Controlled Wood, they lack an action plan to increase FSC certified inputs that are sourced from FSC Forest Management certification.</p>
<p>Summary: By establishing and implementing the forest sourcing policy they have defined the criteria for responsible forest management. However, a clear action plan to increase FSC certified materials has yet to be established.</p>	

11. Reduction of Greenhouse Gas (GHG) Footprint by Recognizing the importance of forests and peatlands as carbon storehouses	
Indicators	Findings
<p>11.1 The MMCF producer has developed and implemented procedures to evaluate their suppliers' performance in reducing GHG.</p>	<p>Conformance with Indicator:</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>Description of the finding: The organization has developed and implemented various procedures in-house for reducing GHG emissions like following a methodology to calculate CO2 emissions, investing in technology to reduce electricity consumption, treating waste water coming out of the factory and using it in-house. The organization has been certified as per Energy Management System ISO 50001:2018. Their supplier Century Pulp and Paper have made efforts to reduce carbon footprint and impact on the environment by making improvements in power consumption, waste management and usage of raw materials & conservation. The CPP mill consumes 14 lac units per day, of which an estimated 95% of the power is generated internally, 45% of CPP's power needs are met through the process of biomass waste in the form of black liquor, pith and sawdust. The organizations foreign suppliers like DOMSJO, EKMAN, GP Cellulose, RAYONIER, SODRA have procedures in place to reduce GHG.</p> <p>The organization does have procedures to evaluate their suppliers performance, but has yet to implement these procedures with evidence of this type of evaluation and results for each supplier. Evidence of documentation of supplier performance has been submitted, but it is not clear how this is evaluated to meet this indicator. Therefore, this indicator is being rated as "in progress".</p>
<p>11.2 The MMCF producer can document giving preference to suppliers that have identified and adopted management measures to protect forests, forested peatland at the concession and landscape level (peat dome) and identify, withdraw from and restore peatlands and their hydrology.**</p>	<p>Conformance with Indicator:</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 the finding: All suppliers hold FSC CoC certification and under the scope of their certification source FSC FM or FSC CW which gives some assurance that HCV forests (including peatland) are protected. However, these certifications do not provide full compliance with this indicator as not all fiber mills source pulp with FSC claims. This indicator is therefore being graded as in progress.</p>

12. Pollution Prevention	
Indicators	Findings
<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</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p>

impact overall environmental quality. However, it will be noted when MMCF producers invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process). The indicators will be the number of mills using such cleaner processes and the % of overall volumes produced with such technology. This information will be treated and framed as additional bonus performance by the MMCF producer.

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

Description of the finding: The organization has developed and implemented various procedures in-house for reducing GHG emissions like following a methodology to calculate CO2 emissions, investing in technology to reduce electricity consumption, treating waste water coming out of the factory and using it in-house, planting native trees in the factory premises. The organization has been certified as per Energy Management System ISO 50001:2018. Some of the recent investments the organization has made in the pursuit of achieving cleanest manufacturing technology include Pitch dust coal and ash control system, Screw press at ETP (BIOGAS), Retro fitting of enmass ESP and sensor installed for control of effluent treatment plant and power boiler. The organization has also received a state level energy award for its excellence in energy conservation and management. The organization has also invested in various water saving projects in the year 2019-2020, these include re-use of waste water through filtration, use of back water in gravity slasher instead of fresh water, chlorine back water used for dispenser, spray shower etc instead of fresh water and water management system installed in 10 pumps to save fresh water.

The organization has invested greatly in their environmental performance and pollution prevention. However, the indicator is being graded as in progress, to encourage further investment of clean manufacturing processes for a high percentage or all of their production volumes.

Summary: The organization has invested greatly in their environmental performance and pollution prevention. However, the indicator is being graded as in progress, to encourage further investment of clean manufacturing processes for a high percentage or all of their production volumes.

