

CanopyStyle Audit Report

Eastman Chemical Company

DATE OF EVALUATION

28-29/March/2023

DATE OF REPORT FINALIZATION

31 July 2023

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1. Introduction

2. General Information

2.1 Organizational overview

Eastman Chemical Company's (ECC) corporate headquarters and main production site are in Kingsport, Tennessee, USA. ECC receives dissolvable pulp from three suppliers and produces cellulose acetate flake (CAF), which is used to make its Naia™ line of yarn. CAF is stored onsite to either be spun into yarn in other production processes onsite.

ECC receives dissolvable pulp from three suppliers. All suppliers are PEFC Chain of Custody (COC) certified. Certified suppliers are required to verify non-certified sources to requirements of their applicable COC control systems. Two of the suppliers are also FSC COC certified, and are in the US Southeast. They produce pulp made of the Southern Yellow Pine (SYP) species group (e.g., *Pinus elliotii*, *P. taeda*, and other species) originating primarily from the US States of Alabama, Florida, Georgia, and South Carolina, and supply material with PEFC or FSC claims. The third supplier produces dissolvable pulp from Eucalyptus plantations in Bahia, Brazil under the ownership or management control of its affiliate company, (e.g., *Eucalyptus urophylla*, *E. grandis*, and hybrids) and can supply material with a PEFC claim. This supplier's parent company has been disassociated from FSC, which currently prevents it from achieving FSC certification in any country. The organization has therefore included this supplier's plantations and mill in its FSC Due Diligence System (DDS), applying the requirements of the FSC Controlled Wood standard for COC and the FSC National Risk Assessment for Brazil. This allows material from the Brazilian supplier to be validated by the organization as compliant with FSC controlled wood sourcing requirements. Such material may be sold with an FSC Controlled Wood claim¹ or blended with other FSC-certified sources to be sold with an FSC Mix claim².

The scope of this audit only includes the facility in Kingsport that produces Naia™.

2.2 Organization sourcing policy

The organization's publicly available sourcing policy(ies) can be found on the following website(s):

<https://naia.eastman.com/sustainability>

<https://naia.eastman.com/sites/naia/files/documents/NaiaWoodPulp.pdf>

<https://naia.eastman.com/woodpulppolicy>

https://www.eastman.com/Company/investors/Corporate_Governance/Documents/EMN-HR-6129ACode-of-Business-Conduct.pdf

3. Organization Scope

3.1 Name and Contact Information

Organization name	Eastman Chemical Company		
Contact person	Lacey Johnson		
Address	301 S. Wilcox Dr., Kingsport, Tennessee 37660	Telephone	+1 423.229.4685
		Fax	N/A

¹ NOTE: in business-to-business transactions and of raw or semi-finished materials only.

² NOTE: valid FSC Mix claims include a percentage claim with a minimum of 70% FSC-certified content (controlled wood does not count towards this percentage) or FSC Mix Credit to use the FSC label.

	e-mail	laceyjohnson@eastman.com
	Website	https://naia.eastman.com

3.2 Certificate Scope

Item	Certificate scope (check all that apply)	
Number of sites	<input checked="" type="checkbox"/> Single (corporate and production)	<input type="checkbox"/> Multi-site
Input material source	<input checked="" type="checkbox"/> Listed in supplier COC form	<input type="checkbox"/> Other suppliers
Majority fiber input	Dissolving pulp	
Map of Ancient and Endangered Forests Overlay Completed	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No Comments:
Mill capacity (KMT/yr.)	200,000	
Primary activity	Manufacturing of cellulose acetate	<input type="checkbox"/> N/A, no primary activity
Outsourcing	<input type="checkbox"/> FSC-certified outsourcers	<input type="checkbox"/> Non-certified outsourcers
	<input type="checkbox"/> Outsourcing of entire production process	
	<input type="checkbox"/> High-risk outsourcing site(s) included	
	<input checked="" type="checkbox"/> No outsourcing	
Workforce data	Permanent male: Confidential	Permanent female: Confidential
	Contract male: Confidential	Contract female: Confidential
	TOTAL permanent staff: 350 TOTAL contractors: 90	

Site(s)	Location	Function	Year(s) evaluated
Eastman Chemical Company	301 S. Wilcox Dr., Kingsport, TN 37660	<input checked="" type="checkbox"/> Corporate <input checked="" type="checkbox"/> MMCF producer <input type="checkbox"/> Sales/distribution <input type="checkbox"/> Other (describe):	2020, 2021, 2023

3. Evaluation Process

3.1 Evaluation Team

Audit team leader name	Mr. Kyle Meister
Qualifications	<p>Kyle Meister is an FSC[®], PEFC[™], and SFI[®] Forest Management (FM) and Chain of Custody (COC), Sustainable Biomass Program[®], and Roundtable on Sustainable Palm Oil[®] Supply Chain Certification Lead Auditor with SCS Global Services. He has conducted FSC FM pre-assessments, evaluations or surveillance audits in Bolivia, Brazil, Canada, Costa Rica, Dominican Republic, Indonesia, India, Japan, Mexico, New Zealand, Spain, and all major forest producing regions of the United States. He has conducted COC assessments in Bolivia, Canada, Panama, and the United States (California, Georgia, Kentucky, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and others). Mr. Meister has successfully completed CAR Lead Verifier, ISO 9001:2008 Lead Auditor, SA8000 Social Systems Introduction and Basic Auditor, RSPO Supply Chain Lead Auditor, SBP Lead Auditor, and FSC Lead Auditor and Trainer Training Courses. He holds a B.S. in Natural Resource Ecology and Management and a B.A. in Spanish from the University of Michigan; and a Master of Forestry from the Yale School of Forestry and Environmental Studies.</p>

3.2 Audit Overview

Site(s)	Date	Audit time
Eastman Chemical Company (ECC)	27 March 2023	8.0 hrs.
ECC	28 March 2023	8.0 hrs.
ECC	29 March 2023	4.5 hrs.

3.3 Description of Overall Audit Process

Note: the CanopyStyle audit was held concurrently with the FSC/PEFC chain of custody audit due to overlap of certain requirements.

