

Purpose of this tool:

This tool has been developed by Canopy in consultation with the CanopyStyle Leaders for Forest Conservation to support viscose fibre producers as they complete the CanopyStyle audit and address risk. It provides a preliminary classification to assess and mitigate risk in their supply chain and raw material fibre sources and gives guidance in moving towards a supply chain that is at low risk of sourcing from Ancient and Endangered Forests and/or other controversial sources. A primary purpose of this classification is to create efficiencies amongst audits and to focus the sector's energy and resources where it is urgently required for the world's Ancient and Endangered Forests, so that collectively we have a more positive ecological impact. As presented in this document, this classification is based on best publicly available information as well as data shared to date by partners and mills. It is designed to be a dynamic tool and Canopy invites the submission of new information from our partners as it becomes available. Canopy will update this assessment on a regular basis as new verified information that may change the risk associated with specific mills becomes available.

Why use this tool?

This tool fills a gap in the industry where no such classification of dissolving pulp facilities currently exists. It has been identified as a need by individual viscose producers, by industry associations and by experts in the field. The scope of this classification applies equally to all dissolving pulp entities, as all known companies are assessed, no matter the size, product type or geography. The tool uses international reference documents to inform content and consistency. To support a consistent evaluation, alternative and complementary models for sustainability standards have been reviewed, such as certification risk assessments.

The tool is not positioned as a definitive categorization of a mill's performance. Ultimately, Canopy and the CanopyStyle Leaders for Forest Conservation hold a vision of full transparency and sector-wide traceability down to forest of origin for viscose, where those forests of origin are confirmed as not being Ancient and Endangered Forests.

Forest Landscapes

The CanopyStyle initiative, and the over 550 public brand, retail, and viscose producer policies refer to forest landscapes including, but not limited to, the **Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa**. Policies confirm the avoidance of sourcing from controversial areas, endangered species habitat and Ancient and Endangered Forests, and include avoiding fibre from plantations that have caused relatively recent deforestation (i.e. established after 1994) and state a preference for FSC certification.

Information used

The classification uses the following information:

- Verified information of dissolving pulp mill sourcing practices done by desktop assessment or

- a site visit, and/or published in a CanopyStyle Audit;
- Information provided by supply chain partners on sourcing geographies and practices;
- Location of the sourcing areas confirmed by:
 - Proximity to or intersection with areas of Ancient and Endangered Forests, specified within CanopyStyle policies (Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa);
 - Information that the mill is not located within an industry-average economic hauling radii of areas of Intact Forest Landscapes (IFL), a core element defining Ancient and Endangered Forests and a dataset used within ForestMapper.¹
 - Information that the mill is not located in close geographic proximity to countries or regions that have a high risk of deforestation, based on publicly available information; and
 - Information that if plantation fibre is being sourced from areas that overlap with Ancient and Endangered Forests that are not specified within CanopyStyle policies (see geographies list above), the plantation date known (to ensure no sourcing from a plantation established after 1994) or inputs are FSC-certified, at minimum.
- Corporate connection, association, ownership or affiliation with an entity which is known to be at high risk of sourcing from Ancient and Endangered Forests and other controversial sources;
- Evidence of current or recent illegal logging; and
- Information about actions the companies are implementing If sourcing from a high-risk area is confirmed. The actions verified are:
 - Engagement with Canopy and/or independent local communities/stakeholders to undergo science-based, landscape conservation planning;
 - Implementation of a time-bounded action plan to address and mitigate risk identified; and
 - Validation of conservation and transformational practices as an outcome of these engagement and action plans.

Opportunities for Dissolving Pulp Producers

At this time, Canopy will focus our collaboration with dissolving pulp producers when the companies are prioritizing and engaging on two key solutions within the initiative:

1. The first is the identification of opportunities to advance conservation solutions in the Ancient and Endangered Forest areas specified in CanopyStyle policies (as listed above); and
2. When a company is ready to proactively scale-up the use of Next Generation fibre inputs, such as recycled clothing or agricultural residues.

Other than these situations, Canopy will not be directly engaging dissolving pulp producers at this time and will rely on the flow of information through our partnerships with MMCF fibre producers.

However, we encourage all dissolving pulp mills to ensure the following actions are taken to positively position their company with current and future customers that are part of the CanopyStyle initiative. This is especially important for mills that already have a classification that states “no sourcing issues identified”:

1. Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre;
2. Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills’ region and, where

- plantation fibre is being used, confirm and share the date when the plantation was established; and
3. Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims where appropriate.

