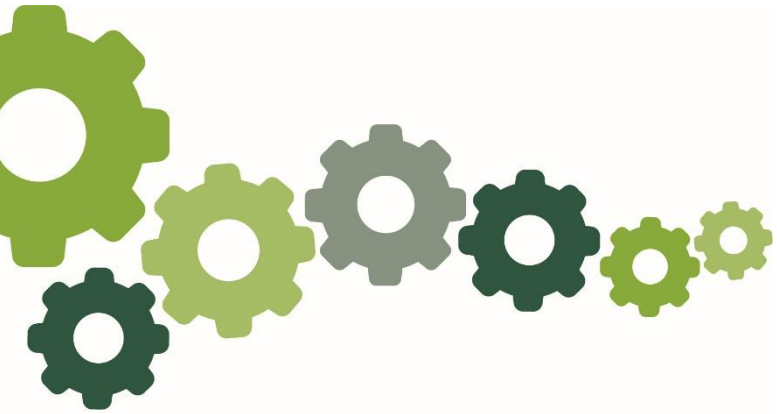


CanopyStyle Audit Report for DP Acetate, UAB

Assessment 2025

Evaluation date: 2025-10-15

Report date: 2025-11-13

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INTRODUCTION

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

Through a well-developed network of regional representatives and contractors, Preferred by Nature offers timely and cost-effective certification services around the world.

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

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

Dispute resolution: If Preferred by Nature clients encounter organisations or individuals having concerns or comments about Preferred by Nature services, these parties are strongly encouraged to contact the relevant Preferred by Nature regional office or any member of the Preferred by Nature Chain of Custody Programme. Formal complaints and concerns should be sent in writing.

[1] https://canopyplanet.org/wp-content/uploads/2021/02/CanopyStyle-Audit-Guidelines-and-Verification-Framework-ENG-CHN.pdf
[2] https://canopyplanet.org/resources/canopystyleaudit/canopystyle-audit-guidelines/
[3] Current members of this group are H&M, M&S, Inditex/Zara, EILEEN FISHER, Stella McCartney and Canopy
[4] https://canopyplanet.org/wp-content/uploads/2019/10/AdviceNoteCanopyStyleAudits.pdf

1. GENERAL DESCRIPTION

1.1 Company overview

The origins of the current **DP Acetate** company date back to 1962, when the acetate fiber production facility was established in Kaunas, Lithuania. It remains the sole manufacturer of acetate yarn in the Baltic region. During its inception, all manufacturing equipment was imported from England, and foreign experts made regular visits to Kaunas to provide consultation during the initial phases of operation. In 1965, the enterprise, then known as Dirbtinis Pluoštas, acquired French equipment and commenced the production of artificial fibers. At its peak, the plant was the largest employer in Kaunas, providing employment to over 4,500 local residents.

Following Lithuania's re-establishment of independence in 1990, the factory underwent numerous transformations. It first operated as a state-owned enterprise, subsequently transitioned through privatization, and ultimately was acquired by its current owners in 2013.

Beginning in 2015, the company made substantial investments in modernizing and optimizing its technological processes. Notably, the modernization of Italian twisting machines from Ratti and Lezzeni in 2015 enabled the development of a new range of twisted yarns and accelerated production capabilities. In 2016, the complete modernization of Lessona spinning machines was conducted. A few years later, in 2018, a steam boiler room was constructed to enhance process efficiency, followed by the launch of a new compressor room in 2019 to modernize production management. The most recent investment was the acquisition of power generators in 2022 to ensure reliable heating and electricity supply. Additionally, plans are underway to establish a solar power unit in 2023, aiming to reduce energy costs and enhance environmental sustainability.

These continual improvements have significantly decreased production times and contributed to a more environmentally friendly operation. Through technological advancements and market expansion initiatives, DP Acetate has achieved an annual production capacity of over 6,000 tons.

