



The Hot Button Issue: *Detailed Matrix of Viscose Producer Performance*

2017 Update

VISCOSE PRODUCERS' PERFORMANCE AND RANKING

Canopy’s Hot Button Report was launched in October 2016 to be used as a tool that supports the 100+ CanopyStyle brands, retailers and designers in their selection of viscose supply chain partners. It offers a detailed analysis and summary of the 10 largest global producers of tree-based fabrics and textile fibers, cataloguing their sustainable-sourcing practices and their leadership in global forest conservation.

The following is an update of those rankings, completed in fall 2017. In these updated evaluations, viscose producers’ progress is assessed using the consistent application of the tools and standards of the CanopyStyleGuide and the CanopyStyle Verification Audit. The audit uses a risk-based approach and requires verifiable evidence that wood and pulp used by viscose producers fulfill a robust verification framework and audit process that was developed by Canopy in partnership with the auditors Rainforest Alliance.

With the goals of institutionalizing the long-term solutions required for a stable future for the world’s ancient and endangered forests and making the viscose supply chain more sustainable, the rankings focus on:

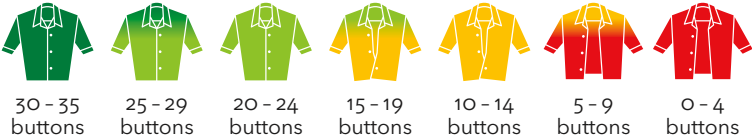
- Producers level of risk of sourcing from ancient and endangered forests,
- Producers leadership on advocating for conservation legacies, and,
- Producers work to advance the commercial-scale production of fabrics using innovative and alternative fibers, such as leftover straw or post-consumer recycled clothing.

Research and analysis is focused on detailed assessments of meaningful and measurable actions, and the methodology is transparent and replicable. Merit point buttons are awarded based on degree of completion of the elements contained in the (following) table. The detailed assessment criteria are available upon request.

This update of the Hot Button Issue includes five new criteria, and reflects the growing commitment of the textile and fashion industry to look beyond the avoidance of controversial sources. These new criteria assess supply chain innovation and will highlight supply chain partners that are emphasizing transparency and driving circular economy and next-generation fabric solutions forward. Canopy is at the forefront of this sustainability path, harnessing the power of corporate partners who adopt leading-edge sustainability targets and pursuing its commitment to catalyze the production of new fabrics made from alternative fibers. Canopy applauds the industry’s desire to move beyond reactive risk management, and so is providing the opportunity for leading viscose producers to gain more points, or Buttons, and achieve Shirts that signal an even deeper shade of green.

This is consistent with the Solution’s Pathway and the silver and gold levels of the CanopyStyle Fiber Compliance Staircase developed by the CanopyStyle Leaders for Forest Conservation.¹

SHIRT RANKING



Prior to the publication of this report, each producer was provided a draft version of their ranking, allowing time for review, input and action(s) to improve their score and standing.

These rankings are a snapshot, reflecting the progress made between Canopy’s Fall 2016 report rankings and this 2017 update. As producers continue to eliminate risk from their supply chains, undergo the CanopyStyle verification audit and implement progressive changes, we are happy to answer any inquiries about the current status of a producer’s progress.

Expansion beyond the top 10 producers

As the CanopyStyle Initiative grows, gains momentum and becomes a new standard in the industry, more viscose producers are likely to seek to remain competitive and will join the collective.

This is well illustrated by German viscose producer ENKA, which formalized a Forest Sourcing Policy with Canopy in September, 2017. The company has been introduced to Rainforest Alliance and is now committed to complete the CanopyStyle audit in the fall of 2017.

ENKA’s proactive stance is evidence that the market signal sent by the 100+ brands with supply chain commitments in place is being heard. Whether a supplier produces a few thousand or hundreds of thousands of tonnes of viscose and filaments per year, there are compelling reasons to align with peers and customers – and together start having an impact to protect global forest landscapes of hope.

¹ The CanopyStyle Initiative is led by environmental not-for-profit Canopy which, to date, has supported over 100 brands, designers and retailers in the implementation of their policies. A small subgroup of brands, currently composed of H&M, M&S, Inditex/Zara, EILEEN FISHER and Stella McCartney, are known as “CanopyStyle Leaders for Forest Conservation,” and provide vision, strategic insights, inspiration and active leadership to the initiative.



WHAT NEXT?

Canopy will be publishing a tool that signals specifically if a producer meets CanopyStyle policy requirements and if they fulfill the policy requirements of over 100 brands and designers committed to the CanopyStyle initiative. We recognize that many producers are eager to continue their collaboration with this initiative to ensure they are well-positioned in the marketplace.

A robust sourcing policy for viscose producers must contain commitments to:

- Eliminating all sourcing from the world’s ancient and endangered forests and other controversial sources.
- Recognizing, respecting and upholding human rights and the rights of communities by acknowledging the right of Indigenous people and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC).
- Driving innovation and alternative-fiber development, such as leftover straw or post-consumer recycled clothing.
- Being an advocate for conservation solutions and legacies, modeled on the Great Bear Rainforest Agreements, a landmark Canadian agreement that sets a precedent for similarly endangered forest areas to be protected around the world.
- Giving a preference to fiber sourced from forests that are responsibly managed and certified to the Forest Stewardship Council (Fsc) certification system.
- Ensuring the transparency and traceability of their operations and entire supply chain and completing annual CanopyStyle Audits to verify the risk level of sourcing from ancient and endangered forests or controversial sources.
- Reevaluating the business relationship with suppliers who contravene these criteria.