Day 1 – March 27th

Time	Topic
8:00 am	Opening Meeting: Introductions, auditor review of audit scope, audit plan and intro/update to FSC, PEFC and SCS standards and protocols, client description of organization
8:15 am	Review of Previous Non-Conformities Review of evidence of corrective actions taken by organization since previous audit (records, documents, pictures, etc.)
8:30 am	FSC/PEFC Chain of Custody Review of FSC/PEFC CoC procedures, products and material accounting. Written procedures, work instructions, product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)
9:30 am	Review of material balances and records Review of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs.
10:30 am	Verification of calculations Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable.
11:45 am	Evaluation of trademarks Review of auditor-selected sample of FSC/PEFC and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs.
12:00 pm	<i>Lunch</i>
12:30 pm	Multi-Site Expansion of Scope: Review of Central Office Functions Administrative Requirements, Central Office Requirements, Participating Sites List and Requirements, Central Office Audit Program and Trademark Usage & Requirements.
1:30 pm	Review of CoC procedures, products and material accounting Written procedures, work instructions, product group list, accounting system (transfer, percentage or credit; physical separation, percentage method)
2:30 pm	Controlled Wood Expansion of Scope: Review of procedures and management system requirements Review of Controlled Wood Categories 1-5. Review of Minimum Stakeholder Requirements (if applicable). Review of Expert Qualifications (if applicable).
3:30 pm	Verification of Control Measures Review Control Measure verification (if applicable)
4:00 pm	Review FSC Training
4:30 pm	Document Review/Follow Up Actions – Day 1
5:00 pm	Day 1 Wrap up

Day 2 – March 28th

Time	Topic
8:00 am	Recap of Day 1 Follow-up Actions
8:15 am	Review of Previous Non-Conformities - Canopy
8:30 am	Occupational Health and Safety
9:30 am	Customer Tour Presentation/Safety Review
10:00 am	ILO Core Labor Requirements
11:00 am	Tour Pulp Warehouse, Yarn Warehouse (Storage/delivery of finished product)

12:00 pm	<i>Lunch</i>
1:00 pm	Fiber Esters, Dope Dissolving and Filtration Area
2:00 pm	Tour of Yarn Manufacturing
3:00 pm	ForestMapper, Dissolving Pulp Mill Classification tool, and other assessments (as applicable)
3:30 pm	Innovation Strategy
4:15 pm	Document Review – Day 2
5:00 pm	Day 2 Wrap up

Day 3 – March 29th

Time	Topic
8:00 am	Recap of Day 2 Follow-up Actions
8:30 am	Advocacy Education and Promotion
9:30 am	Chemical Management/ZDHC
10:00 am	Report Wrap Up and additional information requests
12:00 pm	<i>Lunch</i>
1:00pm	Closing Meeting
1:30pm	END

4. Evaluation Result

4.1 Evaluation Conclusions

The organization has measures to track all inputs and evaluate its supply chain for sustainability metrics. Waste reduction, recycling, and material use efficiency are all monitored to identify areas for improvement.

The audit shows that Eastman relies on three suppliers, with two of them being classified as low risk of sourcing from Ancient and Endangered Forests and other controversial sources. However, it still has some indirect risk of controversial sources as it sources from a mill whose parent company is Royal Golden Eagle (RGE), which has been dissociated from FSC due to its sourcing activities in Southeast Asia. It should be noted that Bracell's fibre supply chain is entirely within Brazil.

The organization continues to work with Bracell and its parent company (Royal Golden Eagle (RGE)) to reinstate their association with FSC, as well as address risk connected to the operations of sister company, APRIL, in Indonesia regarding Ancient and Endangered Forests and social conflict. Progress reported included participation in quarterly meetings with Bracell, APRIL, and FSC to develop a roadmap for RGE. The organization remains engaged with Bracell on the ground with its FSC Due Diligence System (DDS) for ensuring compliance with controlled material sourcing requirements. ECC continues to engage Bracell on both reassociation with FSC, as well as the situation in Indonesia.

Table 1. Supplier information and risk summary

Risk Result from CanopyStyle Dissolving Pulp Mill Classification Tool (August 2020) ³			
Supplier	Classification	Currently Available Information	Suggested Actions for Alignment with CanopyStyle
Bracell Bahia Brazil	Due to ownership connection with Royal Golden Eagle.	-Owned by the RGE family of companies, which has been linked to deforestation and social conflict	The mill must undertake the following actions to update status in this classification:

³ More information, including sources of information, contained in the Classification Tool and is available upon request from CanopyStyle.

		and has been disassociated from FSC. - Risk is due to ownership connection.	- Influence RGE and beneficial owner Sukanto Tanoto to remediate Toba Pulp Lestari and APRIL's past social harm and deforestation activities in Indonesia. - Invest in, and develop next generation solutions that use alternative fibres such as recycled textiles and agricultural waste. - Use FSC 100% forest/ plantation management certified inputs, and provide corresponding claims
GP Cellulose (Georgia-Pacific USA)	No sourcing issues identified based on current information and/or CanopyStyle audit.	- Georgia Pacific has a forest sourcing policy for the US Southeast that prohibits the sourcing of wood from endangered forests, or from recently converted forests. - The company has conducted a mapping exercise to identify and help conserve endangered forests in the U.S.	<ul style="list-style-type: none"> Invest in the use of next generation fibres such as recycled clothing and agricultural residues; Build transparency on sourcing for your mills and support traceability initiatives. Specifically publish any additional sources of feedstock/open market fibre outside your mills' region and, where plantation fibre is being used, confirm, and share the date when the plantation was established; Increase amount of FSC 100% forest management certified inputs used, and use on-product claims.
Rayonier Advanced Material	Local risk mitigated through supplier action.	- Mill is not in a CanopyStyle policy specified area of Ancient and Endangered Forest, as listed above, but is in a region where there are possible deforestation risks. -Preliminary assessment indicates that risk of deforestation is being addressed through mitigation measures.	

4.2 Summary of Findings

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

Key Commitments	Performance Indicators	Corporate	Mills/Production Sites
1. The MMCF producer has publicly communicated and is implementing the	1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy **	<i>Commitment Met</i>	<i>Not applicable</i>

Fiber Sourcing/Forest Policy			
	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	Not applicable
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	Commitment Met	Not applicable
	1.4 The MMCF producer has developed capacity and company structure to implement the Policy.	Commitment Met	Not applicable
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	Commitment Met	Not applicable
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	Commitment Met	Not applicable
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	Commitment Met	Not applicable
	1.8 The MMCF producer has put in place a grievance procedure.	Commitment Met	Not applicable
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	Not applicable	Not applicable
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	Not applicable	Commitment Met
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	Not applicable	Commitment Met
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 The MMCF producer identifies all raw material inputs by volume (ie, wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (ie, FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC certified FMU	Commitment Met	Commitment Met