Disclaimer

This tool does not provide a comprehensive assessment of all social and environmental risks related to mills. The focus of this tool are risks related to Ancient and Endangered Forests, deforestation/conversion and legality (as it relates to logging). The tool does not cover other environmental risks such as water use, pesticide use, GMOs, etc. While publicly reported incidents of social conflict are mentioned in this document, the tool does not provide an assessment of risks related to possible violation of Indigenous and tradition community rights, labour rights, and other social conflicts (see Notes of Consideration below).

CLASSIFICATION OF GLOBAL DISSOLVING PULP MILLS

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with Canopy Style policy, and notes regarding other known social and environmental concerns
Austrocel Austria	<p>No Ancient and Endangered Forest sourcing issues identified based on current information and/or Canopy Style Audit. However, the mill has lost its FSC certificate and cannot sell FSC-certified products.</p>	<ul style="list-style-type: none"> • Mill is not in a policy-specified area of Ancient and Endangered Forests, as listed above. • In a region that does not contain IFLs.xi 	<ul style="list-style-type: none"> • This facility used to be FSC CoC-certified and could sell FSC- certified products. MMCF producers should request FSC-certified products when these are once again available from this company. <p>Canopy recommends that the mill undertakes the following actions:</p> <ul style="list-style-type: none"> • Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre; • Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills’ region and, where plantation fibre is being used, confirm and share the date when the plantation was established; and • Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims.

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with Canopy Style policy, and notes regarding other known social and environmental concerns
<p>Birla Domsjo Sweden</p>	<p>No Ancient and Endangered Forest sourcing issues identified based on current information and/or Canopy Style Audit.</p>	<p>1. Mill is not in a policy-specified area of Ancient and Endangered Forests, as listed above</p> <p>2. Assessed via a site visit in a viscose producer audit that determined a result of low risk.</p>	<p>Canopy recommends that the mill undertakes the following actions:</p> <ul style="list-style-type: none"> • Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre; • Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills' region and, where plantation fibre is being used, confirm and share the date when the plantation was established; and • Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims.

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with CanopyStyle policy, and notes regarding other known social and environmental concerns
Georgia-Pacific USA	No Ancient and Endangered Forest sourcing issues identified based on current information and/or Canopy Style Audit.	<ul style="list-style-type: none"> • Georgia Pacific has a forest sourcing policy for the US South East that prohibits the sourcing of wood from endangered forests, or from recently converted forests. ^{xxix} • The company has conducted a mapping exercise to identify and help conserve endangered forests in the U.S.^{xxx} 	<p>Canopy recommends that the mill undertakes the following actions:</p> <ul style="list-style-type: none"> • Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre; • Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills' region and, where plantation fibre is being used, confirm and share the date when the plantation was established; and • Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims.

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with Canopy Style policy, and notes regarding other known social and environmental concerns
Rayonier Jesup USA	In proximity to habitat of species at risk.	<ul style="list-style-type: none"> • Mill is not in a Canopy Style policy-specified area of Ancient and Endangered Forest, as listed above, but is located in a region where forestry is a threat to species at risk. 	<p>Canopy recommends that the mill undertakes the following actions to update status in this classification:</p> <ul style="list-style-type: none"> • Provide evidence that it is avoiding sourcing from habitat of species at risk (such as Dusky Gopher Frog, Houston Toad, Patch-Nosed Salamander), or has a precautionary management plan that eliminates harm to species at risk.

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with CanopyStyle policy, and notes regarding other known social and environmental concerns
<p style="text-align: center;">SCG, Phoenix/Siam Thailand</p>	<p style="text-align: center;">No Ancient and Endangered Forest sourcing issues identified based on current information and/or Canopy Style Audit.</p>	<ul style="list-style-type: none"> • Mill is not in a Canopy Style policy-specified area of Ancient and Endangered Forest, as listed above. • In an area where deforestation is a threat and Intact Forest Landscapes are presently • However, it is unlikely that sourcing is coming from either IFLs due to government protection mechanisms, or from newly converted forests when fibre is FSC-certified. 	<p>To maintain this status, all materials must be FSC-certified, with claims.</p> <p>In addition, Canopy recommends that the mill undertakes the following actions:</p> <ul style="list-style-type: none"> • Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre; • Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills’ region and, where plantation fibre is being used, confirm and share the date when the plantation was established; and • Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims. • Source materials with FSC claims to avoid products that come from recently converted forest.