The path to more sustainable viscose:

Some innovators and large-scale producers are making great strides in reducing chemical and water use in viscose production and avoiding fiber sourced from ancient and endangered forests while exploring a variety of more sustainable fiber inputs. However, Canopy does not endorse the use of the terms ‘eco-viscose’ or ‘sustainable viscose’ in describing commercially available viscose and rayon fabrics and fibers at this time.

Canopy’s vision of the most ecological approach to viscose production is the use of high percentages of alternative fiber inputs, such as leftover agricultural straw and post-consumer recycled clothing, within clean processing and closed-loop systems that minimize water use, reduce chemical impacts and eliminate hazardous waste.





































The positive impacts of the CanopyStyle initiative on our world’s ancient and endangered forests and on the fashion industry’s footprint have only just begun, with an initial focus on meeting a minimum-bar avoidance of raw material coming from these critical ecosystems.

We look forward to supporting our brand and producer partners in creating lasting conservation legacies and visionary fabric and production-system innovations that entrench lasting and sustainable solutions.

































BUTTON UP TO PROTECT FORESTS — PRODUCER PROGRESS CRITERIA

Completion of Canopystyle third party verification audits	Contribution to conservation legacies	Innovation via new alternative fibers	Adoption of robust forest sourcing policy	Traceability & Transparency	Leaders in supply chain shift and sustainable sourcing	Associated with high risk of sourcing from ancient & endangered forests and other controversial sources
<p>The company has initiated the annual independant third party verification audit, with desktop analysis, mills or supplier sites visits.</p> <p>(worth 2 buttons)</p>	<p>The company promotes its commitment to the conservation of ancient and endangered forests on its websites, naming key ancient and endangered forest regions.</p> <p>(worth 1 button)</p>	<p>The company advocates for the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers.</p> <p>(worth 1 button)</p>	<p>The company has formalized a policy commitment not to source from the world’s ancient and endangered forests and other controversial sources, is promoting it on its website and requires compliance from its suppliers.</p> <p>(worth 2 buttons)</p>	<p>The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers.</p> <p>(worth 2 buttons)</p>	<p>The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participating in annual CanopyStyle Summits in China, takes timely action, engages suppliers & inspires leadership with supply chain partners and competitors.</p> <p>(worth 1 button)</p>	<p>The company is directly sourcing from ancient and endangered forests or the company is associated with controversial sources whose operations have documented social conflict or are in key ancient and endangered forests such as the Boreal forests, temperate rainforests or tropical forests of Indonesia. No action is being taken by the company.</p> <p>(NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)</p>
<p>The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements.</p> <p>(worth 2 buttons)</p>	<p>The company communicates about its role in supporting forest protection in public forums, panels, etc.</p> <p>(worth 2 buttons)</p>	<p>The company is investing in R&D for using alternative fibers, and is at development, prototype or laboratory phase.</p> <p>(worth 1 button)</p>	<p>The producer’s policy meets all the CanopyStyle criteria.*</p> <p>(worth 2 buttons)</p>	<p>The company has put in place a track and trace system to be used by its partners in the supply chain.</p> <p>(worth 1 button)</p>	<p>The producer gives preference to FSC forest management fiber supply and increases % volumes of FSC fiber intake.</p> <p>(worth 1 button)</p>	<p>The company is directly sourcing from ancient and endangered forests or the company is associated with controversial sources whose operations have documented social conflict or are in key ancient and endangered forests such as the Boreal forests, temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company.</p> <p>(NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)</p>
<p>Canopy analysis of the third party audit findings and of the producer’s actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other controversial areas.</p> <p>(worth 2 buttons)</p>	<p>When prompted, the company has used its influence with decision makers to support long-term conservation solutions.</p> <p>(worth 1 button)</p>	<p>The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale.</p> <p>(worth 2 buttons)</p>		<p>The company has publicly shared their list of suppliers.</p> <p>(worth 1 button)</p>	<p>The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions.</p> <p>(worth 2 buttons)</p>	<p>The company was sourcing from ancient and endangered forests or the company is associated with controversial sources whose operations have documented social conflict or are in key ancient and endangered forests such as the Boreal forests, temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies.</p> <p>(NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)</p>
	<p>The company’s actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots.</p> <p>(worth 2 buttons)</p>	<p>The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing.</p> <p>(worth 2 buttons)</p>		<p>The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment.</p> <p>(worth 3 buttons)</p>		
		<p>The company is aggressively increasing the commercial scale of innovative and alternative fibres available to customers,at a price that allows scalability.</p> <p>(worth 2 buttons)</p>				






