	2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and the Dissolving Pulp Classification tool, to make their supply assessment. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	2.3 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	<i>Commitment Met</i>	<i>Commitment Met</i>
	2.4 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.	<i>Commitment Met</i>	<i>Commitment Met</i>
	2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	<i>Commitment Met</i>	<i>Commitment Met</i>
	2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.	<i>Commitment Met</i>	<i>Not applicable</i>
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. **	<i>Commitment Met</i>	<i>Not applicable</i>
4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & endangered forests”, “intact forest”, “natural forest”, “endangered species”, “controversial sources”, “high conservation value”, “high carbon area”, “peatlands”, etc. that are consistent with this document and the forest sourcing policy template. **	<i>Commitment Met</i>	<i>Not applicable</i>
	4.2 All areas meeting the definition of “ancient and endangered forests” have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group. **	<i>Commitment Met</i>	<i>Not applicable</i>
	4.3 Any raw materials in the MMCF producer’s supply chain originating from ancient and	<i>Not applicable</i>	<i>Not applicable</i>

	endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. **		
	4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	<i>Commitment in Progress</i>	<i>Commitment in Progress</i>
5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	5.1 All MMCF producers' suppliers are identified and the forest of origin is known. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	<i>Commitment Met</i>	<i>Commitment Met</i>
	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	<i>Not applicable</i>	<i>Not applicable</i>
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 When requested, Canopy, Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	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	<i>Not applicable</i>	<i>Not applicable</i>

	public. **		
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **	<i>Not applicable</i>	<i>Not applicable</i>
	6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	<i>Not applicable</i>	<i>Not applicable</i>
	6.5 The MMCF producer has developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free Prior and Informed Consent. **	<i>Not applicable</i>	<i>Not applicable</i>
7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	7.2 Suppliers document how they conform with the MMCF producer’s commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	7.3 The MMCF producer and its suppliers show responsible handling of complaints and resolution of conflicts in a transparent and	<i>Commitment Met</i>	<i>Commitment Met</i>

	accountable manner that is mutually agreed by the parties and includes relevant stakeholders.		
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers	<i>Commitment Met</i>	<i>Commitment Met</i>
	7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work	<i>Commitment Met</i>	<i>Commitment Met</i>
	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. **	<i>Commitment Met</i>	<i>Commitment Met</i>
8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	<i>Commitment Met</i>	<i>Commitment Met</i>
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	<i>Commitment Met</i>	<i>Commitment Met</i>
	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	<i>Commitment Met</i>	<i>Not applicable</i>
	9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed	<i>Commitment Met</i>	<i>Commitment Met</i>

	Consent of affected indigenous and local communities.		
	9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **	<i>Not applicable</i>	<i>Not applicable</i>
10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	<i>Commitment in Progress</i>	<i>Commitment in Progress</i>
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	<i>Commitment Met</i>	<i>Commitment Met</i>
	11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	<i>Commitment Met</i>	<i>Commitment Met</i>
	11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	<i>Not applicable</i>	<i>Commitment Met</i>
12. Pollution Prevention	12.1 * This verification process <u>will not</u> address the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. 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	<i>Commitment in Progress</i>	<i>Commitment in Progress</i>

4.3 Volume Summaries

Category	Description	Range (as a % of total sourced material)
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from a COC- or CW/FM- certified supplier)	50-75%

Controlled material	Noncertified material verified in the organization's FSC Due Diligence System (DDS)	25-50%
FSC Mix	Material received with an FSC Mix Credit or FSC Mix XX% claim from a COC-certified supplier.	<5%
FSC 100%	Material received with an FSC 100% claim from an FM/COC- or COC-certified supplier.	0%
Non-FSC	Material received with no valid FSC claim.	0%
PEFC	Material received with a PEFC claim. Note that material can be received with both PEFC and FSC claims (no double-counting)	25-50%

Appendix A – STANDARD CHECKLIST (CanopyStyle Verification Framework)

1. Evaluation of Site: Eastman Chemical

Primary responsible person(s): <i>(Responsible for control system at site(s))</i>	Lacey Johnson, Manufacturing Technologist (both sites)
Auditor(s):	Kyle Meister (both sites)
People interviewed/Title: <i>Note: names are withheld to protect privacy; all interviewees corporate, unless otherwise noted.</i>	Sarah A. Cieslukowski/ FSC CoC Management Representative; Lacey Johnson/ Industry collaboration manager; Scottie Rutherford/ Product stewardship customer inquiries representatives; Stephanie Monroe/ Quality systems manager; Jan Both/ CSR for textiles, Zug; Melinda Cruby/ OHAS representative; Wendy Green/ Division document coordinator; Jason Keller/ Product manager, textiles; Gabriela Lopez León/ Procurement representative (Eastman Mexico – central office); Todd Akard/ HR, Kingsport; Cameron Jenkins/ Senior project leader, fibers technology; Brian Eiselstein/ Quality Manager, Kingsport; Bridgett Carr/ Warehouse superintendent, Kingsport; Andrea Martinez-Torres/ Sourcing manager (Eastman Mexico – central office); Todd Kinley/ Fibers superintendent (contractor), Kingsport; Trish McGee/ Raw materials coordinator, Kingsport Robin Short/ Pulp hauler (contractor), Kingsport; Victoria GilbertRelief/ supervisor (contractor), Kingsport; Jacob Kremer/Operations manager, Kingsport; Zach Bailey/ Quality management facilitator, Kingsport; David Duncan/ First operator, Kingsport; Richard Leedy/ First operator, Kingsport; Robert Dowse/ Operator apprentice, Kingsport; Stephanie Cruby/ Quality assurance representative, Kingsport; Samantha Cook/ Technical staff, Kingsport

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

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

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy			
Corporate		Mills/Production Sites	
Indicators	Findings – Corporate	Findings – Kingsport, TN	Findings – Site #2
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available	/	/

	<p>Description of finding: Confirmed via review of website (viewed 28 Mar 2023). Interviews with staff confirm awareness of the policy. Procedures and supplier agreements reviewed detail measures to implement the policy.</p>		
<p>1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Reviewed SOPs during audit, including those used for sourcing FSC- and PEFC-certified material. Stakeholders may submit requests via the contact form on the organization’s website. Note that a confidentiality agreement may be required to view SOPs.</p>		
<p>1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via interviews with staff that are assigned responsibilities via job descriptions and continuing training (i.e., internal training program).</p>		
<p>1.4 The MMCF producer has developed capacity and</p>	<p><input type="checkbox"/> Not Applicable</p>		

<p>organizational structure to implement the Policy.</p>	<p><input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Interviews with staff confirm that each person is assigned responsibilities, including continuing training. Reviewed organizational chart on organization’s intranet. Training report demonstrates 60-70 staff at the corporate- and Kingsport site-levels for 2022-2023 reviewed. Interviewed Health & Safety Training technologist and Division document coordinator for overview of training program.</p>		
<p>1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Policy commitment is included in the organization’s supplier agreement and includes reference to Canopy’s requirements. Reviewed agreements for all three suppliers.</p>		
<p>1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p>		

	<p>Description of finding: Policy commitment is included in the organization’s supplier agreement and includes reference to Canopy’s requirements. Reviewed agreements for all three suppliers, one of which was recently updated.</p>		
<p>1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Reviewed procurement procedures (GPWI-212), which includes a quarterly review of all suppliers during meetings. Reviewed sample of meeting minutes to confirm monitoring of performance/ conformance with suppliers (11/Jan/23; 19/Oct/22; 20/Jul/22; 7/Mar/22; and 16/Aug/22). The organization also has internal meetings to monitor suppliers, which can include a review of purchase documentation, supplier agreements, and other records. Reviewed internal meeting minutes for 20/Jul/22, 19/Oct/22, and 17/Jan/23.</p>		
<p>1.8 The MMCF producer has put in place a grievance procedure.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>		

