CanopyStyle Audit Report

for Grasim Industries Limited, Unit Century Rayon, Kalyan

Annual audit 2025

Evaluation date: 22nd and 23rd May 2025

Report date: 11th Sept 2025

Organisation Contact

Century Rayon (Under the management and administration of Grasim Industries Ltd), Murbad Road, Shahad – 421103, Dist Thane, Maharashtra, India.

Audit managed by

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INTRODUCTION

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

The purpose of this report is to document performance of ***Century Rayon*** hereafter referred to as "Company", against the requirements of the Verification Framework and Guidelines, (September 2021 version[1]) and related guidance documents[2] developed by Canopy and approved, supported and requested by the Fashion and Textile Leaders for Forest Conservation (Leaders Group)[3] and the over 500 brands, retailers and designers looking to implement their sourcing policies for man-made cellulosic textiles. The focus of this verification audit is to manage the risk and avoid sourcing from ancient and endangered forests and other controversial sources and implement other sustainable sourcing measures, across the supply chain from the point of wood harvesting in forests and/or plantations and through to the brand and retail customers. Man-made cellulosic fibre (MMCF) producers, are required to document and provide evidence towards a set of pre-defined social and environmental criteria and key progress indicators as part of the CanopyStyle initiative.

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

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. GENERAL DESCRIPTION

1.1 Company overview

Grasim Industries Limited (VFY – Fashion Yarn Business) is the largest viscose filament yarn manufacturer in India with over 60 years of legacy under the Aditya Birla Group. The business operates at Century Rayon (Shahad, Maharashtra) and Indian Rayon (Veraval, Gujarat). Century Rayon, under the brand names Raysil® and Raysil Eco, manufactures 100% natural viscose filament yarns ranging from 20 to 1200 deniers with an installed capacity of 28,500 TPA, supported by advanced technologies and modern process control systems.

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
- ISO 14001:2015
- ISO 45001:2018

[1] https://canopyplanet.org/wp-content/uploads/2021/02/CanopyStyle-Audit-Guidelines-and-Verification-Framework-ENG-CHN.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
[4] https://canopyplanet.org/wp-content/uploads/2019/10/AdviceNoteCanopyStyleAudits.pdf

- OEKO-TEX 100
- STeP (Sustainable Textile Production)
- ISO / IEC 27001:2013
- FSC-COC (no:CU-COC-904720)
- SA 8000
- HIGGS
- RCS
- ZDHC

Century Rayon is strategically located 54 Km Northeast of Mumbai, the commercial capital of India that has major air and seaports. 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.

1.2 Company scope (sites, locations, etc):

The scope of the audit included Grasim Industries Limited (Aditya Birla Group) headquarters and manufacturing plant located in Maharashtra state India. See scope description in section 2.

1.3 Company sourcing policy

Century Rayon's Fibre Procurement Policy for Protecting Forests (effective from 29 June 2021) highlights that:

"Century Rayon is committed to playing a leadership role in the dissolving pulp & cellulosic fibre industry and will work with our wood fibre supplier and Canopy promote sustainable forest management and the protection of ancient and endangered forests."

The scope of the commitment is to apply to all man-made cellulosic fibres, fabrics and textile, including but not limited to rayon, viscose, lyocell, modal and trademarked product lines produced by the company. Their commitment addresses their own operations as well as their procurement practices, thereby supporting long-term environmental, social and economic benefits.

1.3.1 Conservation of Ancient and Endangered Forests and Intact Forest Landscapes

"Century Rayon supports a future that does not use ancient and endangered forest for dissolving pulp to make cellulosic fibres. They are therefore:

- Assessing their existing use of wood pulp and fibre and ensure that they 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.
- Working with their fibre suppliers to phase out and find suitable alternatives to any fibre sources from these regions.
- Eliminating sourcing fibre from other controversial sources including companies that are logging forests illegally and from tree plantations established after 1994 through the conversion of simplification of natural forests."

1.3.2 Recognizing, respecting and upholding human rights and the rights of communities:

Century Rayon ensures that the suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or tree plantations are developed, resolve complaints and conflicts, and remediate prior human rights violations through a transparent and accountable grievance mechanism and mutually agreeable dispute resolution process.

1.3.3 Innovative and Alternative Fibre Development

Century Rayon plays and active role in the research and development and eventual adoption of commercial scale production of pulp and cellulosic fibre made from alternative fibre sources such as agricultural residue and recycled fibres.

1.3.4 Advocacy for Conservation Solutions

Century Rayon works with Canopy to support collaborative and visionary system solutions that protect remaining ancient, endangered forests such as the Coastal Temperate Rainforests of Vancouver Island and Greater Bear Rainforest, Canada's Boreal forests, and Indonesia's Rainforests.

1.3.5 Forest Certification

Century Rayon gives preference to fibre sourced from forests that are responsibly managed forests, certified to the Forest Stewardship Council certification system.

1.3.6 Transparency, Traceability and Verification

Century Rayon ensures the transparency and traceability of their operations and supply chains and will identify the origin of the raw material sourcing, including pulp and plantations/wood fibre, mapping the entire supply chain back to the mills, plantations, and forest areas. Century Rayon also works with stakeholders to develop third party verification systems of our operations and supply chain and be verified low risk of sourcing from ancient and endangered forest by 2021.

1.3.7 Reduction of Greenhouse Gas Footprint

Recognizing the importance of forests and peatlands as carbon storehouses, Century Rayon supports initiatives that advance forest conservation to reduce the loss of high carbon value forests, by encouraging vendors and suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

1.3.8 Pollution Prevention

Century Rayon invests in and uses the cleanest dissolving pulp and viscose manufacturing technology.

1.3.9 Communication

Century Rayon recognizes the benefit of creating environmental awareness among our customers, employees and peers. They highlight their environmental efforts in their website and in public communications. (For the full policy components and commitments visit: www.grasim.com and refer to the Cellulosic Fashion Yarn section.

2. EVALUATION SCOPE

Scope Item	Check all that apply to the Certificate Scope	
Mill Type:	☒ Single	☐ Multi-site
Input Material Source:	☒ Listed in supplier CoC form	☐ Other suppliers
Majority Fiber Input:	FSC MIX Credit and FSC Controlled Wood Dissolving Grade pulp for filament yarn production (59.32 % contribution) and the other 40.68 % non-FSC dissolving grade pulp.	
Map of Ancient and Endangered Forests Overlay Completed:	☒ Yes	☐ No Comments:
Mill Capacity:	29,300 MT/Annum for Filament Yarn	

Primary Activity:	Man Made Cellulosic Fibre Manufacturers Output product: Viscose Filament Yarn	
Outsourcing:	☐ FSC-certified subcontractors	☐ Non-certified subcontractors
	☐ Outsourcing of the complete production process	
	☐ High risk subcontractor site(s) included	
	☒ No outsourcing	
Workforce: As on 23rd May 2025	Permanent male: 2846	Permanent female: 72
	Contract male: 732	Contract female: 14
	TOTAL: 3578	86

Sites included in evaluation	Location
Grasim Industries Limited, Unit Century Rayon, Kalyan	Industry House, 159, Churchgate Reclamation, Mumbai 400 020, Maharashtra, India.
Grasim Industries Limited, Unit Century Rayon, Kalyan.	Murbad Road, Shahad – 421103, Dist Thane, Maharashtra, India.