CANOPISTYLE PERFORMANCE MATRIX – 2017

Performance Results					CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL	
Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independent third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independent third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other controversial areas. (worth 2 buttons)	The company promotes its commitment to the conservation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest protection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at development, prototype or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alternative fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other controversial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participating in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and competitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons	
	The Aditya Birla Group owner of Grasim Industries and Birla Cellulose Mumbai, India  Birla Cellulose Fibres from nature	The company owns 12 mills in total. 7 viscose mills and 5 dissolving pulp mills. <ul style="list-style-type: none">Nagda in Madhya Pradesh, India. Capacity 110 000 tons of Viscose Staple fiberHarihar, Karnataka, India. Capacity 110 000 tons of Viscose Staple fiberKharach, Gujarat, India. Capacity 110 000 tons of Viscose Staple fiberBirla Jingwei Fibers Company Limited, China. Capacity 72 000 tons of Viscose Staple fiberPT. Indo-Bharat Rayon, Indonesia. Capacity 89 000 tons of Viscose Staple fiberThai Rayon, Thailand. Capacity 140 000 tons of Viscose Staple fiberTurkey (projected capacity of 120 000 tons of Viscose Staple fiber)AV Cell and AV Nackawic, New Brunswick, Canada. Capacity 315 000 tons of dissolving pulpDomsjö Fabriker AB in Sweden. Capacity 255 000 tons of dissolving pulpBirla Cellulose, Harihar, Karnataka, India. Capacity 70 000 tons of dissolving pulpBirla Lao Pulp and Plantation Limited in Laos. (Was expected to be in production in 2016, capacity of 200 000 tons of dissolving pulp)AV Terrace Bay, Ontario, Canada. (To be converted to dissolving pulp in the future, capacity of 280 000 tons)	Man-made cellulosic fiber (MMCF) and nonwovens, dissolving pulp, standard viscose fibers, rayon and specialty cellulose fibers such as lyocell and modal. Excel and Liva are Aditya Birla's branded MMCF products	Aditya Birla uses a variety of tree species including spruce, fir, pine as well as eucalyptus, acacia, ash, aspen, oak, poplar, beech, birch & maple wood fibers, amongst others.	 	 	 	  	 	 	 						  	 	  	 	 					 			 	21
					<p>Risk of sourcing from Ancient & Endangered forests: In June 2017, Aditya Birla completed and released publically their first annual CanopyStyle audits of their global sourcing practices. The audit was comprised of a desktop review of their global sourcing, in addition to site visits of mills in China, India and Indonesia to verify that the local operations are consistent with global sourcing. Lastly, one of their mills in Sweden, a country that contains some areas of remnant ancient and endangered forests, was also verified through a forest field evaluation. The audit confirms that the risk of sourcing wood from ancient and endangered forests or other controversial sources is currently low for Aditya Birla. Any change in supply chains would require a re-evaluation.</p> <p>The CanopyStyle audit is clear that all operations of a company must be verified before it can be determined whether the company has a low risk of sourcing from ancient and endangered forests and other controversial sources. Future annual audits beginning in 2018 must include new operations of Aditya Birla, such as the Birla Lao Pulp and Plantations Company Limited in Turkey, and the new Vilayat Greenfield project in India now in operation. In future, when the AV Terrace Bay mill in the heart of Ontario's Boreal Forest is converted to dissolving pulp it will be required to be a part of the CanopyStyle audit too.</p> <p>Key improvements required:</p> <ol style="list-style-type: none">It is expected that Birla Cellulose will continue to progress in the areas identified for improvement within the CanopyStyle audit. This includes the identification of the forest of origin for all the raw materials used in their products, to allow the tracking and mapping of the fiber flow from the forest, to the pulp and viscose mills, and all the way in the supply chain to the brands. Birla has shown interest to work with Canopy in the development of the process for mapping the forests of origin.Birla Cellulose is also expected to update its 2015 Global Wood Fiber Sourcing Policy to include a preference for FSC certification and increase its intake of FSC certified fiber.Birla Cellulose will continue to progress on building supply chain traceability, while also driving development of fabrics from alternative fibers. Customer brands whose own policies reflect demand for new products either made from recovered clothing or agricultural residues are looking to Birla Cellulose to make more progress in this field of innovation.While Birla Cellulose has shown notable industry leadership in deferring logging in a key landscape of hope in Canada's Boreal forest, the science-based process towards formal conservation is now behind schedule and needs to continue to advance in a timely manner. <p>Areas where the company is showing leadership: As mentioned, Aditya Birla is demonstrating valuable leadership in maintaining an agreed to logging moratoria on 1.1 million hectares of intact forests in Canada's Boreal and partnering with conservation organizations to pro-actively craft science based solutions to help protect this area near their AV Terrace Bay (AVTB) mill in Ontario, Canada. Aditya Birla posted industry-leading results with its CanopyStyle audits and is open to partnering on Life Cycle Analysis that includes cutting edge methodologies to assess impacts to biodiversity and biogenic carbon.</p>																									

