Mill Name and Country	Classification	Currently Available Information	Recommended actions for alignment with Canopy Style policy, and notes regarding other known social and environmental concerns
Södra Sweden	No Ancient and Endangered Forest sourcing issues identified based on current information and/or Canopy Style Audit.	<ul style="list-style-type: none"> • Mill is not in a Canopy Style policy-specified area of Ancient and Endangered Forest, as listed above. • Assessed in a viscose producer audit, which indicated a low-risk supply chain.^{liii} 	<p>Canopy recommends that the mill undertakes the following actions to update status in this classification:</p> <ul style="list-style-type: none"> • Invest in the use of Next Generation fibres such as recycled clothing and agricultural residues as an alternative to virgin wood fibre • Build transparency on sourcing for the mills and support traceability initiatives. Specifically, publish any additional sources of feedstock/open market fibre outside the mills' region and, where plantation fibre is being used, confirm and share the date when the plantation was established; and • Increase the amount of FSC 100% forest management-certified inputs used, and use on-product claims.

Notes of Consideration

This classification is focused on dissolving pulp mills using tree fibre as the raw material input. Dissolving pulp mills using other feedstocks, such as cotton linters, are not included.

This classification is applied to single dissolving pulp mills and is only relevant to current dissolving pulp mill production as listed. Findings do not span across a company's other mills, product lines, or operations. Specifically, a dissolving pulp producer may be producing other types of pulp at several other mill locations that impact Ancient and Endangered Forests for production of products such as paper and packaging. Mills that are not yet operational, or slated for conversion, could be added in the future. Some kraft pulp mills are included because their kraft pulps are known to be used to make viscose and man-made cellulosics.

This classification is a snapshot in time, based on publicly-available information and data shared to date by partners and mills. Based on price fluctuations, market conditions and other factors, it is recognized that fibre sourcing locations can shift. As such, as new information comes to light, this tool will be updated. This classification methodology and the information presented in this tool will be refined and developed as transparency in this supply chain increases.

To estimate the intersect with key ecological values, an average economic hauling radius has been used.

This classification does not address Indigenous, First Nations, traditional and forest-dependent communities' aspirations and/or territorial rights and territories, including areas of controversy or harm stemming from violations of Indigenous and traditional rights or human rights, nor does it address other social issues related to forestry or mill operations. This tool does not comprehensively address issues related to water use for forestry operations, although where issues are known, it has been noted. In addition to ecological criteria, sustainable sourcing should incorporate key social safeguards including, but not limited to, respecting and upholding the traditional land rights of

Indigenous peoples and local communities, ensuring Free, Prior, and Informed Consent is given for all development activities, ensuring the transparent and mutually agreed resolution of grievances and ensuring an absence of criminalization/retribution. There are many NGOs that work specifically to advance these important issues, such as the High Carbon Stock Approach and The Accountability Framework, and we suggest all MMCF producers seek these resources to assist them in minimizing any social risks related to their sourcing.

In addition, it is widely recognized that dissolving pulp and production of MMCF are resource- and chemical-intensive processes, producing air and water emissions that affect the environment and human health. The impacts of pollution from dissolving pulp and viscose processing are also important to consider, along with the impacts related to raw material sourcing on ecosystems, water, biodiversity, climate and communities. Canopy looks forward to the expansion of ZDHC's work on viscose and to the future guidelines and resources planned for dissolving pulp production

ⁱ ForestMapper and the datasets that have gone into it can be found at <https://canopyplanet.org/tools/forestmapper/app/>

ⁱⁱ See FSC risk assessment for Portugal, <https://fsc.org/en/document-center/documents/239>, accessed August 25, 2019.

ⁱⁱⁱ <https://fsc.org/en/news/fsc-ends-association-april-group>, accessed August 30, 2019.

^{iv} Based on evaluation done for CanopyStyle audits, as well as publicly available information about APRIL's operations in Indonesia.

^v Public information from 2017 shows that China is a major importer of wood products, and that large volumes are imported from Canada, Brazil and Indonesia https://www.forest-trends.org/wp-content/uploads/2017/08/doc_5627.pdf, accessed July 10, 2019.

^{vi} <https://www.chicagotribune.com/news/ct-xpm-2003-11-13-0311130121-story.html>

^{vii} See <https://www.theguardian.com/world/2018/jun/14/chile-mapuche-indigenous-arson-radical-environmental-protest>, accessed on July 29, 2020

^{viii} See Stolen Lands, Fading Forests, Environmental Paper Network, <https://globalforestcoalition.org/stolen-land-and-fading-forests-in-chile-new-report-on-conflict-plantations/>, accessed on Jan 4, 2024.