The product portfolio of DP Acetate includes a wide range of acetate and blended filament yarns (comprising polyamide and polyester) as well as dope mass-dyed yarns, featuring diverse parameters to meet the varied needs of customers worldwide. All acetate yarns produced by DP Acetate are certified under FSC, OEKO-TEX, and TUV, affirming its commitment to sustainability, safety, and quality. Materials are sourced from reputable suppliers in the USA, ensuring consistent quality and reliability in all production processes.

The company’s esteemed clientele spans Europe, Africa, Asia, and South America, who rely on the high quality of the products. DP Acetate proudly leverages extensive expertise in acetate yarn production, accumulated since 1962, supported by a highly skilled workforce. Recognition is given to the fact that technology and dedicated personnel are the organization's greatest assets, with many employees having dedicated several decades to the company. The company sincerely values the knowledge, loyalty, and experience of its staff, which has been instrumental in navigating multiple phases of transformation.

1.2 Company scope (sites, locations, etc)

Factory is located in one location in Kaunas city, Lithuania. Materials (fiber flakes) are sourced from supplier in the USA. Timber is declared supplied out of Brazil and USA forest plantations. Only acetate yarns are under the scope of this audit.

The company holds a number of third-party certificates, most of which covers the compliance with applicable law, including:

FSC Chain of Custody

· ISO9001:2015

· ISO45001:2018

· OEKO-TEX STANDARD 100

1.3 Company sourcing policy

The Company published Policy meeting CanopyStyle standard requirements on 2025, and committed to the following:

- Operations, including companies is controlled or managegd will be in compliance with this policy;
- Source raw material only through suppliers that are transparent, traceable and comply with this policy;
- Conserve Ancient and Endangered Forests and intact forest landscapes;
- Recognize, respect and uphold human rights of communities;
- Develop innovative and alternative fibre programme;
- Advocate for conservation solutions;
- Promote forest certification;
- Transparency, traceability and verification;
- Reduce greenhouse gas footprint emissions;
- Prevent pollutions;
- Enhance communication.

2. EVALUATION SCOPE

Scope Item	Check all that apply to the Certificate Scope	
Mill Type:	☒ Single	☐ Multi-site
Input Material Source:	☐ Listed in supplier CoC form	☒ Other suppliers
Majority Fiber Input:	92 % cellulose flakes.	
Map of Ancient and Endangered Forests Overlay Completed:	☒ Yes	☐ No Comments:
Mill Capacity:	ton/year - 5222	
Primary Activity:	Acetate filament yarns	
Outsourcing:	☐ FSC-certified subcontractors	☐ Non-certified subcontractors
	☐ Outsourcing of the complete production process	
	☐ High risk subcontractor site(s) included	
	☒ No outsourcing	
Workforce:	Permanent male:	Permanent female:
	Contract male: 90	Contract female: 72
	TOTAL: 162	

Sites included in evaluation	Location
DP Acetate, UAB (Head Office)	Pramones str. 4, LT-51329 Kaunas
DP Acetate, UAB (factory, established in 1965)	Pramones str. 4, LT-51329 Kaunas

3. EVALUATION PROCESS

3.1 Audit Team

Auditor name(s)	Qualifications
Marius Kavaliauskas	Preferred by Nature certification specialist Marius Kavaliauskas holds a higher degree in forestry sciences from Aleksandras Stulginskis University. His work experience includes real estate, scientific, and administrative activities in the timber and forestry sector. He has been working as a Preferred by Nature certification specialist since 2018. The auditor has obtained FSC FM (forest management), CoC (chain of custody), CW (controlled wood), CFM (carbon management), LS (LegalSource), SURE lead auditor qualifications and has FSC trademark representative rights. The specialist is actively involved in certification and knowledge sharing on the implementation of the EUDR (EU Deforestation Regulation).

3.2 Audit Overview

Site(s)	Audit date	Total on-site audit time (Hours)
DP Acetate, UAB (Head Office)	22/10/2025	4
DP Acetate, UAB (factory, established in 1965)	22/10/2025	4

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

3.3 Description of Overall Audit Process

The audit officially started in 22 October 2025. The auditor started contacting the Company by requiring relevant documentation based on the latest CanopyStyle audit guidelines and framework.