CANOPISTYLE PERFORMANCE MATRIX – 2017

					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL		
Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other controversial areas. (worth 2 buttons)	The company promotes its commitment to the conservation of AGE forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest protection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at development, prototype or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alternative fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participating in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and competitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endangered forests or the company is associated with contro-versial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons		
	Lenzing AG Lenzing, Austria 	The company owns 9 mills in total. 3 viscose mills, 4 lyocell mills and 2 dissolving pulp mills. <ul style="list-style-type: none">PT. South Pacific, Indonesia. Capacity 323 000 tons (The largest viscose fiber plant operated by the Lenzing GroupLenzing Nanjing (Joint venture with Nanjing NCF), China. Capacity 178 000 tons of viscoseLenzing, Austria. Capacity 252 000 tons of viscose and modal,Lenzing, Austria. Capacity 67 000 tons of Lyocell (TENCEL®)Heiligenkreuz, Austria. Capacity 65 000 tons of Lyocell (TENCEL®)Grimsb, UK. Capacity 40 000 tons of Lyocell (TENCEL®)Mobile, Alabama, USA. Capacity 50 000 tons of Lyocell (TENCEL®)Paskov, Czech republic. Capacity 270 000 tons of dissolving pulpLenzing Austria. Capacity 297 000 tons of dissolving pulp	Man-made cellulosic fiber (MMCF) , dissolving pulp, standard viscose fibers, rayon and specialty cellulose fibers such as lyocell and modal. TENCEL® is Lenzing's trademarked lyocell product. Lenzing Viscose®, Lenzing Modal®, Micro-Modal®, Lenzing FR® are trade-marks of Lenzing viscose and modal fibers.	Lenzing uses a variety of tree species including fir, acacia, maple, alder, birch, eucalyptus, beech, ash, spruce, pine and poplar.	 	 	 		 					 			 	 	 					 	 			 			20.5
<p>Risk of sourcing from Ancient & Endangered forests: In May 2017, Lenzing completed and publicly released their first annual CanopyStyle audit of their global sourcing practices. The audit was comprised of a desktop review of their global sourcing in addition to site visits of mills in China and Indonesia to verify that local operations are consistent with global sourcing. Lastly, one of their suppliers sourcing from Russia, a country that has a remarkable opportunity to protect some of the world’s critical ancient Boreal Forests, was also verified through a field evaluation. The audit confirms that the risk of Lenzing sourcing wood from ancient and endangered forests or other controversial sources is currently low, excluding small volumes of trial material*. Any change in supply chains would require a re-evaluation.</p> <p>*Note: Lenzing has taken immediate steps to address risk associated with one new trial supplier providing a very small volume of wood fiber for product trials</p> <p>Key improvements required: The expectation is that Lenzing will continue to progress in the areas identified for improvement within the CanopyStyle audit. This includes:</p> <ol style="list-style-type: none">Improvement in Lenzing's sustainability practices such as the transparent disclosure of<ol style="list-style-type: none">Their list of suppliers for dissolving pulp, andIdentification of the forest of origin for all the raw materials used in their products, to allow the tracking and mapping of the fiber flow from the forest, to the pulp and viscose mills, and all the way through the supply chain to the brands.Lenzing will contribute to advancing legislated conservation legacies in key global forest hotspots,Lenzing will ensure that their planned expansion and growth is consistent with the CanopyStyle initiative.While Lenzing has shown notable industry leadership prioritizing R&D in closed loop alternatives, launching a new product line with less than 30% pre-consumer recycled cotton, the marketplace is ready to absorb a much more ambitious product using higher percentages of post-consumer fabric or leftover straw. Future audits and this Hot Button Report will track progress and scalability in relation to these offerings. <p>Areas where the company is showing leadership: Lenzing has recently updated its Wood and Pulp policy to include a preference for FSC certified fiber. The company is demonstrating leadership by promoting the protection of ancient forests and the need for sustainable sourcing in various platforms and forums. There are two additional areas where Lenzing is inspiring its peers. They were one of the first to complete the CanopyStyle audit and as noted above they are first to market with a product that contains recycled fabric in the product feedstock. Additionally, Lenzing has committed to engage Canopy as they look to expand their business operations to learn of issues and opportunities on potential trial and/or new raw material sources prior to entering contractual agreements. This has been highlighted during the audit process and Canopy is looking forward to this upfront exploration of sourcing options becoming a reality.</p>																															


















CANOPISTYLE PERFORMANCE MATRIX – 2017

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Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conser-vation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOs to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek oppor-tunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it con-sistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Tangshan Sanyou Xingda Chemical Fiber Co. part of the Tangshan Sanyou Group Company Limited Tangshan, China 	The Tangshan Sanyou Group Company Limited owns 2 viscose mills and is associated with one dissolving pulp mill. • Tangshan Sanyou Yuanda Fiber Co Ltd. • Tangshan Sanyou Xingda Chemical Fiber Co., Ltd. Together these mills have a combined viscose capacity of 480 000 tons • Tangshan Sanyou Group has 100% equity in the Dongguang Pulp Co. Ltd – a Chinese dissolving pulp mill.	Man-made cellulosic fiber (MMCF) and nonwovens, dissolving pulp, standard viscose fibers, rayon and others including bamboo, modal, pearl, corn protein, dope-dyed, bamboo.	Tangshan Sanyou uses a diversity of tree species such as eucalyptus, birch, spruce, pine and others.	 												 	 	 	 			 						
					Risk of sourcing from Ancient & Endangered forests: At the time of writing this report, Sanyou has completed a first desktop audit of their global sourcing practices, as well as site visits of their mills in China. Sanyou has been open, committed and pro-active in taking timely actions to undertake this rigorous due diligence process. The audit findings have been reviewed by Canopy and the auditors, and have been shared with the company. Once finalized, Sanyou, Canopy and the auditor will jointly make audit results public. Key improvements required: The company is expected to work collaboratively with Canopy and the auditors to make the CanopyStyle audit report public in upcoming weeks. Sanyou is expected to take actions to help drive conservation solutions in key landscapes of ancient and endangered forests, and to invest in research and development for new materials made of alternative fibers, such as recycled clothing or agricultural residues. Of note, the CanopyStyle initiative has also been tracking allegations of forced labour by Sanyou. The company had a social audit done in 2016 by the firm SGS, and claims to be in conformance with social laws and human rights. The SGS audit report has not been made public, but has been considered as evidence as part of the CanopyStyle audit conducted by Rainforest Alliance. Areas where the company is showing leadership: The company is one of the first viscose producers in China to develop a policy and initiate the CanopyStyle audit.																								
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CANOPYSTYLE PERFORMANCE MATRIX – 2017