3. EVALUATION PROCESS

3.1 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.

3.2 Audit Overview

Site(s)	Audit date	Total on-site audit time (Hours)
Century Rayon (Under the management and administration of Grasim Industries Ltd. Murbad Road, Shahad – 421103, Dist Thane, Maharashtra, India. (MMCF mill-filament yarn)	22-05-2025	4 Hrs
Century Rayon (Under the management and administration of Grasim Industries Ltd. Industry House,159,Churchgate Reclamation, Mumbai 400 020,Maharashtra, India. (HQ)	23-05-2025	8 Hrs

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

3.3 Description of Overall Audit Process

The Canopy Audit for "Century Rayon" was conducted on the 22nd and 23rd May 2025 at their Central Office at Murbad Road, Shahad, 421103 Dist, Thane, Maharashtra, India and Century Rayon Head Quarters, Industry House, Churchgate, Mumbai, India. The audit started with an opening meeting at 10:00 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 23rd May at 4 pm, 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

Positive Findings:

The Senior executive and key managers in the organization 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 requested its suppliers as part of their Sourcing Policy to respect FPIC and they have 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. Century Rayon provides Purchase Order to their suppliers clearly mentioning the Canopy Terms which includes FPIC. Suppliers confirms by mail of adoption and implementation of policy with Century Rayon. The organization has mentioned that they recognize, respects and upholds human rights and rights of communities.

The organization has disclosed the speces of trees on their sourcing used for the product, which helped provide some indication of whether it's from Ancient & Endangered forests, tropical or temperate forests, plantation species, etc. So according to the company, they are sourcing from 3 pulp mills. Domsjo , Rayonier (Jesup, US) and Sodra. It's declared the species from Domsjo and Rayonier (Jesup, US) mills are *Pinus sylvestris, Pinus contorta,Picea abies,Picea sylvestris, Pinus echinate*, *Pinus palustris, Pinus elliottii, Pinus taeda*. From Sodra, the species are declared as *Alnus glutinosa,Larix x marschlinsii, Picea sitchensis,Picea abies, Fagus sylvatica L.,Betula pubescens,Betula pendula,Populus tremula,Pinus contorta,Pinus sylvestris.*

The organization has committed to eliminate purchase of Dissolving Grade Pulp from Century Pulp and Paper from 08.08.2022 [Refer: 5.3 A written statement confirming the termination sourcing from Century Pulp and Paper (CPP)]. The auditor observed during this audit that organization has completely phased out CPP material and did not find any stocks of CPP material on the day of the audit.

The research and development phase to produce pulp and cellulosic fiber made from alternative fiber sources is completed. The organization has submitted the Canopy's Next Generation Alternative Fibre Questionnaire for MMCF producers. The organization is experimenting with 5% recycled post-consumer cotton. After optimization, they would increase the production capacity of next generation feed stock to a level of 25%. M/s Sodra is also experimenting and optimizing the production of Recycled Post Consumer Cotton, therefore the Supply from M/s Sodra as well as Quality & cost implication will be important for Century Rayon for making decisions with regards to scaling up.

The organization has invested in various sustainability initiatives and certifications. The organization has participated in events that support the conservation of Ancient and Endangered Forests, such as a panel discussion with Canopy, FSC and H&M. The organization has also participated in the Hohenstein Global sustainability conference and ZDHC meeting on sustainability. The organization has mentioned that it recognizes, respects and upholds human rights and rights of communities (https://www.raysil.co.in/media/stories/century-rayon-recognizes-respects-and-upholds-human-rights-and-the-rights-of-communities). The organization signed on to a Producers' letter to the Parties of the Convention on Biological Diversity in December 2022, which called for the protection of 30% of the world's forests by 2030 (the letter to the 15th CBD for verification calling for the implementation of 30% protection by 2030). The organization and their suppliers have been certified as per Environmental Management System ISO 14001: 2015. The organization has implemented various systems for reducing GHG emissions and has set planned targets to reduce future emissions.

Areas for Improvement:

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. The organization has developed standard operating procedures (SOP) related to the forest sourcing policy and has developed & implemented a system to monitor supplier's conformance with the Policy.

The organization has not completed an independent risk assessment of its suppliers. the organization's suppliers like Sodra – Ekman & Co. AB, Sweden, Domsjo, Fabriker AB, Sweden, Rayonier Advance Material have conducted risk assessments based on Canopy criteria. The organization has published the suppliers risk assessments publicly in their website, though not all suppliers have conducted risk assessments. There has been no solid evidence of no conversion of natural forest to plantations provided from the organization as well as from the suppliers.

The organization has adopted clear definitions for the terms included in their sourcing policy. According to Canopy Dissolving Pulp Mill Classification Tool, all pulp mills are graded as no sourcing issues or risks have been mitigated in terms of sourcing from ancient and endangered forests. Although there is some FSC certified pulp supplied to the organization, FSC certified pulp could partially support the compliance on not sourcing from controversial sources, while intact forest landscapes and drained tropical peatlands cannot be ensured to be eliminated from sourcing if local laws/legislations are not prohibits the harvesting/sourcing. In addition, there are non-certified pulp also supplied to the organization, which even lowers the confidence on not sourcing from ancient and endangered forests, other controversial sources, intact forest landscapes and drained tropical peatlands.

The organization's pulp suppliers are known, as well as their 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 a procedure to disengage with suppliers that are found to be in nonconformance with the policy and the organizations procedure for customer complaint handling clearly mentions withdrawing from purchase and other agreements in situations where non-conformance is found. By establishing and implementing the forest sourcing policy they have defined the criteria for responsible forest management. However, the organization has not developed any detailed action plan for responsible forest management.

Canopy shared an advice note (effective 1 June 2019) that introduces a new tool (Dissolving Pulp Mill Classification) to be used in addition to the Forest Mapper when conducting risk assessments for sourcing from ancient and endangered forests. The new tool outlines commonly used dissolving pulp mills and a determination of risk considering priority ancient and endangered forests. Below please find the results comparison between the company internal risk assessment conducted for 2022 and the Canopy Dissolving Pulp Classification Tool:

Supplier	Company Risk Assessment (summarized by Century Rayon based on the suppliers assessments conducted by suppliers themselves)	Canopy Dissolving Pulp Classification
Sodra	Sodra has a robust Endangered Forest protection program to ensure no procurement from ancient and endangered forest. a) Satellite Monitoring to Protect Endangered Forests (Refer: https://canopyplanet.org/tools/forestmapper)	Sodra: **No Ancient and Endangered Forest sourcing issues dentified**

		based on current information and/or CanopyStyle Audit.
DOMSJO FABRIKER AB	DOMSJO FABRIKER AB does not source controversial material from Ancient and Endangered Forests. a) Satellite Monitoring to Protect Endangered Forests (Refer: https://canopyplanet.org/tools/forestmapper)	DOMSJO: No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
RAYONIER ADVANCE MATERIALS (USA) （Jesup）	RAYONIER ADVANCE MATERIALS does not source controversial material from Ancient and Endangered Forests. a) Satellite Monitoring to Protect Endangered Forests (Refer: https://canopyplanet.org/tools/forestmapper)	Rayonier (USA): No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.