The Company sent over a number of documents such as sourcing policy, organizational chart in implementing the policy, standard operation manual, contracts with suppliers, communication with suppliers on sourcing requirements, risk assessments with evidence for the reporting period (May 01, 2024 – April 30, 2025) for all suppliers, procurement data, sales data, update on innovative and alternative fiber, evidence on conservation, evidence on social issues from suppliers, etc.

In the meantime, the auditor also communicated and cross-checked with the Company over any issues and questions occurred during the review process. There are one of pulp suppliers and two sub suppliers supplying, the auditor needed to review the documentation for each supplier's related documentation, especially on the risk assessments.

During the initial review phase, auditor detected that the purchasing data provided was not at a sufficient level, i.e. only provided a few purchasing data, therefore, auditor asked for more detailed purchasing documents samples from all declared suppliers. The company provided the required documentation later.

On 22 October 2025, the auditor conducted the on-site audit at the corporate office, with the presence of management representative and the key staff from relevant departments from the corporate office. During the opening meeting, the objective and scope of the audit, agenda, conflict of interest (COI) issues, etc were communicated. The management representative gave a brief introduction of the company and operation activities and the efforts made on Canopy sourcing policy. The auditor then shared major findings from reviewing the documentation.

Following the opening meeting, the auditor interviewed the management team regarding action plan and any updates in regard of practices with Canopy policy commitment, Company structure, Canopy training, purchase policy, supplier management, research of alternative Fibre, environment protection, forest protection, etc.

After interview with management, related documents were reviewed, such as Wood Fibre Sourcing Policy and Operational Procedures, Annual Volume Summary Data, purchase documents (contracts, invoices, packing list, bill of lading etc.), Risk Assessment Report, Training Plan and records, communication with the suppliers, etc.

Then, the auditor toured the company's mill(s) including the production line(s) and warehouse(s). When touring the warehouse(s), the auditor checked on the mill's input and output records, storage for the pulp in use.

In combination with reviewing documents and visiting the company's facilities, the auditor interviewed the staff from various departments, including office department, mill department.

The closing meeting was held on the same day. The auditor gave a summary of the meeting, raised issues and acquired for additional further information within two weeks time after the meeting. The Company provided further required additional documentation at a later stage as well as responded to some of the major concerns, please refer to the report findings.

Participants:

- Sales Manager
- Head of Purchasing Department,
- Purchasing Department Manager
- Administrator-ecologist
- Financial officer
-

4. EVALUATION RESULT

4.1 Evaluation Conclusion

Positive Findings:

The company has established a comprehensive CanopyStyle Policy for Protecting Forests, effective in 2025, signed by the director and communicated to staff and suppliers.

Responsibilities for implementation are clearly defined, with the Sales Manager overseeing audits, training, and reporting, and the Purchasing Manager managing supplier risk assessments and traceability.

Employees demonstrated strong awareness of the policy, procedures, and internal control mechanisms.

The company has implemented a structured system for grievance management and supplier monitoring, supported by accessible records. Documented procedures—"UAB DP Acetate Compliance for CanopyStyle Certification, Version 1"—outline a clear framework for compliance and are effectively communicated throughout the organization.

Supplier risk assessments were conducted using credible tools such as ForestMapper and the Dissolving Pulp Classification Tool, confirming low risk of sourcing from ancient or endangered forests.

The company maintains a detailed annual volume summary for raw materials, ensuring traceability.

The company has shared audit results with Canopy and expressed intent to collaborate with the Leaders Group, showing ongoing commitment to transparency and continuous improvement.

Overall, the organization has built a solid foundation for policy implementation, supplier evaluation, and responsible sourcing aligned with CanopyStyle requirements.

Areas for Improvement:

Supplier contracts currently do not include specific CanopyStyle clauses. Although the company has indicated plans to incorporate these requirements through an updated contract template, these clauses have not yet been implemented in existing agreements.

Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp.

Forest-of-origin information is incomplete for parts of the supply chain. While one sub-supplier provides detailed data, another supplier only identifies origin at a regional level. This limits the depth of risk assessment and traceability. Additionally, it could not be confirmed whether certain mills are supplying pulp to the direct supplier, further restricting verification of sourcing practices.