Performance Result					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies			Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency			Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL		
	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independent third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independent third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other controversial areas. (worth 2 buttons)	The company promotes its commitment to the conservation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest protection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and NGOs to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at development, prototype or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alternative fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other controversial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participating in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and competitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Fulida Group Hangzhou, China  ZHEJIANG FULIDA CO., LTD	The Fulida Group owns one viscose mill and one dissolving pulp mill. <ul style="list-style-type: none">• Zhejiang Fulida mill, capacity of 180 000 tons• Neucel Specialty Cellulose Dissolving Pulp Mill, located in Port Alice, British Columbia, Canada, acquired in 2011• Fulida Goup recently transferred all its share of Xinjiang Fulida to Zhongtai Chem Ltd, a viscose mill with productivity of 320 000 tons.	Man-made cellulosic fiber (MMCF) and nonwovens, mainly standard viscose fibers and rayon	Fulida uses a diversity of tree species such as birch, Beech, Oak, Poplar, ash, spruce, pine and others.	  												 	 	 					 					13.5
					<p>Risk of sourcing from Ancient & Endangered forests: Zhejiang Fulida executed the CanopyStyle audit at their HQ and their mill in China in July 2017. At the time of writting this report, Rainforest Alliance is finalizing the audit report, collaboratively with Canopy. Zhejiang Fulida has been open, committed and pro-active in taking timely actions to undertake this rigorous due diligence process.</p> <p>The Fulida Group owns the Neucel mill (currently shuttered), which is located in the endangered forest region of the Coastal Temperate Rainforest of Vancouver Island. Due to the risk associated with sourcing from this region, the company is expected to actively support meaningful conservation planning and increased protection of these ancient forests prior to sourcing from the area, per its policy.</p> <p>Key improvements required: The company is expected to work collaboratively with Canopy and the auditors to make the CanopyStyle audit report public in upcoming weeks. The Fulida Group owns the Neucel mill on Vancouver island. The mill is idle now, but because it is located in an ancient and endangered forest region, the company is expected to follow through on its commitment to proactively support and advocate for science-based conservation planning to be undertaken and completed before sourcing from the area.</p> <p>Areas where the company is showing leadership: Fulida is taking actions that indicate a high level of commitment to the CanopyStyle initiative. They are actively engaged in dialogue with Canopy and customer brands, and showing interest in completing the audit with integrity and engaging their suppliers in an effective way.</p> <p>The Fulida Group is also demonstrating leadership by listing their dissolving pulp suppliers and brand partners on its website, and is using its influence with decision makers to contribute to conservation solutions in key landscapes of hope such as Canada's Boreal forest.</p>																								

CANOPISTYLE PERFORMANCE MATRIX – 2017

					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL			
Performance Result	Company Headquater location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conser-vation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOs to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it con-sistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons			
	Sateri officially incorporated as Pacific Viscose Limited part of the Royal Golden Eagle (RGE) Group Shanghai, China 	Sateri owns 3 viscose mills in China, for an annual production capacity of 500 000 tons of viscose staple fiber. <ul style="list-style-type: none">Sateri Jiangxi mill in China has a production capacity of 160 000 tons of viscose staple fiber.Sateri Fujian viscose staple fiber production facility has a production capacity of 200 000 tonsSateri Jiujiang fiber mill, previously under Longda, was acquired in June 2015 and is now operated by Sateri.In January, 2015 Sateri Holdings Limited separated into two distinct corporate entities, "Bracell Limited" and "Pacific Viscose Limited". Bracell Limited owns and operates timberland in Brazil and the Bahia Specialty Cellulose dissolving pulp mill in Bahia, Brazil. It is one of the largest manufacturers supplying more than 10% of the world's dissolving pulp.	Man-made cellulosic fiber (MMCF) and nonwovens, mainly standard viscose fibers and rayon	Sateri uses a diversity of tree species such as eucalyptus, aspen, maples, jack pine, fir, Hemlock, spruce, pine, birch and others.																										9.5		
					<p>Risk of sourcing from Ancient & Endangered forests: At the time of writing this report, Sateri has completed a first desktop audit of their global sourcing practices, as well as site visits of their three mills in China. Sateri has shown great willingness and a high level of collaboration in the audit process. They have been committed and pro-active in taking timely actions to undertake this rigorous due diligence process.</p> <p>Currently, Canopy, the auditor and Sateri are reviewing audit findings, and final evidence has been collected and is being assessed. The length of time for the auditing process was neither in the control of, nor the responsibility of Sateri. Once finalized, Sateri, Canopy and the auditor will jointly make audit results public.</p> <p>As part of the Royal Golden Eagle Group (RGE), Sateri is closely associated with APRIL, the Indonesian pulp producer and plantation company, and the Toba Pulp Lestari (TPL) mill in Indonesia. APRIL and Toba Pulp Lestari have both been associated with social conflict, pollution, deforestation and conversion of natural forests and peatlands. Sateri has taken a significant step by completely removing TPL fiber from its supply chain in September 2016. Sateri started listing their suppliers on their website in September 2017, which confirms sourcing from APRIL. Publication of the final audit results will provide opportunities for further dialogue on mechanisms to address any sourcing and reputational risk within Sateri's supply chain. Canopy recommends a considered approach by the marketplace at this stage.</p> <p>Key improvements required:</p> <ol style="list-style-type: none">The priority next step for Sateri is the public release of the third party verification audit report, collaboratively with Canopy and the auditor.The company is also expected to address any areas of high risk and/or eliminate any sources of wood from ancient and endangered forests or other controversial sources.Canopy recognizes that some companies, such as the RGE Group and APRIL, face unique challenges. They have made significant investments, and have existing assets and / or long-term supply agreements, that are located in countries with ancient and endangered forests, high rates of deforestation, social conflicts or controversial sources. It means they have greater roles and responsibilities to implement adequate long-term solutions to maintain or restore the ecological integrity of these landscapes, gain the consent of traditional and/or indigenous peoples, and find mutually agreed-upon remedial solutions for past harm. <p>Areas where the company is showing leadership: Sateri has eliminated the TPL controversial sourcing from their supply, and are actively engaging them to improve their performance consistent with the key tenets of their wood sourcing policy. Sateri's efforts are also part of a global movement that led to some exciting developments in 2017. The President of Indonesia, with the cooperation of TPL, excised 5,172 Ha of land traditionally owned by the community of Pandumaan-Sipituhuta from Toba Pulp Lestari's concessions and gave it "tanah adat" (customary land) status. The Panduma'an decision was part of an unprecedented "give back" of 13,000 Ha of traditional land to nine communities - the first such recognition of communities' customary rights in the 71 years since Indonesia's independence.</p> <p>This year, Sateri's policy has also been augmented to include a stated preference for FSC fiber, a recognition of the need to conserve ancient and endangered forests and advance solutions in key landscapes. Sateri has taken new actions in research for alternative fibers and shared a synopsis of the research mandate with Canopy. The company has also implemented a public feedback and grievance mechanism accessible through its website in English and Mandarin.</p>																											