^{ix} <https://fsc.org/en/news/fsc-ends-association-april-group>, accessed August 30, 2019.

^x Asia Symbol's website indicates that the company is owned by Royal Golden Eagle (RGE) <http://www.asiasymbol.com/en/>

^{xi} Based on an analysis of the proximity of Ancient and Endangered Forests to the mill location, as well as the forest areas specified in CanopyStyle policies.

^{xii} Based on evaluation done for a CanopyStyle audit, as well as the forest areas identified in the CanopyStyle policies.

^{xiii} Ibid.

^{xiv} Ibid.

^{xv} <https://fsc.org/en/news/fsc-ends-association-april-group>, accessed August 30, 2019.

^{xvi} Bracell is listed as a company owned by Royal Golden Eagle (RGE) <https://www.rgei.com>.

^{xvii} New Scientist, accessed August 30, 2019, <https://www.newscientist.com/article/2210621-deforestation-in-brazil-has-rocketed-since-bolsonaro-became-president/>

^{xviii} See <https://news.mongabay.com/2022/07/with-plantation-takeover-brazils-indigenous-pataxo-move-to-reclaim-their-land/>, and <https://www.wrm.org.uy/bulletin-articles/brazil-the-alert-against-the-green-desert-network-relights-the-flame-of-resistance>, accessed on June 10, 2023

^{xix} Based on analysis of proximity of Ancient and Endangered Forests to the mill location.

^{xx} New Scientist, accessed August 30, 2019, <https://www.newscientist.com/article/2210621-deforestation-in-brazil-has-rocketed-since-bolsonaro-became-president/>

^{xxi} See <https://news.mongabay.com/2022/07/with-plantation-takeover-brazils-indigenous-pataxo-move-to-reclaim-their-land/>, and <https://www.wrm.org.uy/bulletin-articles/brazil-the-alert-against-the-green-desert-network-relights-the-flame-of-resistance>, accessed on June 10, 2023

^{xxii} Based on analysis of proximity of Ancient and Endangered Forests to the mill location.

^{xxiii} Based on analysis of proximity of Ancient and Endangered Forests to the mill location.

^{xxiv} New Scientist, accessed August 30, 2019, <https://www.newscientist.com/article/2210621-deforestation-in-brazil-has-rocketed-since-bolsonaro-became-president/>

^{xxv} See <https://news.mongabay.com/2022/07/with-plantation-takeover-brazils-indigenous-pataxo-move-to-reclaim-their-land/>, and <https://www.wrm.org.uy/bulletin-articles/brazil-the-alert-against-the-green-desert-network-relights-the-flame-of-resistance>, accessed on June 10, 2023

^{xxvii} See Stolen Lands, Fading Forests, Environmental Paper Network, <https://globalforestcoalition.org/stolen-land-and-fading-forests-in-chile-new-report-on-conflict-plantations/>, accessed on Jan 4, 2024.

^{xxviii} Based on information on species utilized by the mill at <https://mffp.gouv.qc.ca/wp-content/uploads/Repertoire-2019-06.pdf>, accessed on August 30, 2019, as well forest areas specified in CanopyStyle policies.

^{xxix} The policy can be found at: https://www.nrdc.org/sites/default/files/lan_10111601b.pdf

^{xxx} Information on how the mapping was conducted can be found here: <https://www.gp.com/news/2019/04/gp-dedicates-almost-a-decade-to-endangered-forest-mapping>

^{xxxi} Public information from 2017 shows that China is a major importer of wood products, and that large volumes are

imported from Canada, Brazil and Indonesia https://www.forest-trends.org/wp-content/uploads/2017/08/doc_5627.pdf, accessed July 10, 2019.

xxxii On August 30, 2016, Interpol issued a Purple Notice on the offense “Illegally trade highly valuable timber species”[sic]. The notice named three suspected exporters, including Jari Florestal SA, which along with Jari Cellulose – was owned by Jari Group at the time. Interpol posts these notices for a limited timeframe. Copy available upon request.

xxxiii FSC International, https://fsc.org/sites/default/files/2019-08/FSC%20disassociates%20from%20Jari_29-04-2019_Final_clean.pdf (accessed on Nove 28, 2020) and FSC’s certificate database: <https://info.fsc.org/details.php?id=a02400000GO362AAD&type=certificate> , accessed on August 15, 2019.