4.2 Summary of findings

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

** Indicates Critical Indicators

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

	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	*Commitment Met*
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	*Commitment Met*
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	*Commitment Met*
	1.8 The MMCF producer has put in place a grievance procedure.	*Commitment Met*
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	*Not Applicable*
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	*Commitment Met*
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	*Commitment Met*
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.	*Commitment Met*
	2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and Dissolving Pulp Classification tool, to make their supply assessment.	*Commitment in Progress*
	2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	*Commitment in Progress*
	2.4 The assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.	*Commitment in Progress*
	2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	*Commitment in Progress*
	2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such	*Commitment Met*

	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. **	*Commitment in Progress*
4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as "ancient & endangered forests", "intact forest", "natural forest", "endangered species", "controversial sources", "high conservation value", "high carbon area", "peatlands", etc. that are consistent with this document and the forest sourcing policy template. **	*Commitment Met*
	4.2 All areas meeting the definition of "ancient and endangered forests" have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group. **	*Commitment in Progress*
	4.3 Any raw materials in the MMCF producer's supply chain originating from ancient and endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. **	*Not Applicable*
	4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **	*Commitment Met*
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	*Commitment in Progress*
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. **	*Commitment in Progress*
	5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	*Commitment Met*

	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	*Commitment Met*
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 When requested, Canopy, the Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **	*Commitment Met*
*If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is ding so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertifcally integrated, they may excutre the conservation planning and FSC certification themselves)	6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed, based on best available science, by a credible third party, and made public. **	*Not Applicable*
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **	*Not Applicable*
	6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	*Not Applicable*
	6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in	*Not Applicable*

	a way that meets principles of Free Prior and Informed Consent. **	
7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies in the forestry sector Note: This audit focuses on only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations. **	*Commitment in Progress*
	7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	*Commitment in Progress*
	7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and	*Commitment in Progress*

	accountable manner that is mutually agreed by the parties.	
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	*Commitment in Progress*
	7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.	*Commitment in Progress*
	7.6 Recognition and respect for human rights is demonstrated by the MMCF producer 's forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or resolved social conflicts and remedy past or current human rights violations. **	*Commitment in Progress*
8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	*Commitment Met*
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	*Commitment Met*
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	*Commitment in Progress*
	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	*Commitment Met*
	9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.	*Commitment Met*
	9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **	*Not Applicable*

10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	*Commitment Met*
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	*Commitment Met*
	11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	*Commitment in Progress*
	11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	*Commitment in Progress*
12. Pollution Prevention	12.1 * This verification process will not verify the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released	*Not Applicable*

4.3 Volume Summaries[5]

Reporting period: 1st February 2024 to 31st January 2025

Category	Explanation	Volume	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	17766.5 MT	80.47%
Controlled material	Noncertified material controlled by the company's FSC Due Diligence System	None	None
FSC Mix	Material received with an FSC Mix Credit or FSC Mix % claim from an FSC CoC certified company	372.80 MT	1.69%
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	None	None

[5] The volume summary is provided by the organization.

Non-FSC	Material received with no FSC claim.	**3051.8 MT**	**13.82%**
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	**888.1 MT**	**4.02%**

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

1. Evaluation of Site: Century Rayon Head Office

Primary Responsible Person: (Responsible for control system at site(s))	Mr. Rajiv Schroff – Assistant Vice President, Central Procurement Cell Mr. Pradip Chakravarti – Senior Manager, Central Procurement Cell Mr. Mahesh Bagarao – Deputy Officer (QA) Mr. Sanjay Vishwakarma – Officer Material
Auditor(s):	Marimuthuram Mahendran
People Interviewed, Titles:	Mr. Rajiv Schroff – Assistant Vice President, Central Procurement Cell Mr. Pradip Chakravarti – Senior Manager, Central Procurement Cell Mr. Mahesh Bagarao – Deputy Officer (QA) Mr. Sanjay Vishwakarma – Officer Material
Brief Overview of Audit Process for this Location:	*Please refer to Section 2.3 above for Description of Overall Audit Process.*
Comments: The Corporate Office is responsible for development and enforcement of the company sourcing policy and purchasing raw material for the mill.	

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	
Indicators	**Findings**
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	Description of the finding: The organization shared a link with the auditor as 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). This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization shared the specific standard operating procedures (SOP) for implementation of the forest sourcing policy with input from and agreement of civil society stakeholders. The name of the SOP is *Procedures for Canopy Fibre Procurement Policy*. This has been developed just for Canopy Audit. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	Description of the finding: The organisation shared the specific standard operating procedures (SOP) for implementation of the forest sourcing policy which clearly mentions the personnel responsible for the implementation of the policy. The name of the SOP is ***Procedures for Canopy Fibre Procurement Policy.*** This has been developed just for Canopy Audit. Shivaji Patil (Sr. Manager – PSY), Vijay Sharma (AGM – TC & CSY), Leonardo Dsouza (Sr. Manager – HR & Admin) are responsible for principles 1.1 & 1.2. Sachin Kulkarni(Sr. Manager – TC & CSY) is responsible for principle 1.3. Amit Kataria (Officer – Material) is responsible for principles 2.1, 2.2, 2.5 & 2.6. Dr.Mahesh Bagarao (Officer – QA Lab, IMS , Ex) is responsible for principles 2.3, 4.3, 4.4, 5.1 to 6.1, 7.3 & 11.2. Pradeep Rawat (Manager – Source & Procurement) is responsible for principles 2.4. Pradeep Chakrworty (Sr. Manager – Central Procurement Cell) is responsible for principle 4.2, 4.5, 6.2 to 7.2. Krishna Yadav (Manager – Safety) is responsible for principle 4.1. Shrikant Gore (VP – HR) is responsible for principle 7.4. Leonardo Dsouza (Sr. Manager – HR & Admin) is responsible for principle 7.5 & 7.6. Rajiv Schroff (AVP – Central Procurement Cell) is responsible for principles 8.1, 9.2, 10.1 & 11.3. Rajkumar Jaikar (GM – NPD, AD & R & D) is responsible for principle 8.2. Abhijit Pathare (Sr. Manager – Sales & Marketing) is responsible for principle 9.1. Prakash Bhat (GM – EHS) is responsible for principle 9.3 & 9.4. Ajit Patil (Sr. GM – Power & Boiler House) is responsible for principle 11.1. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.