** Indicates Critical Indicators

Appendix B: STANDARD CHECKLIST (CanopyStyle Verification Framework – Viscose Mill Checklist)

1. Evaluation of Century Rayon Viscose Mill

Primary Responsible Person: (Responsible for control system at site(s))	Dr. Sandeep R Naik (Deputy General Manager – Rayon – P & QC) (Management Representative – FSC COC Certification)
Auditor(s):	Marimuthuram Mahendran
People Interviewed, Titles:	Milind Bhandarkar (Vice President – TC & CSY Plant), Abhay Raj Singh (General Manager – Rayon Operations), Ashish Kothari (Senior Manager – Marketing), Pradeep Chakravarthi (Senior Manager – Purchase), Amit Kataria (Officer – Stores), Sachin Kulkarni (Manager – Rayon Viscose Production), J.R. Hirwarkar (Deputy General Manager Spg. Production), Sumit Bhosale (Manager – Warehouse).
Brief Overview of Audit Process for this Location:	<i>Please refer to Section 2.3 above for Description of Overall Audit Process.</i>
Comments:	This audit was conducted remotely due to the health and safety risks presented by the COVID-19 pandemic.

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their Fiber Sourcing/Forest Policy	
Indicators	Findings
1.10 Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it.**	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that all the key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. This was confirmed by the auditor by interviews with the key managers of each of the production sites on the awareness towards the policy. The auditor concluded that the key managers of each of the production sites were trained and were aware of the policy.</p>

<p>1.11 Each production site's/mill's managers have developed procedures to implement the Policy, when relevant. **</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that all the production site managers have developed procedures to implement the Policy. This was confirmed by the auditor interviews with the production site managers of each of the production sites on the awareness towards the policy. The auditor concluded that the key managers of each of the production sites were trained, aware of the policy and were implementing the same wherever relevant.</p>
<p>Summary: Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it. Each production site's/mill's managers have developed procedures to implement the Policy, when relevant. However the organization relies heavily on their FSC CoC procedures that do not necessarily correspond directly to the sourcing policy.</p>	

2. Sourcing from transparent supply chains that are in conformance with the policy.	
Indicators	Findings
<p>2.6 The production site/mill maintains all <u>purchase and sales</u> documentation related to the wood fiber <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p>Conformance with Indicator:</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 the finding: The organization maintains all purchase and sales documentation related to the wood fiber inputs However, the documents do not include an identification of the forest origin.</p>
<p>2.7 The mill/production site maintains all <u>delivery documentation</u> received with the wood fiber <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p>Conformance with Indicator:</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 the finding: The organization maintains all delivery documentation received with the wood fiber inputs However, the</p>

	documents do not include an identification of the forest origin.
2.8 When sourcing from certified or verified land origin, the supplier code and claim for the applicable third-party verification is included on sales and delivery documentation.	<p>Conformance with Indicator:</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>Description of the finding: The organization is FSC COC certified and therefore has the ability to receive and pass on certification claims. However, there is no procedure to ensure that when sourcing materials originating from certified operations, that the materials are sourced as certified with certification claims.</p>
2.9 The production site maintains a summary of annual purchases and then sales to the MMCF producer.	<p>Conformance with Indicator:</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>Description of the finding: The organization maintains a summary of annual purchased and sale to the MMCF producers.</p>
2.10 All Suppliers provide <u>outgoing</u> transportation documents that include the forest/plantation of origin and certification status if relevant	<p>Conformance with Indicator:</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>Description of the finding: Most of the organizations suppliers have established a due diligence system like Sodra – Ekman & Co. AB, Sweden, Rayonier Advance Material, USA, Domsjo Fabriker AB, Sweden and GP Cellulose GmbH, Switzerland, but not with the case of Century Pulp and Paper Mill. So, for the FSC certified transaction from the suppliers having a due diligence system the origin of plantation or forest could be traced back from the certification code in the transportation documents, however it is not the case with CPP Mill, since they do not have a due diligence system in place.</p>
<p>Summary: The production site maintains a summary of annual purchases and then sales for the organization, however does not identify forest of origin information on delivery and sales documentation received or issued/sent. The organization has the ability to receive and make FSC certification claims, but does not currently do so at all times that material is received from a certified operation.</p>	

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

Indicators	Findings
<p>4.4 The production site/mill is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.**</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization is aware of all relevant local, national and international laws and is in compliance with all of them. During documentation review, it was found that the organization under the management and operation of Grasim Industries Limited has evaluated its compliance to legal requirements. Some of the legal requirements pertaining to the canopy audit were Prevention & Control of Pollution Act, The Environment (Protection) Act, Ozone Depleting Substances Rules, Environmental Impact Assessment Notification, The Energy Conservation Act, Workmen's compensation Act, Contract Labour (Regulation & Abolition) Act, Employees State Insurance Act which the organization was in compliance. This was confirmed through documentation review and interviews with the key responsible people during the audit.</p>
<p>4.5 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not procure wood from Ancient and Endangered forests and controversial sources.</p>	<p>Conformance with Indicator:</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 the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization is committed not to source from ancient and endangered forests and other controversial sources. This was confirmed through documentation review of the Policy, Communication with suppliers etc., and interviews with the key responsible people. However, the controlled wood sourced from Century Pulp and Paper does not have a formal risk assessment verification.</p>
<p>4.6 Production mills have conducted assessment of presence of ancient and</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p>