xxxiv Based on evaluation done for a CanopyStyle audit, as well as the forest areas specified in CanopyStyle policies.

xxxv Ibid.

xxxvi New Scientist, accessed August 30, 2019, <https://www.newscientist.com/article/2210621-deforestation-in-brazil-has-rocketed-since-bolsonaro-became-president/>

xxxvii See <https://news.mongabay.com/2022/07/with-plantation-takeover-brazils-indigenous-pataxo-move-to-reclaim-their-land/>, and <https://www.wrm.org.uy/bulletin-articles/brazil-the-alert-against-the-green-desert-network-relights-the-flame-of-resistance>, accessed on June 10, 2023

xxxviii See <https://opalanz.com/sustainability/wood-supply/>, accessed on July 24, 2020

xxxix See the court finding here:

<https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2020/2020fca0704/summary/2020fca0704-summary>, accessed on July 27, 2020

xl <https://www.ojiholdings.co.jp/english/group/overseas/asia.html>

xli <https://asiapulp.com/-/asia-pulp-paper-signs-corrugated-container-joint-venture-agreement-with-japan-s-oji-holdings>, accessed on July 27, 2020

xlii See <https://fsc.org/en/unacceptable-activities/cases>, accessed on July 24, 2020. Oji may also have links to the company Korindo, which has been implicated in controversial practices in Indonesia. See <https://fsc.org/en/unacceptable-activities/cases/korindo-group>, accessed July 29, 2020.

xliiii Based on an analysis of proximity of Ancient and Endangered Forests to the mill location and FSC’s national risk assessment for the USA <https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra>, accessed on November 15, 2022.

xliiv Based on an analysis of proximity of Ancient and Endangered Forests to the mill location, as well as public information on tenure locations at <https://mffp.gouv.qc.ca/wp-content/uploads/Repertoire-2019-06.pdf>, accessed on August 30, 2019

xli v Based on an analysis of proximity of Ancient and Endangered Forests to the mill location and FSC’s national risk assessment for the USA <https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk>

xli vi Based on an analysis of proximity of Ancient and Endangered Forests to the mill location and FSC’s national risk assessment for the USA <https://us.fsc.org/en-us/certification/controlled-wood/fsc-us-controlled-wood-national-risk-assessment-us-nra>, accessed on November 15, 2022.

xli vii Based on an analysis of proximity of Ancient and Endangered Forests to the mill location, as well as an evaluation done for a CanopyStyle audit.

xli viii Ibid

xli ix <https://climasolutions.org/partner/geosphere/>, accessed on 4 January 2024.

l Ibid

li <https://climasolutions.org/partner/geosphere/>, accessed on 4 January 2024.

lii Based on an analysis of proximity of Ancient and Endangered Forests to the mill location and the FSC national risk assessment for Thailand <https://fsc.org/en/document-center/documents/3fb996b1-a169-40fc-90fc-29ca26acba0>, accessed on August 29, 2019.

liii Based on an analysis of proximity of Ancient and Endangered Forests to the mill location, as well as an evaluation done for a CanopyStyle audit.

li iv Public information from 2017 shows that China is a major importer of wood products, and that large volumes are imported from Canada, Brazil and Indonesia https://www.forest-trends.org/wp-content/uploads/2017/08/doc_5627.pdf, accessed July 10, 2019.

li v Public information from 2017 shows that China is a major importer of wood products, and that large volumes are imported from Canada, Brazil and Indonesia https://www.forest-trends.org/wp-content/uploads/2017/08/doc_5627.pdf, accessed July 10, 2019.

li vi Based on an analysis of proximity of Ancient and Endangered Forests to the mill location and the FSC national risk assessment for the Lao People’s Democratic Republic: <https://fsc.org/en/document-centre/documents/resource/179>, accessed on July 27, 2020

li vii Based on analysis of the proximity of Ancient and Endangered Forest, evaluation done for CanopyStyle audits, as well as publicly available information about TPL’s operations in Indonesia, such as

<https://news.mongabay.com/2017/06/give-us-back-our-land-paper-giants-struggle-to-resolve-conflicts-with-communities-in-sumatra/>

(accessed on August 30, 2019) Note: Analysis of proximity of Ancient and Endangered Forests uses the following primary data:

<https://canopyplanet.org/tools/forestmapper/>