1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organisation shared the specific standard operating procedures (SOP) for implementation of the forest sourcing policy which clearly mentions the personnel responsible for the implementation of the policy. The name of the SOP is ***Procedures for Canopy Fibre Procurement Policy***. This has been developed just for Canopy Audit. Shivaji Patil (Sr. Manager – PSY), Vijay Sharma (AGM – TC & CSY), Leonardo Dsouza (Sr. Manager – HR & Admin) are responsible for principles 1.1 & 1.2. Sachin Kulkarni(Sr. Manager – TC & CSY) is responsible for principle 1.3. Amit Kataria (Officer – Material) is responsible for principles 2.1, 2.2, 2.5 & 2.6. Mr. Mahesh Bagarao (Officer – QA Lab, IMS , Ex) is responsible for principles 2.3, 4.3, 4.4, 5.1 to 6.1, 7.3 & 11.2. Pradeep Rawat (Manager – Source & Procurement) is responsible for principles 2.4. Pradeep Chakrworty (Sr. Manager – Central Procurement Cell) is responsible for principle 4.2, 4.5, 6.2 to 7.2. Krishna Yadav (Manager – Safety) is responsible for principle 4.1. Shrikant Gore (VP – HR) is responsible for principle 7.4. Leonardo Dsouza (Sr. Manager – HR & Admin) is responsible for principle 7.5 & 7.6. Rajiv Schroff (AVP – Central Procurement Cell) is responsible for principles 8.1, 9.2, 10.1 & 11.3. Rajkumar Jaikar (GM – NPD , AD & R & D) is responsible for principle 8.2. Abhijit Pathare (Sr. Manager – Sales & Marketing) is responsible for principle 9.1. Prakash Bhat (GM

	– EHS) is responsible for principle 9.3 & 9.4. Ajit Patil (Sr. GM – Power & Boiler House) is responsible for principle 11.1. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has shared the email communications of its commitment to implement its Policy to all their suppliers as evidence for the said requirement to the auditor during the audit. The suppliers have responded that they are in receipt of the email and are aware of the policies and are implementing the same. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The 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 mention responsible sourcing and most of their existing suppliers are already aware of the Canopy

	sourcing policy. The organization submitted the purchase order or contract that includes language regarding their commitments to not source from Ancient and Endangered forests and other controversial sources. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Insufficient Information Available **Description of the finding:** The organization submitted the purchase order or contract that includes language regarding their commitments to not source from Ancient and Endangered forests and other controversial sources and confirmation letters from the suppliers regarding implementation of the policy. Specific system in monitoring the supplier is developed and implemented. This was confirmed by documentation review, interviews with the key responsible people and observations during the audit.
1.8 The MMCF producer has put in place a grievance procedure.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organisation has put in place a transparent/public grievance procedure. This was confirmed during the audit by a documentation review of the corporate external grievance management policy, Customer complaint handling procedure and interviews with responsible persons implementing the external grievance

	management mechanism. The customer complaint handling procedure has clear instructions to handle customer complaints. Once the complaint is received, root cause analysis is done and corrective and preventive actions are taken at the earliest. The Action plan, Compensations, GR process is to be completed as per defined criteria and submit the same in ERP/SAP. Accordingly, the marketing team informs the customer, and the complaint is closed.
1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** 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 non-compliances or grievances noted, this indicator is not applicable.
1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** 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 organization conducts regular trainings to ensure Canopy policy implementation. Training record is provided to the auditor. The auditor concluded that the key managers of each of the production sites were trained and were aware of the policy. There were trainings conducted on the fibre procurement policy and Canopy requirements to all the key responsible people from various departments.
1.11 Each production site manager has developed procedures to implement the Policy, when relevant.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The primary responsible person mentioned that the Corporate Office develops procedures to implement the policy for the production site managers and share it with the mill. The auditor concluded that while the key managers of each of the production sites were trained and aware of the policy, they have also aware fully of the developed procedures to implement the policy.
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. The organization has developed standard operating procedures (SOP) related to this policy and is yet to develop & implement a system to monitor supplier's conformance with the Policy.	

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

2.1 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The -organization maintains an annual volume summary that clearly mentions the volume of the different certified material like FSC controlled wood, FSC MIX, PEFC and Non FSC material that has been purchased during the audit period. The annual volume summary document was verified, and the entries checked by the auditor and cross verified with 5 samples of the purchase invoices 2 samples from Sodra – Ekman & Co. AB, Sweden, 2 sample from Domsjo, Fabriker AB, Sweden, 1 sample from Rayonier Advance Material. The organization is able to trace back each and every purchase and sale documents to the Pulp mill or traders/brokers through FSC certification systems, PEFC certification systems, Canopy planet forest Mapper, certificate of origin and email confirmation from suppliers. The organization has purchased 59.32% FSC Certified Dissolving grade pulp and 40.68% of Non-FSC Dissolving Grade pulp during the audit period. This was confirmed by documentation review of the volume summaries, interviews with key responsible people and observation during the audit.

2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and Dissolving Pulp Classification tool, to make their supply assessment.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has not completed an independent risk assessment of its suppliers. However, the organization purely depends on the risk assessments conducted by their suppliers. the organization's suppliers like Sodra – Ekman & Co. AB, Sweden, Domsjo Fabriker AB, Sweden, , Rayonier Advance Material have conducted risk assessments on indicators like forest of origin's risks using tools like ForestMapper, Dissolving Pulp Classification Tools. The organization shares the fibre procurement policy with all their suppliers and requests information related to forest of origin's risks, sustainable development performance, human rights, corporate social responsibility, performance of GHG emissions, tropical peatlands and IFLs origin risks for their canopy audit through email This was confirmed by documentation review of 5.3A Written statement confirming the termination sourcing from Century Pulp & Paper, Risk Assessments, Sustainability Reports of suppliers, Canopy Forest Mapper Images, Google Maps Images and email communication with their suppliers, interview with the key responsible people and observations made during the audit. During the documentation review, the auditor reviewed Declaration of the supplier on Fibre Procurement Policy, Volume declaration for increase in FSC intake, Declaration from suppliers Not to source from Tropical Peatlands and Intact Forests, Declaration from suppliers on Wood Origin and Initial date of Plantations, Canopy Style Dynamic Classification of Mills to avoid sourcing from Ancient and Endangered Forests, Forest Maps from the Pulp suppliers to check compliance to this requirement followed by interview with key responsible people and observation during the audit.

2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization is able to trace back each and every purchase and sale documents to the Pulp mill or Trader/broker through FSC certification systems, PEFC certification systems, Canopy planet ForestMapper and certificate of origin. This was confirmed by documentation review, interviews with key responsible people and observation during the audit. Sodra and Domsjo disclosed their sourcing info up to a regional/subregional level with a sourcing radius map provided. Rayonier (Jesup mill) also provided their FSC Controlled Wood and PEFC Due Diligence Risk Assessment which contained their sourcing radius info.
2.4 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The primary responsible person confirmed that the organization has not initiated an independent risk assessment, however the organization purely depends on the risk assessments conducted by their suppliers. The organization's suppliers like Sodra – Ekman & Co. AB, Sweden, Domsjo Fabriker AB, Sweden, , Rayonier Advance Material have conducted risk assessments on indicators like forest of origin's risks using tools like ForestMapper, Dissolving Pulp Classification Tools. According to the company, these risk assessments are updated every year on their website and

	shared with Canopy, with permission to share with the Leaders Group. The link to website is www.centuryrayon.co.in.
2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has not maintained a risk assessment in place to include indicators like legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism. However, All the organization's suppliers have submitted risk assessments that include indicators like legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.This was confirmed through documentation review FSC certification, Declaration from suppliers on the Fibre procurement policy, Declaration from suppliers, Declaration of wood origin and initial date of plantation, Forest Maps of Pulp suppliers, sustainability reports etc, interviews with key responsible people and observations during the audit. Given that there are non-certified pulp supplied to the company, risks related to legality, human rights violation, GMO species and conversion of natural forest to plantations (1994 dates) cannot be verified. Potential risks are raised.
2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textiles retailers.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company provided the updated supplier list and the latest supplier list is published.
Summary:	

The organization has not completed an independent risk assessment of its suppliers. However, the organization purely depends on the risk assessments conducted by their suppliers.All the organization's suppliers like Sodra – Ekman & Co. AB, Sweden,, Domsjo Fabriker AB, Sweden, Rayonier Advance Material have conducted risk assessments based on Canopy criteria. The suppliers risk assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group. The company published the latest supplier list.