	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Any stakeholder may submit comments via the website comment form (viewed 28 Mar 23). Complaints/ grievance procedures are addressed in FSC and PEFC procedures. There is also a customer complaint process for the Acetate Division.</p>	/	/
<p>1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**</p>	<p><input checked="" type="checkbox"/> Not Applicable, no identified non-conformance or grievance received.</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	/	/
<p>1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **</p>	/	<p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Interviews with site representatives (staff and contractors) confirm awareness of the corporate Policy, such as through presentations and availability of related marketing materials and procedures. Staff interviews confirm knowledge of how to access relevant procedures and communications processes.</p>	<p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding</p>

<p>1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **</p>		<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: The organization applies the same sourcing procedures to all sites. Staff interviews confirm knowledge of how to access relevant procedures and communications processes. </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: </p>
<p>Summary: All Canopy sourcing requirements are referenced in supplier agreements. The organization has procedures and processes in place to periodically review compliance with supplier agreements and progress in achieving objectives related to Canopy. Personnel at all sites are aware of procedures related to their job responsibilities.</p>			

<p>2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy.</p>			
<p>Corporate</p>		<p>Mills/Production Sites</p>	
<p>Indicators</p>	<p>Findings</p>	<p>Findings – Kingsport, TN</p>	<p>Findings – Site #2</p>
<p>2.1 The MMCF producer identifies all raw material inputs by volume (ie, wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (ie, FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC certified FMU</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: The organization uses three suppliers, as confirmed via review of the supplier list and risk assessment. Volumes are tracked by certification claim within the organization’s centralized data management software. The organization’s presentation on Forest Mapper includes a map of each supplier’s logical procurement radius. </p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding. </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input type="checkbox"/> Refer to corporate level finding. </p>

<p>2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and the Dissolving Pulp Classification tool, to make their supply assessment. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: All sourcing related to Canopy is managed at the corporate level. All production of Cellulose Acetate Flake (CAF) and yarn is done at ECC. Confirmed via review of organization’s presentation on Forest Mapper, risk assessment, and Dissolving Pulp Classification tool for each supplier. All suppliers are certified, with most supply from FSC Controlled Wood or controlled material. One supplier is verified for controlled material sourcing via the organization’s FSC DDS, which means that each supplier evaluates for the presence of forests included in Forest Mapper. Two suppliers are classified as low risk of sourcing from Ancient and Endangered Forests, and one supplier has indirect risk of controversial sources as it sources from a mill that has an ownership connection with Royal Golden Eagle Group. All incoming raw material used to make MMCF is processed into CAF at ECC. CAF is then processed into yarn at ECC, as confirmed via onsite inspection, interviews with personnel, and review of procedures.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>2.3 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p>

	<p>Description of finding: The organization uses three suppliers, as confirmed via review of the supplier list and risk assessment. The organization’s presentation on Forest Mapper includes a map of each supplier’s logical procurement radius.</p>	<p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>2.4 This assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: The organization’s presentation on Forest Mapper and other topics was updated in March 2023. Reviewed email record from 16/Mar/23 of the organization informing CanopyPlanet of the updated assessment and its willingness to share with the Leaders Group.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Language related to this requirement is included in supplier agreements (e.g., ILO conventions, FSC CW, 1994 plantation cut-off date, etc.). This topic is reviewed during contract re/negotiation per interviews with staff, and review of one updated agreement (dated 23/Mar/23) and management review meeting minutes (24/Jan/23). 2 of 3 suppliers are FSC-certified, and the other is included in the organization’s FSC DDS per review of FSC and PEFC COC reports. Eastman is engaging with supplier Bracell to address risk related its to ownership connection with RGE.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>Bracell presented a table summarizing the acquisition year of its plantation parcels (NOTE: year of acquisition includes properties acquired under the previous owners of Bracell). Of the 636 parcels, 538 were acquired prior to November 1994 (~85%). 53 parcels were acquired between 1995 and 2006 (~15%). Bracell conducts conversion analysis using a shapefile with the parcel boundaries as a basis for classifying the areas in the years 1994 and 2008 (Brazilian Legislation) and other dates close to the acquisitions of each parcel, using satellite images and aerial surveys. A flowchart of the methodology used to detect altered areas was reviewed. Bracell's acquisitions since 1994 have only included land that was under agricultural uses. These have all undergone the conversion analysis. The vegetation area concluded by the study as converted post-November 1994 was equivalent to 0.62% of the management unit in Bahia, which is well within FSC's conversion policy limits for plantations (no more than 5% of the Forest Management Unit). According to table 1 in the forest management plan public summary (viewed 29/Mar/23), 43.21% of the ownership currently is under production plantation, 41.97% is under natural vegetation cover (includes Legal Reserve, Permanent Preservation Areas, and Native Vegetation). Other uses and infrastructure make of the rest of the area (14.82%).</p> <p>Material that Eastman sources from the US South comes with FSC Mix Credit or FSC Controlled Wood claims, which supports efforts to avoid conversion sources and conserve HCVs. If the 1994 rule were to apply in the supply chain, the certified lands would</p>		
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	<p>have that analysis done if the lands qualify as plantation rather than semi-natural.</p> <p>Eastman does not have to implement the FSC-US National Risk Assessment (NRA) since it does not source non-certified wood from the US South. However, its two suppliers based there do. They implement control measures for specified risks identified for conversion and HCVs (e.g., Florida Panhandle Critical Biodiversity Area, Central Florida CBA, Late Successional Bottomland Hardwood, etc.). After implementing their DDS/Risk Assessment and any control measures, the two suppliers are allowed to sell controlled material with an FSC Controlled Wood claim.</p> <p>The FSC definition of plantation takes a more nuanced turn in the US South as well, with many planted forests qualifying as “semi-natural” rather than “plantation”. On top of that, most of these areas are on lands that were cleared for agriculture and pasture in the 1800s and, later, between 1860 and 1930, cleared during the age of industrial logging expansion that left much of the US South’s timberlands heavily degraded and deforested. Most of the expansion of the native pine plantation industry started in the 1930s and peaked in the 1960s in response to this degradation.</p> <p>So, the conversion of most of this landscape occurred well before the 1994 cut-off date for FSC. The story of this is fairly well known and the introductory chapter to this USFS publication provides a good summary: https://www.fs.usda.gov/research/treesearch/8393.</p>		
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	<p>Eastman has also sponsored conservation activities in the US South portion of their supply chain, such as longleaf pine restoration projects.</p>		
<p>2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via review of PDF on Naia™ Eastman website. Organization is FSC- and PEFC-certified and can sell material with relevant claims using a track and trace system. Organization also has a separate testing process to verify that finished product is Naia™ fibre, as confirmed via review of customer presentation and interview with marketing director. Finished product can also be traced to production data via barcodes and other tracking systems. Confirmed availability of track and trace system via review of sales records in the FSC and PEFC COC reports.</p>		
<p>Summary: The organization has assessed its suppliers' supply chains using the required Canopy tools, verification of its suppliers COC certificates (e.g., FSC, PEFC, etc.), and implementation of FSC DDS for one supplier, all of which confirms low risk for 2 suppliers, and indirect risk due to ownership connection for one supplier. Information on FSC- and PEFC-certified suppliers, including DDS (when relevant) is available on each scheme's respective databases. The organization provides customers with sufficient track and trace systems to ensure that the origin of fabric is known.</p>			