CANOPISTYLE PERFORMANCE MATRIX – 2017

					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL	
Performance Result	Company Headquater location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independent third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independent third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conser-vation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it con-sistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons	
	Shandong Yamei Technology Co., Ltd a subsidiary of the Shandong Bohi Industry Co., Ltd. Shanghai, China. 	Shandong Yamei has 1 viscose mill. • Total production capacity of 260 000 tons.	Man-made cellulosic fiber (MMCF) and nonwovens, mainly standard viscose fibers and rayon.	Shandong Yamei uses a diversity of tree species such as eucalyptus, spruce, pine, Hemlock, maple, birch and others.													 	 	 				 				 			7
<p>Risk of sourcing from Ancient & Endangered forests: Until the company successfully completes the CanopyStyle verification audit (originally anticipated by September 2016) and its results can be analyzed, Shandong Yamei will be considered medium to high risk of sourcing from ancient and endangered forests and other controversial areas.</p> <p>Key improvements required: The immediate next step for Shandong Yamei is to formalize agreement with the auditor to initiate the third party verification of progress indicators in policy implementation and additional solutions proposed by the CanopyStyle initiative. Following the first annual CanopyStyle audit findings, Shandong Yamei will be expected to address any controversial sourcing issues that are identified and progress on remaining sustainability steps, such as supporting conservation solutions and driving new alternative fibers.</p> <p>Areas where the company is showing leadership: Shandong Yamei has presented, alongside Canopy and partner brands, at the China Chemical Fiber Association (CCF Group) conference, in 2016, to promote the protection of ancient forests and the need for sustainable sourcing. The company has not shown leadership since then.</p>																									Past Customs information suggests that up-to-date monitoring is required. Completing the audit would address this potential risk.					




CANOPISTYLE PERFORMANCE MATRIX – 2017














					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL
Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independent third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independent third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other controversial areas. (worth 2 buttons)	The company promotes its commitment to the conservation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest protection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at development, prototype or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alternative fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other controversial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek opportunities to forward solutions and meet new marketplace requirements. The producer is participating in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and competitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Shandong Helon's (CHTC Helon Co. Ltd.) a subsidiary of the CHTC Network Group. Weifang, China  恒天海龙股份有限公司 CHTC HELON CO., LTD.	CHTC Helon owns 1 viscose mill. • Shandong Helon's viscose production capacity is 278 000 tons.	Man-made cellulosic fiber (MMCF) and nonwovens, mainly standard viscose fibers and rayon with some viscose filament.	Like many other viscose producers, CHTC Helon uses a diversity of tree species. However, the company is not sharing this information publicly.													 	 	 				 	 			 		6
<p>Risk of sourcing from Ancient & Endangered forests: Until Shandong Helon successfully completes the CanopyStyle verification audit (originally anticipated by September 2016) and its results can be analyzed, the company will be considered medium to high risk of sourcing from ancient and endangered forests and other controversial sources.</p> <p>Key improvements required: The immediate next step for Shandong Helon is to initiate the CanopyStyle audit of progress indicators in policy implementation and additional solutions proposed by the CanopyStyle initiative. Following the audit, Shandong Helon will be expected to address any controversial sourcing issues that are identified and progress on remaining sustainability steps, such as supporting conservation solutions and driving new alternative fibers.</p> <p>Areas where the company is showing leadership: No significant leadership shown to date. Shandong Helon is encouraged to demonstrate leadership moving forward.</p>																										Past Customs information suggests that up-to-date monitoring is required. Completing the audit would address this potential risk.			

CANOPISTYLE PERFORMANCE MATRIX – 2017

					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL
Performance Result	Company Headquater location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conserva-tion of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek oppor-tunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it consistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Xinxiang Bailu Chemical Fiber Co., Ltd. owned by the Bailu Group Xinxiang, China 	Xinxiang Bailu Chemical Fiber has 1 viscose mills in China. • Xinxiang's total fiber production capacity is 200 000 tons.	Man-made cellulosic fiber (MMCF) and nonwovens, mainly standard viscose fibers and rayon, as well as bamboo viscose fiber and soybean viscose fiber. The viscose rayon and viscose staple fiber has a registered trademark "Bailu".	Like many other viscose producers, Xinxiang Bailu uses a diversity of tree species. However, the company is not sharing this information publicly.													 	 	 	 			 	 		 			6
<p>Risk of sourcing from Ancient & Endangered forests: Until the company successfully completes the CanopyStyle verification audit (originally anticipated by September 2016) and its results can be analyzed, Xinxiang Bailu Chemical Fiber will be considered medium to high risk of sourcing from ancient and endangered forests and other controversial areas.</p> <p>Key improvements required: The immediate next step for Xinxiang Bailu Chemical Fiber is to complete the third party verification audit of progress indicators in policy implementation and additional solutions proposed by the CanopyStyle initiative. Following the audit, Xinxiang Bailu Chemical Fiber will be expected to address any controversial sourcing issues that are identified and progress on remaining sustainability steps, such as supporting conservation solutions and driving new alternative fibers.</p> <p>Areas where the company is showing leadership: No significant leadership shown to date. Xinxiang Bailu Chemical Fiber is encouraged to demonstrate leadership moving forward.</p>																										Past Customs information suggests that up-to-date monitoring is required. Completing the audit would address this potential risk.			