3. No conversion of natural forest to plantations	
Indicators	**Findings**
3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** No solid evidence provided from the organization as well as from the suppliers, except their FSC or PEFC certificates. Since there are FSC Controlled Wood, FSC Mix certified, PEFC certified as well as non-certified materials were supplied to the Company, this indicator is graded as Commitment in Progress as none of these certificate claims cannot guarantee no conversion after 1994.
Summary: No solid evidence provided from the organization as well as from the suppliers, except their FSC or PEFC certificates. Since there are FSC Controlled Wood, FSC Mix certified, PEFC certified as well as non-certified materials were supplied to the Company, this indicator is graded as Commitment in Progress.	

4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	
Indicators	**Findings**
4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as "ancient & endangered forests," "intact forest," "natural forest," "endangered species," "controversial sources," "high conservation value," "high carbon area," "peatlands," etc. that are consistent with this document and the forest sourcing policy template.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	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.
4.2 All areas meeting the definition of "ancient and endangered forests" have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Risk assessments on identifying ancient and endangered forests as well as other controversial sources from most of the suppliers have been provided. Details, please refer to indicator 2.2 and 2.3. According to Canopy Dissolving Pulp Mill Classification Tool, all pulp mills are graded as No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit. As of whether there are materials sourced from other controversial sources, although there are FSC certified pulp supplied to the organization, FSC certified pulp could only cover partially on this indicator. FSC doesn't eliminate the possibility of sourcing from IFLs and Peatlands if the local/national laws do not prohibit the logging. In addition, there are non-certified pulp also supplied to the organization, which even lower the confidence on not sourcing from other controversial sources. Therefore this indicator is graded as commitment in progress.
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	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met

adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills.**	☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The policy was signed and adopted outside of the reporting period.
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.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** 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.
4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Based on the current risk assessments provided from the suppliers as well as taking the reference on Canopy's Dissolving Pulp Mill Classification Tool, all suppliers are graded as low risk in terms of not sourcing from ancient and endangered forests.

	Although there are FSC certified pulp supplied to the organization, FSC certified pulp could only cover partially on this indicator. Moreover, there is also non-certified pulp entering the supply chain which even lower the confidence on not sourcing from other controversial sources. This indicator is a summary of 4.1- 4.4.
Summary: The organization has adopted clear definitions for the terms included in their sourcing policy. According to Canopy Dissolving Pulp Mill Classification Tool, all pulp mills are graded as no sourcing issues or risks have been mitigated in terms of sourcing from ancient and endangered forests. Although there are FSC certified pulp supplied to the organization, FSC certified pulp could only cover partially on this indicator. In addition, there are non-certified pulp also supplied to the organization, which even lower the confidence on not sourcing from other controversial sources.	

5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	
Indicators	**Findings**
5.1 All MMCF producers' suppliers are identified and the forest of origin is known.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization's Pulp Mill suppliers are identified and has been cross referenced with the Dissolving Pulp Classification Tool. ALL of the organizations suppliers have established a due diligence system like Sodra – Ekman & Co. AB, Sweden, Rayonier Advance Material, USA, Domsjo Fabriker AB, Sweden. The organization is able to trace back each and every purchase and sale documents to the Pulp Mill or Broker/Trader through FSC certification systems, PEFC certification systems, Canopy planet forest Mapper, certificate of origin and email confirmation from suppliers. This was confirmed by documentation review, interviews with key persons during the audit and observations during the audit.

	However, detailed forests of origin info is not known.
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.** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. The auditor was presented with documented evidence of such a procedure. The name of the SOP is ***Procedures for Canopy Fibre Procurement Policy.*** This has been developed just for Canopy Fiber Policy Implementation. The organization has developed a Canopy documented procedures 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). Further the organizations procedure for customer complaint handling clearly mentions withdrawing from purchase and other agreements in situations where non-conformance is found.
5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The primary responsible person mentioned that there was no non-conformance found with all of the suppliers. Hence there were no documented withdrawals from supply agreements for all of their suppliers. However, the organization has committed to eliminate purchase of Dissolving Grade Pulp from Century Pulp and Paper from 08.08.2022 (Refer: 5.3 A written statement confirming the termination sourcing from Century Pulp and Paper (CPP)) . During tha audit the auditor found that the organization as per their commitment to eliminate purchase from CPP, has completely phased out purchases which could be seen from

	their purchase invoices, volume summaries and physical observation of the stocks in their warehouse. During the audit the organization had zero stocks of material from CPP.
Summary: The organization suppliers are known as well as the general information on the supplier's sourcing areas,. However, the organization has committed to eliminate purchase of Dissolving Grade Pulp from Century Pulp and Paper from 08.08.2022 (Refer: 5.3 A written statement confirming the termination sourcing from Century Pulp and Paper (CPP)). During tha audit the auditor found that the organization as per their commitment to eliminate purchase from CPP, has completely phased out purchases which could be seen from their purchase invoices, volume summaries and physical observation of the stocks in their warehouse. During the audit the organization had zero stocks of material from CPP. The organization has a procedure to disengage with suppliers that are found to be in nonconformance with the policy and the organizations procedure for customer complaint handling clearly mentions withdrawing from purchase and other agreements in situations where non-conformance is found.	

6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation. *If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is doing so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning and FSC certification themselves)	
Indicators	**Findings**
6.1 When requested, Canopy, Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** 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.
6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed, based on best available science, by a credible third party, and made public. **	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.
6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as coming from areas where there is record of conflict or human rights violations.
6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.

6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free, Prior and Informed Consent.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.
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.	