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

<p>1994 with a supporting valid FSC certificate. **</p>	<p>Description of finding: All suppliers sourcing from plantations are FSC-certified except for Bracell, which is PEFC-certified. While these plantations were previously FSC-certified and most of the areas likely meet the pre- and post-1994 requirements, the disassociation of Bracell’s parent company means that this could not be fully verified without further information. Bracell’s plantations are evaluated for risk per the organization’s FSC Controlled Wood DDS and FSC Brazil NRA. FSC Forest Management certification provides assurance that plantations have not been established on lands that were natural forest post-1994, but FSC Controlled Wood and PEFC certification do not. The plantations established by Bracell were previously certified to the FSC Forest Management standard, meaning that they were verified as being established pre-1994. The supplier agreements require compliance to the 1994 rule. Bracell representatives also stated that the company only has established plantations on degraded agricultural and pastoral land. Thus the current supply chain is composed of either natural forest or pre-1994 plantations, so the indicator can be graded as commitment met. Refer to 2.5 for additional evidence on Bracell’s conversion analysis for plantations.</p> <p>Material that Eastman sources from the US South comes with FSC Mix Credit or FSC Controlled Wood claims, which supports efforts to avoid conversion sources and conserve HCVs. If the 1994 rule were to apply in the supply chain, the certified lands would have that analysis done if the lands qualify as plantation rather than semi-natural.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>
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	<p>Eastman does not have to implement the FSC-US National Risk Assessment (NRA) since it does not source non-certified wood from the US South. However, its two suppliers based there do. They implement control measures for specified risks identified for conversion and HCVs (e.g., Florida Panhandle Critical Biodiversity Area, Central Florida CBA, Late Successional Bottomland Hardwood, etc.). After implementing their DDS/Risk Assessment and any control measures, the two suppliers are allowed to sell controlled material with an FSC Controlled Wood claim.</p> <p>The FSC definition of plantation takes a more nuanced turn in the US South as well, with many planted forests qualifying as “semi-natural” rather than “plantation”. On top of that, most of these areas are on lands that were cleared for agriculture and pasture in the 1800s and, later, between 1860 and 1930, cleared during the age of industrial logging expansion that left much of the US South’s timberlands heavily degraded and deforested. Most of the expansion of the native pine plantation industry started in the 1930s and peaked in the 1960s in response to this degradation.</p> <p>So, the conversion of most of this landscape occurred well before the 1994 cut-off date for FSC. The story of this is fairly well known and the introductory chapter to this USFS publication provides a good summary: https://www.fs.usda.gov/research/treesearch/8393.</p>		
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	<p>Eastman has also sponsored conservation activities in the US South portion of their supply chain, such as longleaf pine restoration projects.</p>		
<p>Summary: One supplier is not FSC-certified, but its plantations were previously FSC Forest Management certified, which means that the pre- and post-1994 plantation establishment requirement would be met on this supply base. The organization obtained additional information from Bracell in 2023 to demonstrate that the post-1994 acquisitions meet FSC’s conversion rule. The indicator can be graded as commitment met since the current supply base has not expanded to include any new parcels. For the US Southeast, most of the conversion of natural forest to plantation occurred well before 1994. The current sourcing area includes a mix of forestlands that qualify as semi-natural and plantation. The two suppliers in the US Southeast are FSC-certified and thus support conversion and/or avoidance measures of areas of specified risk identified in the FSC-US Controlled Wood National Risk Assessment.</p>			

4. Since the signature of the Policy, all sourcing from Ancient and Endangered Forests and other controversial sources have been eliminated.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
<p>4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & endangered forests,” “intact forest,” “natural forest,” “endangered species,” “controversial sources,” “high conservation value,” “high carbon area,” “peatlands,” etc. that are consistent with this document and the forest sourcing policy template.**</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of finding: Since the last audit, the organization has updated the definitions in its <i>Global Process for Certification of Raw Materials</i> document, which is used to scope in new suppliers. Most of the terms are referenced in the Policy. References to FSC and Canopy definitions are included in supplier agreements.</p> <p>Confirmed via review of the sourcing policy available on the organization’s website and agreements with the three suppliers (RYAM, 23/Mar/23;</p>		

	<p>Bracell, 22/Dec/20; and GP, 20/Mar/21).</p>		
<p>4.2 All areas meeting the definition of “Ancient and Endangered Forests” have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share with the Leaders Group. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via review of all supplier agreements mentioned previously, Forest Mapper results (including maps of logical procurement zones for all suppliers), Dissolving Wood Pulp tool, and FSC COC audit report. It confirms low risk for 2 suppliers, and indirect risk due to ownership connection for one supplier. There have been no changes to risk designations since the last audit. Per email record cited previously, permission to share with the leaders group has been granted.</p>		
<p>4.3 Any raw materials in the MMCF producer’s supply chain originating from Ancient and Endangered Forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. **</p>	<p> <input checked="" type="checkbox"/> Not Applicable, no such raw materials sourced. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding:</p>	<p> <input checked="" type="checkbox"/> Not Applicable, no such raw materials sourced. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Raw material supply chain is the same as the corporate/main production site.</p>	<p> <input type="checkbox"/> Not Applicable, no such raw materials sourced. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Raw material supply chain is the same as the corporate/main production site.</p>

<p>4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via interviews with personnel that the organization has corporate and site-level human resources departments to ensure compliance with social and labour laws. Review of Code of Business Conduct, and FSC and PEFC COC audit reports confirm that the organization has measures in place to ensure legal compliance throughout the supply chain, including through implementation of FSC DDS to one supplier in Brazil.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via interviews with personnel that the organization has corporate and site-level human resources departments to ensure compliance with social and labour laws. Review of Code of Business Conduct, and FSC and PEFC COC audit reports confirm that the organization has measures in place to ensure legal compliance.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding:</p>
<p>4.5 The commitment not to source from Ancient and Endangered Forests and other controversial sources is verified. **</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: The audit confirms low risk for two suppliers, and indirect risk for one supplier, due to ownership structure. Canopy’s Classification of Dissolving Pulp Mills indicates potential risks for Bracell due to affiliation with the controversial RGE family of companies, which are linked to deforestation, forest conversion and</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>social conflict. Confirmed via review of supplier agreements and quarterly meeting minutes cited previously. When a supplier agreement is set to expire, this requirement is reviewed to determine if any changes are necessary, as confirmed via review of supplier agreements and the organization’s internal Global Sourcing & Procurement Vendor Assessment tool. The audit also confirms that the organization met quarterly with Bracell and parent company RGE in order to communicate concerns related to RGE’s operations, and to encourage the company to take action to address these concerns.</p>		
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Summary: The organization uses several tools to assess its suppliers’ supply chains, including the Forest Mapper and Dissolving Wood Pulp classification tool, and FSC and PEFC DDS. It applies its FSC DDS to one supplier that is currently unable to supply FSC claims to ensure low risk. It applies its Global Sourcing & Procurement Vendor Assessment, management review, and quarterly meeting processes to evaluate and monitor supplier performance.