CANOPISTYLE PERFORMANCE MATRIX – 2017

					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL
Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conser-vation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek oppor-tunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it con-sistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with contro-versial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Nanjing Chemical Fiber Co. (NCFC) a joint venture with the Lenzing Nanjing mill Nanjing, China. 	Nanjing NCFC owns one mill in China. • The production capacity is 50 000 tons	Man-made cellulosic fiber (MMCF) mainly standard viscose fibers and rayon.	The company has been unresponsive in providing such information. Like many other viscose producers, the company is expected to be sourcing a large variety of tree species.													   											6	
					Risk of sourcing from Ancient & Endangered forests: Until the company successfully completes the CanopyStyle verification audit (originally anticipated by September 2016) and its results can be analyzed, Nanjing NCFC will be considered medium to high risk of sourcing from ancient and endangered forests and other controversial areas. Key improvements required: The immediate next step for Nanjing NCFC is to complete the third party verification audit of progress indicators in policy implementation and additional solutions proposed by the CanopyStyle initiative. Following the first annual audit, Nanjing NCFC will be expected to continue to progress on remaining sustainability steps, such as supporting conservation solutions and driving new alternative fibers. Areas where the company is showing leadership: Nanjing NCFC was the first producer not part of the top ten priority list identified by the CanopyStyle initiative to have adopted a robust policy. The company's senior leadership is expected to continue to show leadership.																								

CANOPYSTYLE PERFORMANCE MATRIX – 2017																													
					Completion of CanopyStyle Third Party Verification Audits			Contribution to Conservation Legacies				Innovation via New Alternative Fibers					Adoption of Robust Forest Sourcing Policy		Traceability & Transparency				Leaders in Supply Chain Shifts and Sustainable Sourcing			Associated with High Risk of Sourcing from Ancient & Endangered Forests and other Controversial Sources			TOTAL
Performance Result	Company Headquarter location (Name of city and Country)	# of viscose, lyocell and dissolving pulp mills Location and production volumes	Product types made (modal, viscose, rayon, lyocell, TENCEL®, Excell)	Tree species used in all operations Of note: the most commonly known tree species used to make viscose is eucalyptus. However, dissolving pulp and viscose is commonly made from a combination of softwood and hardwood.	The company has initiated the annual independant third party verification audit, with desktop, mills or supplier sites visits. (worth 2 buttons)	The company has completed the first annual independant third-party verification audit and has adopted an action plan to make continuous sustainability improvements. (worth 2 buttons)	Canopy analysis of the third party audit findings and of the producer's actions on issues raised in the audit results in low risk of sourcing from ancient and endangered forests and other contro-versial areas. (worth 2 buttons)	The company promotes its commitment to the conser-vation of A&E forests on its websites, naming key ancient and endangered forests regions. (worth 1 button)	The company communicates about its role in supporting forest pro-tection in public fora, panels, etc. (worth 2 buttons)	When prompted, the company has used its influence with decision makers to support long-term conservation solutions. (worth 1 button)	The company's actions directly contribute to conservation planning and increased legislated protection in key ancient and endangered forest hot spots. (worth 2 buttons)	The company is an advocate of the circular economy and use of alternative fibers and is developing partnerships with brands, academics and ENGOS to advance the use of new and existing alternative fibers. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is at develop-ment, proto-type or laboratory phase. (worth 1 button)	The company is investing in R&D for using alternative fibers, and is scaling up from laboratory phase to pilot scale (up to a few tons) towards commercial scale. (worth 2 buttons)	NEW CRITERIA The company has timelines and targets in place for increasing the use of alternative fibres such as leftover straw and post-consumer recycled clothing. (worth 2 buttons)	NEW CRITERIA The company is aggressively increasing the commercial scale of innovative and alter-native fibres available to customers, at a price that allows scalability. (worth 2 buttons)	The company has formalized a policy commitment not to source from the world's ancient and endangered forests and other contro-versial sources, is promoting it on its website and requires compliance from its suppliers. (worth 2 buttons)	The producer's policy meets all the CanopyStyle criteria.* (worth 2 buttons)	The company has shared a complete chain of custody (COC) form and list of suppliers with Canopy and the brands of the Leaders Group such that all of the fiber sources of the producer can ultimately be tracked to a forest (or plantation) of origin, via a certification code and requests to suppliers. (worth 2 buttons)	The company has put in place a track and trace system to be used by its partners in the supply chain. (worth 1 button)	NEW CRITERIA The company has publicly shared their list of suppliers. (worth 1 button)	NEW CRITERIA The company has publicly shared forest of origin locations of all fibre sources, in a way that allows for transparently mapping fiber flow, from forest, to fiber to garment. (worth 3 buttons)	The producer is pro-actively reaching out to Canopy to seek oppor-tunities to forward solutions and meet new marketplace requirements. The producer is participat-ing in annual Canopystyle Summits in China, takes timely action and inspires leadership with supply chain partners and com-petitors. (worth 1 button)	The producer preferences FSC forest management fiber supply and increases % volumes of FSC fiber intake. (worth 1 button)	NEW CRITERIA The company publically supports Canopy's global map of Ancient and Endangered forests and uses it con-sistently to assess the risk level of their fiber supply and to make responsible sourcing decisions. (worth 2 buttons)	The company is sourcing from ancient and endan-gered forests or the company is associated with contro-versial sources in key ancient and endan-gered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. No action is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 5 BUTTONS)	The company is sourcing from ancient and endangered forests or the company is associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Initial action to remove this controversial sourcing is being taken by the company. (NOTE THIS IS A NEGATIVE CRITERIA THAT WOULD LEAD TO A REDUCTION OF 2 BUTTONS)	The company has been sourcing from ancient and endangered forests or from a company associated with controversial sources in key ancient and endangered forests such as the boreal forests, coastal temperate rainforests or tropical forests of Indonesia. Action has been taken, the sourcing issue has been resolved and the producer is contributing to conservation legacies. (NOTE THIS WOULD LEAD TO THE ADDITION OF 1 BUTTON)	Total number of buttons
	Jiangsu Xiangsheng Viscose Fiber Co., Ltd. part of the Xiangsheng Group Hangzhou, China 	Jiangsu Xiangsheng Viscose Fiber Co. has 1 viscose mill in China. • Xiangsheng's total viscose production is 170 000 tons.	Man-made cellulosic fiber (MMCF) mainly standard viscose fibers and rayon.	The company has been unresponsive in providing information. Like many other viscose producers, the company is expected to source from a large variety of tree species.													   	 						    				- 1	
<div>Risk of sourcing from Ancient & Endangered forests: Jiangsu Xiangsheng developed a policy in 2016, but since then there is no evidence that they have taken further steps. Because of the company's lack of responsiveness, delay in sharing information about its raw material sourcing and in completing the CanopyStyle verification audit (originally anticipated by September 2016), Jiangsu Xiangsheng will be considered high risk of sourcing from ancient and endangered forests and other controversial areas. Canopy recommends a considered approach by the marketplace at this stage.</div> <div>Key improvements required: Consistent with other viscose producers in advancing along the Solutions Pathway, we expect Jiangsu Xiangsheng to complete the Chain of Custody survey and share sourcing data with Canopy and the “Leaders Group” as soon as possible. Once data has been provided, the next step will require Jiangsu Xiangsheng to initiate the third party CanopyStyle audit of policy compliance.</div> <div>Areas where the company is showing leadership: No significant leadership shown to date. Jiangsu Xiangsheng is encouraged to demonstrate leadership moving forward.</div>																													