7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of mills and their supply chain and affiliated companies in the forestry sector *Note: This audit focuses only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.*	
Indicators	**Findings**
7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has requested its suppliers as part of their Sourcing Policy to respect FPIC and they have 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. All Pulp Mill suppliers have adopted similar policies to date. The organization provides Purchase Order to their suppliers clearly mentioning the Canopy Terms which includes FPIC. Suppliers confirms by mail of adoption and implementation of policy

	with Century Rayon. The organization has mentioned that they recognizes, respects and upholds human rights and rights of communities (https://www.raysil.co.in/media/stories/century-rayon-recognizes-respects-and-upholds-human-rights-and-the-rights-of-communities). However, there is a gap in information related to compliance to FPIC at the Forest Level suppliers.
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.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization provides Purchase Order to their suppliers clearly mentioning the Canopy Terms which includes FPIC. Suppliers confirms by mail of adoption and implementation of policy with the organization. The organization has mentioned that they recognizes, respects and upholds human rights and rights of communities (https://www.raysil.co.in/media/stories/century-rayon-recognizes-respects-and-upholds-human-rights-and-the-rights-of-communities). There are FSC Controlled Wood claimed, FSC Mix certified, as well as PEFC certified pulp supplied to the organization. Certification partially covers the requirements regarding recognition and respect of human rights, community rights, First Nations rights and rights of workers. Only supplying FSC 100% certified pulp fully meets these requirements. During the audit the auditor completed the documentation review of Declaration of suppliers on Fibre Procurement Policy, Declaration from suppliers on Wood origin and date of plantation, Forest Maps of suppliers, Supplier declaration on Human rights, Labour rights, FPIC and responsible sourcing practices.

	In addition, there are also non-certified pulp supplied to the company where none of these requirements could be met. No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear. Therefore, this indicator is considered as commitment in progress.
7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization is FSC certified and also has a public grievance operation procedure featured for Canopy to accept and handle complaints. There were FSC and PEFC certified pulp as well as FSC Controlled Wood claimed pulp supplied to the organization which meet these requirements as FSC COC certification and FSC Controlled Wood source (including forest managers) require relevant companies to have such a mechanism for their scope.. PEFC certificate also requires a complaints mechanism and resolution. In addition, there was also non-certified pulp supplied to the company where the requirements cannot be confirmed to be met. No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear. This indicator is considered as commitment in progress.
7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	Description of the finding: The organization has developed Standar Operating Procedure for this requirement. During the audit the auditor completed the documentation review of Declaration of suppliers on Fibre Procurement Policy, Declaration from suppliers on Wood origin and date of plantation, Forest Maps of suppliers, Supplier declaration on Human rights, Labour rights, FPIC and responsible sourcing practices. Moreover, the organization has also developed a Human Rights Management Policy. There were FSC pulp as well as FSC Controlled Wood claimed pulp supplied to the organiation which meet these requirements as certification could help to mitigate the risk related workers' rights as workers' rights is within the certification scope. In addition, there was also non-certified pulp supplied to the company where the requirements cannot be confirmed to be met. No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear. This indicator is considered as commitment in progress. Note: FSC COC certification and FSC Controlled Wood source (including forest managers) require relevant companies to sign the policy for association is a declaration by the company that they are not involved in directly or indirectly with the activities that can violate workers' rights; for PEFC certificate, it also requires to recognize and respect the rights of the workers
7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** All pulp suppliers are FSC certified companies and which could provide a high level of confidence that ILO is upheld via certification requirements. No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear.

	Since not all suppliers provided certified pulp, this indicator is considered as commitment in progress.
7.6 Recognition and respect for human rights is demonstrated by the MMCF producer's forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or resolved social conflicts and remedy past or current human rights violations. **	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** There is clear evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. During the audit the auditor completed the documentation review of Declaration of suppliers on Fibre Procurement Policy, Declaration from suppliers on Wood origin and date of plantation, Forest Maps of suppliers, Supplier declaration on Human rights, Labour rights, FPIC and responsible sourcing practices All pulp suppliers are FSC certified companies and which could provide a high level of confidence that recognition and respect for human rights is upheld via certification requirements. No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear and not all suppliers provided certified pulp This indicator is a summary requirement of 7.1-7.5 and thus is being graded as in progress.
Summary: The organization has requested its suppliers as part of their Sourcing Policy to respect FPIC and they have 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. All Pulp Mill suppliers have adopted similar policies to date. Century Rayon provides Purchase Order to their suppliers clearly mentioning the Canopy Terms which includes FPIC. Suppliers confirms by mail of adoption and implementation of policy with Century Rayon. The organization has mentioned that they recognizes, respects and upholds human rights and rights of communities. There are FSC Certified, FSC Controlled Wood claimed as well as PEFC certified pulp supplied to the organization, which provided high level of confidence of meeting the requirements in terms of social rights including human rights, communities rights, rights of workers, handling complaints, etc. However there is also non-certified pulp received from supplier, which lower the confidence at meeting the requirements for social rights. In addition, No evidence provided from the forest level supplier. Upper stream supply chains between the pulp supplier/trader and forest level are not clear.	

8. Development of Innovative and Alternative Fiber	
Indicators	**Findings**
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.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization is working with Sodra to incorporate new alternative fibre sources and has reached a 5% adoption with aims of going higher. The Sodra Once More project uses recycled cotton which is added to the Pulp. The project is already in commercial stage where the organization holds 44.800 MT of Sodra Once more incorporated pulp which will go in for production in the year 2026 to 2027. The organization has shared the Sodra Once More Pulp consumption volumes during the audit. .
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.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization is working with Sodra to incorporate new alternative fibre sources and has reached a 5% adoption with aims of going higher. The Sodra Once More project uses recycled cotton which is added to the Pulp. The project is already in commercial stage where the organization holds 44.800 MT of Sodra Once more incorporated pulp which will go in for production in the year 2026 to 2027. The organization has shared the Sodra Once More Pulp consumption volumes during the audit.
Summary: The organization is working with Sodra to incorporate new alternative fibre sources and has reached a 5% adoption with aims of going higher.The Sodra Once More project uses recycled cotton which is added to the Pulp. The project is already in commercial stage where the organization holds 44.800 MT of Sodra Once more incorporated pulp which will go in for production in the year 2026 to 2027. The organization has shared the Sodra Once More Pulp consumption volumes during the audit.	

9. Voluntary Advocacy for conservation solutions	
Indicators	**Findings**
9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** he company is a member of ZDHC and actively participates in sustainability initiatives organized by the Aditya Birla Group.
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.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Suppliers provided their declarations in confirming the adoption and implementation of policy with Century Rayon. In the meantime, suppliers also declared that the pulp supplied to the company is traceable and suppliers are using their influence to positively impact conservation and protect human rights.
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.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company has supported on some of the Canopy Initiatives such as Letter to COP.
9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress

	☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Not applicable as this indicator is only applicable to MMCF producers who manage forests.
Summary: No solid evidence provided for this auditing period.	

10. Responsible forest management	
Indicators	**Findings**
10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **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. They also have a plan to increase FSC certified inputs that are sourced from FSC Forest Management certification. The organization has submitted a letter clearly mentioning their preference for FSC certified suppliers. Moreover, the organization has an integrated and multi-pronged approach to significantly sclae up the use of FSC certified piulp. This is done through a five point approach Brand Approval and Nominations, Value Chain Partner Mapping and Engagement, Product Development and Showcasing, Traceability and Certification and Establishing a scalable supply chain. This was confirmed by documentation review of the Specific SOP for increasing FSC intake submitted by the organization and interviews with key responsible people. Organization has also submitted documents to show increase in FSC uptake of year on year, that is, in the year 2022 to 2023 recorded 186.402 MT, in the year 2023 to 2024 recorded 266.288 MT and in the year 2024 to 2025 recorded 292.917 MT.