<p>5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them.</p>			
<p align="center">Corporate</p>		<p align="center">Mills/Production Sites</p>	
<p>Indicators</p>	<p>Findings</p>	<p>Findings – Kingsport, TN</p>	<p>Findings – Site #2</p>
<p>5.1 All MMCF producers’ suppliers are identified and the forest of origin is known.**</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of finding: All sites share the same supply chain. The organization uses three suppliers, as</p> </p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of finding:</p> </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of finding:</p> </p>

	<p>confirmed via review of the supplier list and risk assessment. The organization's presentation on Forest Mapper includes a map of each supplier's logical procurement radius. All suppliers supply material with an FSC or PEFC claim and/or via the organization's FSC DDS.</p>	<p><input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Refer to corporate level finding.</p>
<p>5.2 The MMCF producer has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found.** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via review of supplier agreements and interviews with staff. Per procedure GP-WI-106, the organization may issue corrective actions or withdraw from purchase/supplier agreements.</p> <p>The organization understands the importance of engagement with RGE on addressing RGE's policy on FSC association concerns and other issues related to sourcing from Ancient and Endangered Forests and other controversial sources, and in fact, meets quarterly with the involved parties as stated in section 4.1.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**</p>	<p> <input checked="" type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress </p>	<p> <input checked="" type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress </p>	<p> <input type="checkbox"/> Not Applicable, no withdrawals from supply agreements and/or no non-conformance found. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress </p>

	<input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:	<input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding:
Summary: Per review of supplier agreements and procedures, the organization knows the forests of origin and has measures to correct nonconformances detected in the supply chain related to this standard.			

6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation. *If sourcing from key priority areas of Ancient and Endangered Forests, the MMCF producer (and/or supplier) is actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC 100% certification for all wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning themselves)			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
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. **	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: Per interviews with staff, Canopy staff visited the organization’s facility October 31, 2022, as confirmed via review of meeting agendas. Staff interviewed stated that the organization remains open to such requests.	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input type="checkbox"/> Refer to corporate level finding.
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	<input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available	<input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met	<input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met

<p>credible third party, and made public. **</p>	<p>Description of finding:</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **</p>	<p><input checked="" type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: NOTE: supplier agreements cover human rights issues. Refer also to third party code of conduct (viewed 29 Mar 23), which is required as part of entering into supplier agreements.</p>	<p><input checked="" type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Not Applicable, no sourcing from such controversial areas. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>

<p>6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free Prior and Informed Consent. **</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, does not source from ancient and endangered forests. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>
<p>Summary: The organization is open to stakeholder engagement and has demonstrated its participation in events with relevant stakeholders in its industry, as confirmed via review of evidence cited in parts 8-12 of this standard.</p>			

<p>7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their mills and their supply chain and affiliated companies in the forestry sector.</p>			
<p>Corporate</p>		<p>Mills/Production Sites</p>	
<p>Indicators</p>	<p>Findings</p>	<p>Findings – Kingsport, TN</p>	<p>Findings – Site #2</p>
<p>7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations. **</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization has included reference to the UN’s FPIC policy in its online sourcing policy (viewed 29 Mar 23). Supplier agreements require compliance to FPIC and the sourcing policy. Compliance with supplier agreements is reviewed in quarterly meeting, management review, and the internal Global Sourcing & Procurement Vendor Assessment</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>tool, as referenced previously in other requirements.</p>		
<p>7.2 Suppliers document how they conform with the MMCF producer’s commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Supplier agreements include clauses related to FPIC and the rights detailed in this indicator. Supplier records confirm that there is no sourcing from indigenous reservations and territories, and that in the case of Bracell that public consultation is done as a part of FSC Brazil Controlled Wood control measures to confirm low risk. Verification of this indicator is demonstrated through Eastman’s FSC Controlled Wood due diligence, which includes direct consultation with community members by Eastman and its 3rd party auditor. See Eastman’s record on the FSC database for more details (NOTE: no permalink is currently available; confirmed on 29 Mar 23). Compliance with supplier agreements is reviewed in quarterly meeting, management review, and the internal Global Sourcing & Procurement Vendor Assessment tool, as referenced previously in other requirements. The Together for</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>Sustainability (TfS) process also includes a review of public perception of suppliers performance related to these topics (viewed 29 Mar 23). Reviewed TfS reports for GP Cellulose (29 Apr 22), RYAM (30 Nov 22), and Bracell (19 May 22), which indicate no major changes to any supplier’s sustainability rankings for environment, labour & human rights, ethics, and sustainable procurement.</p>		
<p>7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Supplier agreements include a clause related to complaints. 2 of 3 suppliers are FSC-certified and thus are required to maintain their own complaints mechanisms; the third supplier is verified through the organization’s FSC DDS and is thus subject to its complaints mechanism. The organization has an online contact form and Code of Global Business Conduct as a part of its complaints procedure, and is a part of Together for Sustainability (TfS), which includes an assessment of stakeholder feedback.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>7.4 The MMCF producer and its suppliers have developed internal</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met </p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met </p>

<p>capacity and organizational structure to recognize and respect the rights of its workers.</p>	<p><input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Supplier agreements include clauses related to the rights detailed in this indicator. Compliance with supplier agreements is reviewed in quarterly meeting, management review, and the internal Global Sourcing & Procurement Vendor Assessment tool, as referenced previously in other requirements. The TfS process also includes a review of public perception of suppliers performance related to these topics.</p>	<p><input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</p>	<p><input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</p>
<p>7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization's sourcing policy and supplier agreements address this indicator. Compliance with supplier agreements is reviewed in quarterly meeting, management review, and the internal Global Sourcing & Procurement Vendor Assessment tool, as referenced previously in other requirements. The TfS process also includes a review of public</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department, to address workers' rights.</p>

	perception of suppliers performance related to these topics.		
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. **	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: The organization’s sourcing policy and supplier agreements address this indicator. Compliance with supplier agreements is reviewed in quarterly meeting, management review, and the internal Global Sourcing & Procurement Vendor Assessment tool, as referenced previously in other requirements. The TfS process also includes a review of public perception of suppliers performance related to these topics. The organization has a corporate level grievance process per interviews with staff and review of its corporate governance website (viewed 29 Mar 23).	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department. Personnel interviewed were knowledgeable of processes available to resolve conflicts and human rights violations such as discrimination.	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: <input type="checkbox"/> Refer to corporate level finding. Interviews with site-level personnel also confirm that there are policies and processes in place, such as a Human Resources department. Personnel interviewed were knowledgeable of processes available to resolve conflicts and human rights violations such as discrimination.
Summary: The organization is meeting much of this requirement primarily through its sourcing policy and supplier agreements, and ensures that its suppliers are FSC- and/or PEFC-certified. These chain of custody standards include requirements related to human and worker rights, as well as safety.			