<p>endangered forests and other controversial forests in their wood supply areas.</p>	<p> <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 the finding: Most of the organizations suppliers have established a due diligence system like Sodra – Ekman & Co. AB, Sweden, Rayonier Advance Material, USA, Domsjo Fabriker AB, Sweden and GP Cellulose GmbH, Switzerland, hence the probability of sourcing material from ancient and endangered forests is negated. However, this is not the case of Century Pulp and Paper Mill. So, the Century Pulp and Paper Mill has not conducted assessment of presence of ancient and endangered forests and other controversial forests in their wood supply area.</p>
<p>4.7 The sourcing from regions that contain Ancient and Endangered forests and other controversial sources is verified to low risk by this CanopyStyle audit.</p>	<p>Conformance with Indicator:</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 the finding: Most of the organizations suppliers have established a due diligence system like Sodra – Ekman & Co. AB, Sweden, Rayonier Advance Material, USA, Domsjo Fabriker AB, Sweden and GP Cellulose GmbH, Switzerland, hence the probability of sourcing material from ancient and endangered forests is negated. However, this is not the case of Century Pulp and Paper Mill. So, the Century Pulp and Paper Mill has not conducted assessment of presence of ancient and endangered forests and other controversial forests in their wood supply area. As this audit only looked at a sampling of documentation and information on the CPP mill's sourcing, this audit cannot confirm low risk due to proximity to ancient and endangered forests identified via the ForestMapper.</p>
<p>Summary: 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. Production site/mill is yet to understands the definitions of Ancient and Endangered forests and controversial sources. They are yet to conduct assessment of presence of ancient and endangered forests and other controversial forests in their wood supply areas in India. The sourcing from regions that contain Ancient and Endangered forests and other controversial sources are yet to be verified to low risk by this CanopyStyle audit.</p>	

5. Actions if suppliers contravene criteria

Indicators	Findings
<p>5.4 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to the CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified.</p>	<p>Conformance with Indicator:</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>Description of the finding: Dr. Sandeep R Naik the primary responsible person mentioned that the organization has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. Moreover, the organization is FSC COC certified and has developed procedures for engaging suppliers and handling non-conforming products. This was confirmed by documentation review and interviews with key persons during the audit</p>
<p>Summary: Production sites/mills are yet to have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to the CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified. However, they relied heavily on their FSC procedures rather than sourcing policy specific procedures.</p>	

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

Appendix D: RECOMMENDATIONS FOR IMPROVEMENT

Recommendations for Century Rayon for continuous improvement

December 9, 2020

Canopy applauds Century Rayon for completing its first CanopyStyle audit. The audit was unable to determine low risk of sourcing from Ancient and Endangered Forests and other controversial sources because information/risk assessment is lacking for one key supplier. However, all other suppliers have been determined to be at low risk.

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

- Conduct a risk assessment for the sourcing area for Century Pulp and Paper, to ensure that there are no Ancient and Endangered Forests and /or controversial sources (including plantations established after 1994 and fiber coming from key biodiversity areas) entering the supply chain. Site verification may be required to confirm low risk;
- Develop an action plan for increasing the amount of FSC fibre used, with preference for fibre from FSC certified forests (FSC 100%);
- Establish internal systems to monitor implementation of policy beyond FSC and other certification systems, including procedures to engage suppliers;
- Adopt ambitious targets for increasing the use of Next Generation alternative fibres in a commercially competitive way;
- With support from Canopy, begin to support advocacy actions for the conservation of key priority forest regions;
- 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 guidelines¹ 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 Century Rayon to continue to implement their policy and meet the expectations of the CanopyStyle Initiative.

Once again, we congratulate you for the completion of the audit and for proactively taking steps to reduce risk in your supply chain. We look forward to working collaboratively with Century Rayon to address any outstanding issues.