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Summary:
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.

They also have a plan to increase FSC certified inputs that are sourced from FSC Forest Management certification. The organization has submitted a letter clearly mentioning their preference for FSC certified suppliers

11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	
Indicators	**Findings**
11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	**Conformance with Indicator:** ☐ Not Applicable ☒ 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 wastewater coming out of the factory and using it in-house. The organization has set some targets of GHG emissions intensity reduction by 50% by 2030 and 'Net Zero' by 2040, , develop projects for meeting EU BAT limits, reduce water intensity by 50% in VSF production by 2025, assess the sustainability performance of key suppliers by year 2025. Moreover, the organization and their suppliers have been certified as per Environmental Management System ISO 14001: 2015. The organizations suppliers have submitted their sustainability report which clearly evaluate the performance in reducing GHG emissions.
11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:**

	The organization has clearly mentioned this requirement in the procedure for fibre procurement policy. The organization has also submitted declaration from suppliers Not to source from Tropical peatlands and intact forests. During the audit the auditor completed the documentation review of Declaration of suppliers on Fibre Procurement Policy, Declaration from suppliers on Wood origin and date of plantation, Forest Maps of suppliers, Supplier declaration on Human rights, Labour rights, FPIC and responsible sourcing practicesTheimplementation was confirmed by, interviews with key responsible people and observations during the audit. Although there are FSC certified pulp supplied to the organization, FSC doesn't eliminate the possibility of sourcing from IFLs and Peatlands if the local/national laws do not prohibit the logging. In addition, there is non-certified pulp supplied to the organization which cannot be confirmed on whether engaging with peatlands and/or Intact Forest Landscapes. Note: FSC FM and CW/FM certifications do not prohibit harvesting in IFLs or from natural forest or plantations established on peatland. IFLs are classified as HCV under FSC and require protection but harvesting is allowed on percentage of area outside defined core areas. Peatland may be classified as HCV in certain contexts and conformance with Principle 9 is required. It can be also the case with FSC COC CW (DDS) to source from Peatlands and IFLs if the country does not prohibit this by legislation. So the final conclusion is that FSC 100% and FSC CW could be sourced from Peatlands and IFLs if it is not prohibited by the national legislation.
11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has clearly mentioned this requirement in the procedure for fibre procurement policy. This was confirmed by documentation review of the procedure for

	fibre procurement policy, interviews with key responsible people and observations during the audit. Although there are FSC certified pulp supplied to the organization, FSC doesn't eliminate the possibility of sourcing from IFLs and Peatlands if the local/national laws do not prohibit the logging. Moreover, there is also non-certified pulp supplied to the organization which cannot be confirmed that it is not sourced from intact forest landscapes and drained tropical peatlands. The organization has submitted declaration from suppliers not to source from intact forest landscapes and peatlands.
Summary: The organization and their suppliers have been certified as per Environmental Management System ISO 14001: 2015. The organization has implemented various systems for reducing GHG emissions and has set planned targets to reduce future emissions. The organization has clearly mentioned this requirement in the procedure for fibre procurement policy. This was confirmed by documentation review of the procedure for fibre procurement policy, interviews with key responsible people and observations during the audit. Although there are FSC certified pulp supplied to the organization, FSC doesn't eliminate the possibility of sourcing from IFLs and Peatlands if the local/national laws do not prohibit the logging. Moreover, there is also non-certified pulp supplied to the organization which cannot be confirmed that it is not sourced from intact forest landscapes and drained tropical peatlands.	

12. Pollution Prevention	
Indicators	**Findings**
12.1 *This verification process <u>will not</u> verify at first hand the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The CanopyStyle audit will not report on this indicator. Other tools such as the Hot Button report will address chemical management starting in 2020.
Summary: The CanopyStyle audit will not report on this indicator. Other tools such as the Hot Button report will address chemical management starting in 2020.	

** Indicates Critical Indicators

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

1. **Evaluation of Site: Century Rayon Mill**

Primary Responsible Person: (Responsible for control system at site(s))	Mr. Digvijay Pandey – Unit Head Mr. Jaiprakash Hiwarkar – Deputy General Manager (TC & CSY Plant) Mr. Khagesh Kshirsagar – Deputy General Manager (Production PSY) Mr. Mahesh Bagarao – Deputy Officer (QA) Mr. Makarand Sutawani – Assistant Manager (BQA Projects and Lab) Mr. Vijay Sharma – Assistant General Manager (TC-CSY Manufacturing) Mr. Deepak Desai – Senior Manager (TC-CSY Manufacturing) Mr. Santosh Gholap – Manager (TC-CSY Manufacturing). Mr. Krishna Yadav – Manager SHE Mr. Dashrath Chouksey – General Manager (QA & IMS LAB) Mr. Sudhir Patil – TQM
Auditor(s):	Marimuthuram Mahendran
People Interviewed, Titles:	Mr. Digvijay Pandey – Unit Head Mr. Jaiprakash Hiwarkar – Deputy General Manager (TC & CSY Plant) Mr. Khagesh Kshirsagar – Deputy General Manager (Production PSY) Mr. Mahesh Bagarao – Deputy Officer (QA) Mr. Makarand Sutawani – Assistant Manager (BQA Projects and Lab) Mr. Vijay Sharma – Assistant General Manager (TC-CSY Manufacturing) Mr. Deepak Desai – Senior Manager (TC-CSY Manufacturing) Mr. Santosh Gholap – Manager (TC-CSY Manufacturing). Mr. Krishna Yadav – Manager SHE Mr. Dashrath Chouksey – General Manager (QA & IMS LAB) Mr. Sudhir Patil – TQM
Brief Overview of Audit Process for this Location:	*Please refer to Section 2.3 above for Description of Overall Audit Process.*

Comments:	This mill is responsible for viscose Filament Yarn production and material and products storage without involvement in pulp sourcing.

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	
Indicators	**Findings**
1.1 Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** 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.The organization has provided training to key responsible people regarding Canopy policy implementation. This was confirmed by the auditor on the day of the audit during documentation review.
1.2 Each production site's/mill's managers have developed procedures to implement the Policy, when relevant.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The primary responsible person mentioned that the Corporate Office develops procedures to implement the policy for the production site managers and share it with the mill. The auditor

	concluded that while the key managers of each of the production sites were trained and aware of the policy and procedures to implement the policy. This was confirmed by interviews with production site managers during the audit. Auditor observed that the managers follow systems like SA 8000, ISO 140000, ISO 9000 and ISO 45000. The organization is also REACH compliant, Oekotex compliant, STeP certified, HIGGS, RCS, ZDHC and FSC COC certified. The organization has provided training to key responsible people regarding Canopy policy implementation. This was confirmed by the auditor on the day of the audit during documentation review.
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. The organization has clearly mentioned these requirements in the procedures for fibre procurement policy.	