8. Development of Innovative and Alternative Fiber			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
8.1 The MMCF producer has developed and implemented an internal action plan to collaborate	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress

<p>with innovative companies and suppliers to explore and encourage the development of new alternative fibre sources that reduce environmental and social impacts, such as agricultural residues and recycled fibres. **</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Reviewed innovation strategy presentation. Per interviews with staff, there are internal documents that detail more specific information on this action plan. Per review of the presentation and interviews with staff, the organization has developed a strategy to develop fibres sourced from pre- and post-consumer recycled materials.</p> <p>The organization has developed methods to convert waste textiles into the Naia™ Renew fabric. This fabric was commercialized in 2020.</p> <p>A product containing recycled cellulose will be commercialized later in 2023 per the presentation.</p> <p>Research into non-wood-based cellulosic pulp and recycled fibres (e.g., Naia™ Next Generation Solutions Platform) is ongoing per presentation reviewed and interviews with staff.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>8.2 The research and development phase for the production of pulp and cellulosic fibre made from alternative fibre sources has been successfully completed and the</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p>	<p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met</p>

<p>MMCF producer is entering a commercial scale phase.</p>	<p>Description of finding: The Naia™ Next Gen. fabric was brand-partnered in 2022 per interviews with staff and review of the innovation strategy presentation.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>Summary: The organization’s website includes information on its Naia™ Renew (viewed 29 Mar 23) product line, such as its recycled content. Of note, the product has undergone a third party, ISO-compliant Life Cycle Assessment (LCA; updated in July 2022), and is subject to annual ISCC audits to verify its mass balance accounting system.</p>			

9. Voluntary advocacy for conservation solutions			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
<p>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. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Confirmed via review of Advocacy, Education, and Promotion presentation, and information shared on the partnerships and collaborations (viewed 29 Mar 23), and news sections of the organization’s website (e.g., Canopy Hot Button report; viewed 29 Mar 23). The organization has several third party certifications and partners with other suppliers to advocate for Ancient and Endangered Forests, such as prior tree-planting projects with Longleaf Alliance and more recently in 2022 a contribution to the Forest of the Future program</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>for restoration activities in the Atlantic Forest Region of Brazil.</p>		
<p>9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: The organization has an option to include marketing material about its fabric on-product via a QR code. The organization also has a mobile phone app and website that include resources on Ancient and Endangered Forests (AEF) and FPIC. The organization has a public relations strategy that emphasizes B2B communications, and some campaigns targeted to consumers. Reviewed mill education program and advertisements/articles in trade magazines.</p> <p>The organization demonstrated a copy of a letter sent at the behest of Canopy to a forestry and wood products company (Sep. 2022) regarding land tenure rights and sustainability.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>
<p>9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met </p>

<p>conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.</p>	<p>Description of finding: The organization is FSC-certified and applies its FSC DDS to its supplier in Brazil, which covers issues related to conservation/preservation areas and the rights of indigenous peoples and local communities. Per review of quarterly meeting minutes, the organization is engaging its supplier and FSC about reassociation and sustainability topics. The organization is a member of several NGOs/trade organizations that advocate for sustainability issues, such as Longleaf Alliance that advances work on conservation/protected areas in the US Southeast using science-based targets. In 2022, the organization supported activities of the Forest of the Future project (viewed 29/Mar/23) aimed at restoring areas of the Atlantic Forest of Brazil with prior consultation of affected local communities (viewed email records 9/Jun/23 with project partner to confirm due diligence processes). Review of the project partner’s briefing and bylaws indicates that the restoration project selected occurs on private land and that due diligence conducted by the project proponent included a review of land ownership documentation to confirm that there are no rights held by other parties, such as indigenous and</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
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	<p>quilombola communities, and that the project does not affect such communities. This process mainly involves a review of land registration, CAR (environmental rural registration number), and satellite imagery of the property of the interested landowner participant.</p> <p>While the project selection process seeks to avoid the need for FPIC, the partner organization, SOS Mata Atlantica, has examples on its website of past advocacy work with indigenous and quilombola communities (viewed 20/Mar/23).</p> <p>The organization’s foundation (Eastman Foundation) has made a commitment to donate to other conservation projects, and has a process for evaluating potential projects. Confirmed via interviews with staff, Advocacy, Education, and Promotion presentation, news section of Naia website (viewed 29 Mar 23), and email description of project selection process from the Eastman Foundation staff.</p> <p>Eastman Foundation’s background check includes several parameters, such as a review of the publicly available information on the potential partners (e.g., history of resolved or open lawsuits), partner’s</p>		
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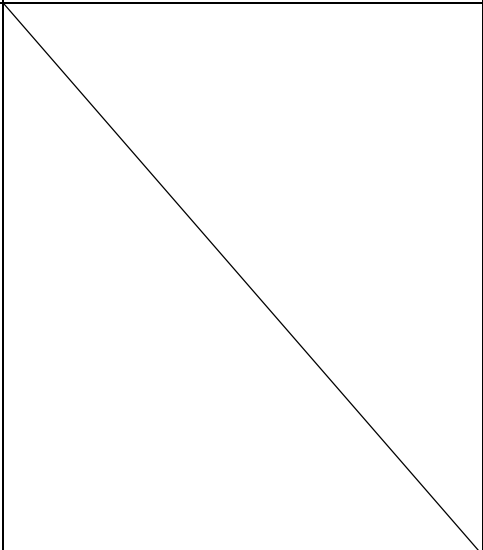
	<p>project description and governance documents, and location within Eastman’s sourcing area or supply chain.</p> <p>The organization also is a signatory of the CBD for the protection of 30% by 2030 (refer to letter signed in August 2022).</p>		
<p>9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source directly from forests.</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input checked="" type="checkbox"/> Not Applicable, does not source directly from forests.</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable, does not source directly from forests.</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>
<p>Summary: The organization participates in several initiatives aimed to protect remaining Ancient and Endangered Forests. The organization has several third party certifications and partners with other suppliers to advocate for Ancient and Endangered Forests. The organization is a member of several NGOs/trade organizations that advocate for sustainability issues, such as Longleaf Alliance that advances work on conservation/protected areas in the US Southeast using science-based targets. In 2022, the organization partnered with Forest of the Future for restoration activities in the Atlantic Forest of Brazil. These activities did not require FPIC since no traditional community rights were affected.</p>			