CANOPISTYLE PERFORMANCE MATRIX – 2017

[illegible]

DISSOLVING PULP MILLS OPERATING WITHIN ANCIENT AND ENDANGERED FOREST REGIONS



photo: © Crossover Productions

Jari Cellulose, (Jari Celulose Papel e Embalagens S.A.) is a dissolving pulp producer operating in the Pará state, in heart of the Brazilian Amazon.¹ It is part of Grupo Jari, which also includes Jari Florestal S.A. and Marquesa S.A.² On August 30th 2016, Interpol issued a Purple Notice that named Jari Florestal for allegedly “laundering” illegally harvested “highly valuable timber species” in Brazil.³ At the time of writing this report, all of the fsc certificates for Jari Cellulose, Jari Florestal S.A. and Marquesa S.A had been either terminated or suspended.^{4, 5, 6, 7} Canopy is in dialogue with Jari Cellulose and has requested to be notified if and when the Interpol issue is resolved and/or Grupo Jari companies seek re-certification through fsc.

Asia Pacific Resources International Ltd (APRIL) is part of the Royal Golden Eagle (RGE) group of companies. APRIL produces wood pulp and dissolving pulp in Sumatra, Indonesia. Its logging of tropical rainforests,⁸ impact on peat domes and endangered species, and continued plantation operations on high carbon landscapes have been the focus of controversy for many years.^{9, 10} In 2013, the Forest Stewardship Council (fsc) ended all association with the APRIL Group.¹¹ Since then, the company has put in place a Sustainable Forest Management Policy¹² and embarked on efforts to restore damaged ecosystems and improve its sustainability performance. fsc has recently agreed to enter a process with the view of developing a roadmap to end APRIL’s disassociation.¹³ Due to the extent of its historical impacts on forests and communities, there are predictions that it will be years before the company effectively addresses this legacy.¹⁴ Canopy is in dialogue with APRIL.

1. <http://www.grupojari.com.br/celulose>
2. <http://www.grupojari.com.br>
3. <http://www.redd-monitor.org/2015/12/17/the-jari-amapa-redd-project-brazil-greenwashing-illegal-logging-a-pulp-mill-and-a-48-year-old-land-grab/>
4. <https://info.fsc.org/details.php?id=a0240000005sV5xAAE&type=certificate>
5. <https://info.fsc.org/details.php?id=a0240000000GO362AAD&type=certificate#result>
6. <https://info.fsc.org/details.php?id=a0240000005sVdZAAU&type=certificate>
7. <http://www.redd-monitor.org/2015/12/17/the-jari-amapa-redd-project-brazil-greenwashing-illegal-logging-a-pulp-mill-and-a-48-year-old-land-grab/>
8. <http://maps.eyesontheforest.or.id/>
9. http://awsassets.worldwildlife.org/downloads/wwf_advisory_to_buyers_and_investors_of_rge_april_1.pdf
10. <https://www.theguardian.com/sustainable-business/2016/dec/16/wwf-greenpeace-april-indonesia-peat-forest-canal-pulp-paper-industry>
11. <https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/current-cases/asia-pacific-resources-international-april>
12. <http://www.aprilasia.com/en/sustainability/sustainability-policy>
13. <https://ic.fsc.org/en/what-is-fsc/what-we-do/dispute-resolution/current-cases/asia-pacific-resources-international-april>
14. Eg: APRIL Independent Peat Expert Working Group report. Subsidence analysis. <http://sustainability.aprilasia.com/download/preview/11>



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