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy- and all sourcing from the local site is consistent with the corporate desktop audit.	
Indicators	**Findings**
2.1 The production site/mill maintains all <u>purchase and sales,</u> documentation related to the wood fiber <u>inputs</u>.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The mill is not involved in wood pulp sourcing. The organization maintains all purchase and sales documentation related to the wood fiber inputs in the production site. The organization is able to trace back each and every purchase and sale documents to the Pulp Mill Suppliers through FSC certification systems, PEFC certification systems, Canopy planet forest Mapper, certificate of origin and email confirmation from suppliers. This was confirmed

	by documentation reviewof 5 samples of purchase invoices 2 Sodra invoice, 2 Domsjo invoice and 1 rayonair invoice and 5 samples of sales invoices and related documentation, interviews with key responsible people and observation during the audit.
2.2 The mill/production site maintains all delivery documentation received with the wood fiber inputs.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The mill is not involved in wood pulp sourcing. The organization maintains all delivery documentation received with the wood fiber inputs. The organization is able to trace back each and every purchase and sale documents to the forest origin through FSC certification systems, PEFC certification systems, Canopy planet forest Mapper, certificate of origin and email confirmation from suppliers. This was confirmed by documentation review reviewof 5 samples of purchase invoices 2 Sodra invoice, 2 Domsjo invoice and 1 rayonair invoice and 5 samples of sales invoices and delivery documentation, interviews with key responsible people and observation during the audit.
2.3 All wood fibre input going into the mill is consistent with and identified within the MMCF supply chain assessment provided during the desktop audit.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization has confirmed that all wood fibre input going into the mill is consistent with and identified within the MMCF supply chain assessment provided during the desktop audit. This has been confirmed by checking the volumes of FSC certified, PEFC certified and non FSC material purchased during the audit. The volumes submitted by

	the organization has been cross checked with the purchase invoices, interview with key responsible people and observation of the stocks present during the audit. During the audit while site observation, auditor confirmed that there was zero stock of material from CPP.
2.4 When sourcing from certified or verified land origin, the supplier code and claim for the applicable third-party verification is included on sales and delivery documentation.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization confirmed that while 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. This was verified by the auditor by checking the purchase invoice and delivery documents of the FSC certified suppliers. The invoices and delivery documents clearly mentioned the supplier code and claim. This was further reconfirmed by checking the validity of the suppliers certificate. The auditor further confirmed compliance to the requirement through documentation review, interviews with key responsible people and observation during the audit.
2.5 The production site maintains and can verify a summary of annual purchases (or inputs).	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The production site maintains an annual volume summary that clearly mentions the volume of the different certified material like FSC controlled wood, FSC MIX, and Non FSC material that has been purchased during the audit period. The annual volume summary document was verified, and the entries checked by the auditor and cross verified with some of the purchase invoices. 5 samples of purchase invoices 2 Sodra invoice, 2 Domsjo invoice and 1 rayonair invoice and related documentation The auditor further confirmed compliance to the requirement through documentation review, interviews with key responsible people and observation during the audit.

2.6 All MMCF producers provide outgoing transportation documents and certification status if relevant. Supplementary information should include the forest/plantation of origin when known.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The organization mentions the FSC claim and FSC code in the sales documents to the customers wherever relevant. The organization also accompanies the sale documents with transportation documents. During the audit auditor checked 5 samples of sales invoice and delivery documentation.The organizations sales is only to the domestic market and is not exported.
Summary: The mill does not involve in purchasing. The production site maintains a summary of annual purchases and then sales for the organization. The organization has the ability to receive and make FSC certification claims and does so at all times that material is received from a certified operation.	

3. No conversion of natural forest to plantations.	
Indicators	**Findings**
3.1 The initial date of the plantation development has been documented and sourcing only occurs in plantations established before 1994**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Please refer to the findings for indicator 3 under Appendix A.
Summary: Detailed findings please refer to indicator 3 under Appendix A.	

4. Since the signature of the Policy, all sourcing from ancient and endangered forests or other controversial sources have been eliminated.	
Indicators	**Findings**
4.1 The production site/mill is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met

	☐ Insufficient Information Available **Description of the finding:** 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, Lifecycle Assessment Studies, 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, interviews with the key responsible people and observations during the audit.
4.2 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not **receive** wood from Priority Ancient and Endangered forests, as *outlined in the Advice Note* and from controversial sources.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The mill has no sourcing activity of wood pulp. By interviews, the management of the mill demonstrated their understandings on ancient and endangered forests and controversial sources. Risk assessment on all of the supply chains to understand the risk of sourcing risks has been conducted by some suppliers. Detailed findings please refer to indicator 2 and 4 under Appendix A.
4.3 Production mills have conducted assessment of presence of Ancient and Endangered forests, as *outlined in the Advice*	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met

Note and other controversial sources in their wood supply areas.	☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The production site didn't conduct the risk assessment on the supply chains sourcing risks. Detailed findings please refer to indicator 2 and 4 under Appendix A.
4.4 The sourcing from regions that contain Ancient and Endangered forests, as *outlined in the Advice Note* and other controversial sources, is verified to be low risk by this CanopyStyle audit.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The production site didn't conduct the risk assessment on the supply chains sourcing risks. Detailed findings please refer to indicator 2 and 4 under Appendix A.
Summary: The production site didn't conduct the risk assessment on the supply chains sourcing risks. 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. However, the organization has committed to eliminate purchase of Dissolving Grade Pulp from Century Pulp and Paper from 08.08.2022 (Refer: 5.3 A written statement confirming the termination sourcing from Century Pulp and Paper (CPP)). During the current year audit, auditor observed zero stock of material from CPP thereby adhering to the commitment made.	

5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	
Indicators	**Findings**
5.1 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to their CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Supplier performance monitoring program was conducted by the company corporate office and shared with the mill.

Summary: Supplier performance monitoring program was conducted by the company corporate office and shared with the mill.

Appendix C: RECOMMENDATIONS FOR IMPROVEMENT

Canopy applauds Century Rayon for completing its third CanopyStyle audit. The audit was has determined low risk of sourcing from Ancient and Endangered Forests and other controversial sources. However the company needs to conduct more due diligence with their suppliers.

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:

· Develop an action plan for increasing the amount of FSC fibre used, with a focus on FSC Mix and FSC 100% (instead of Controlled Wood)

· Establish internal systems to monitor implementation of policy beyond FSC and other certification systems;

· Develop risk assessments for all suppliers based on the latest DP tool and Forest Mapper. Continue to update the risk assessments periodically as new information becomes available.
· Develop criteria for forest management to assess suppliers. Criteria should restate the forest policy of not harvesting in A&E forests, intact forest landscapes and on peat lands. Criteria should also address consideration of forest worker safety, community wellbeing, traditional and indigenous rights and tenure

· Develop an ambitious action plan for increasing the use of Next Generation alternative fibres in a commercially competitive way;

· Adopt best in class processing technologies. Work with experts in the field to implement pollution control technologies to limit their impact. Implement the new ZDHC MMCF guidelines 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 address some of these by developing an action plan; some these issues were highlighted in the earlier audit as well. 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. We applaud Century Rayon for completing the audit and proactively taking steps to eliminate risk in your supply chain. Canopy will continue to collaborate and support Century Rayon to address any outstanding issues.