10. Responsible forest management			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
<p>10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake.**</p>	<p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input checked="" type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: The organization is FSC- and PEFC-</p>	<p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input checked="" type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding:</p>	<p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p>

	<p>certified. All suppliers are PEFC-certified. 2 of its 3 suppliers are FSC-certified, with sourcing volumes of 50-75% of materials being FSC Controlled Wood and <5% as FSC Mix, and the remaining supplier participates in the organization’s controlled wood verification program via its FSC DDS. This ensures that all input pulp material is FSC-compliant. The organization is actively encouraging its supplier, Bracell, to seek reassociation with FSC.</p>	<p><input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>
<p>Summary: The organization has demonstrated a preference for FSC certification by maintaining its FSC certification and engaging Bracell in assurance activities in its supply chain. Other suppliers are FSC-certified.</p>			

11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses.			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – ECC	Findings – ESC
<p>11.1 The MMCF producer has procedures to evaluate their suppliers’ performance in reducing GHG.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Observed sustainability video, YouTube channel, and presentation (all viewed 29/Mar/23), which detail the organization’s vision for various sustainability metrics such as climate change mitigation. The Naia™ sustainability goals are based on the corporate strategy. By 2030, the organization wants to lower the</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>carbon footprint of Naia™ by 40% by 2030. A part of this will be to establish agreements with customers related to measurable environmental impacts by 2025; progress is ongoing on this matter. In the supplier agreements, the organization has detailed its objectives in climate mitigation, which allow it evaluate suppliers' performance. These are reviewed in quarterly meetings to assess attainment of objectives. Each supplier has a publicly available sustainability report that covers GHG impacts. The TFS program also includes variables for GHG impacts within the environment score for each supplier.</p>		
<p>11.2 The MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: Per review of the organization's sourcing policy and supplier agreements that require adherence to the sourcing policy (cited in other requirements), Forest Mapper, and the organization's FSC DDS for sourcing controlled material from Bracell, this requirement is met. Specifically, this supplier sources from eucalyptus plantations that are not located on any tropical peatlands</p>	<p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>	<p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available </p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>or intact forest landscapes. The other two suppliers are FSC-certified in temperate forests areas and there are no IFLs within their logical sourcing area. The Global Forest Watch map was checked during the audit to confirm the presence of IFLs. Reviewed CIFOR's Global Wetlands map for Bahia, Brazil and Florida, Georgia, and South Carolina USA (viewed 29/Mar/23). In Brazil, wetland areas are located away from production plantation areas. In the Southeastern US, many wetlands are in protected areas, near urban coastal centres, and other areas that are not used for pine production forests.</p>		
<p>11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **</p>		<p> <input type="checkbox"/> Not Applicable, does not source primary material. <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: All input material is sourced at the corporate level for the ECC mill. All input material has either an FSC or PEFC claim. No material is sourced from IFLs or peatlands per evidence previously cited. </p>	<p> <input type="checkbox"/> Not Applicable, does not source primary material. <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of finding: </p>

Summary: The organization sources from suppliers who seek to avoid harvesting from production forests located in high carbon areas such as peatlands. Production forests in the supply chain include Eucalyptus plantations in Brazil and southern yellow pine plantations in the Southeastern USA. These do not overlap with any known IFL areas.

12. Pollution Prevention			
Corporate		Mills/Production Sites	
Indicators	Findings	Findings – Kingsport, TN	Findings – Site #2
<p>12.1 * This verification process will not verify at first hand the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality.</p> <p>Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at https://www.roadmapzero.com/post/zdhc-man-made-cellulosic-guidelines-released.</p>	<p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: Observed sustainability video and presentation, which detail the organization’s vision for various sustainability metrics such as circular economy. Specifically, reviewed objectives to adopt and improve recycling programs, and implementation of alternative fibres program. The new Naia™ Renew fibre, which includes post-consumer recycled inputs, has an independent LCA that was updated in July 2022.</p> <p>Reviewed presentation on chemical use and recycling. The backbone of the organization’s chemical HSES policy is to comply with applicable OSH, EHS, and</p>	<p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input checked="" type="checkbox"/> Refer to corporate level finding.</p>	<p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of finding: <input type="checkbox"/> Refer to corporate level finding.</p>

	<p>security laws and regulations. The organization has its responsible care pledge available publicly on its website (viewed 29/Mar/23). The organization has several programs to control, reduce, and recycle chemicals used in industrial processes to demonstrate its commitment to ZDHC. For example, facilities for chemical recovery were observed during the onsite audit.</p> <p>The ZDHC score incorporates the impacts of the organization's suppliers as the chemical lists include those of the suppliers. The organization currently does not use any chemicals on ZDHC's restricted substance list. However, the organization does not have ZDHC score since there is no duly recognized laboratory in North America. Reviewed communication from ZDHC sent on 24/Jan/23 indicating that the organization participated in updating MMCF Guidelines 2.0 and will be conforming to these guidelines once a duly recognized, ZDHC-compliant lab becomes available and accessible.</p>		
<p>Summary: The organization has established methods to measure and monitor waste, recycling, and material use efficiency. It also participates in ZDHC.</p>			

Appendix B – Canopy Recommendations



Recommendations for Eastman Chemical – Naia, May 2023

Canopy applauds Eastman for completing its third CanopyStyle audit. The audit confirms deep engagement of suppliers, as well as a thorough assessment of risk in the supply chain. The audit also finds that the company has developed systems to address several of the issues identified in the last audit.

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

- Increase the amount of FSC fibre used, with a preference for FSC 100%;
- Launch a commercially available product which uses Next Generation alternatives to wood fiber to reduce pressure on forests;
- Build on the company’s ongoing actions to support the conservation of key Ancient and Endangered Forests, including advocacy for science-based targets for protection of forests globally;
- Continue to engage the supplier that is connected to the Royal Golden Eagle (RGE) family of companies, and actively monitor whether RGE and its connected companies are embarking on a transformational path to address outstanding issues in Indonesia;
- Continue to adopt best in class processing and work with experts in the field to continuously meet new standards related to chemical discharge and pollution. Continue to work with ZDHC to develop new 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 develop an action plan for these priority issues, so that they can be addressed before the next annual audit.

As mentioned in the CanopyStyle audit framework, ongoing audits and/or random site visits will support Eastman to continue to implement their policy and meet the expectations of the CanopyStyle Initiative.

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