The audit also identified insufficient evidence related to plantation development. Due to missing procurement documentation and limited upstream information, it is not possible to determine the origin of pulp or wood chips used in the supply chain. As a result, the available information is insufficient to properly evaluate this indicator.

Although company policies prohibit sourcing from tropical peatlands and intact forest landscapes (IFLs), there is currently no solid evidence confirming that materials are not sourced from these areas. The lack of detailed forest-level information and missing procurement documentation limits the ability to verify compliance with these commitments.

The company currently relies exclusively on acetate fiber and does not use alternative or recycled fibers. While several internal projects have been identified, there is no active collaboration with innovative suppliers or initiatives specifically focused on developing alternative fiber sources with improved environmental and social performance.

Finally, although the company has expressed interest in increasing the share of FSC-certified materials within its supply chain, no formal action plan or measurable targets have been established. Developing a structured strategy with clear timelines and defined objectives would strengthen progress in this area.

Overall, improvements are needed in strengthening supply chain transparency, ensuring the availability of procurement documentation from upstream suppliers, expanding forest-of-origin traceability, formalizing supplier contractual requirements, and developing concrete plans for increasing certified sourcing and exploring alternative fiber options.

Supplier	Company Risk Assessment	Canopy Dissolving Pulp Classification
Direct supplier		
Cerdia International GmbH	No risk and qualified as direct supplier	N/A
Sub-supplier		

Rayonier Advanced Materials (Fernandina mill) The trade and transport documents provided from Rayonier showed that Jesup mill also supplied to Cerdia	No risk and qualified as sub-supplier	No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit.
Bracell Bahia Specialty Cellulose S.A.	No risk and qualified as sub-supplier	Potential risk due to ownership connection with Royal Golden Eagle.

4.2 Summary of findings

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

** Indicates Critical Indicators

Key Commitment	Performance Indicators	Rating
1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy **	*Commitment Met*
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **	*Commitment Met*
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	*Commitment Met*
	1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	*Commitment Met*
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	*Commitment Met*
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	*Commitment in Progress*
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	*Commitment Met*
	1.8 The MMCF producer has put in place a grievance procedure.	Commitment Met

	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	*Not Applicable*
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	*Commitment Met*
	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	*Commitment Met*
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.	*Commitment in Progress*
	2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and Dissolving Pulp Classification tool, to make their supply assessment.	*Commitment in Progress*
	2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	*Commitment in Progress*
	2.4 The assessment is updated every year and shared with Canopy, with permission to share with the Leaders Group.	*Commitment Met*
	2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human rights and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	*Commitment in Progress*
	2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.	*Commitment Met*
3. MMCF supply chain is deforestation free- there is no conversion of natural forest to plantations	3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate. **	*Commitment in Progress*
4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as "ancient & endangered forests", "intact forest", "natural forest", "endangered species", "controversial sources", "high conservation value", "high carbon area", "peatlands", etc. that are	*Commitment Met*

	consistent with this document and the forest sourcing policy template. **	
	4.2 All areas meeting the definition of "ancient and endangered forests" have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group. **	*Commitment in Progress*
	4.3 Any raw materials in the MMCF producer's supply chain originating from ancient and endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills. **	*Commitment in Progress*
	4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **	*Commitment Met*
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	*Commitment in Progress*
5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	5.1 All MMCF producers' suppliers are identified and the forest of origin is known. **	*Commitment in Progress*
	5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	*Commitment Met*
	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	*Not Applicable*
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 When requested, Canopy, the Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **	*Commitment Met*
*If If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is doing so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically	6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed, based on best available science, by a credible third party, and made public. **	*Insufficient Information Available*

based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertifcally integrated, they may excutre the conservation planning and FSC certification themselves)		
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **	*Insufficient Information Available*
	6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs. **	*Insufficient Information Available*
	6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free Prior and Informed Consent. **	*Insufficient Information Available*
7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies in the forestry sector Note: This audit focuses on only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations. **	*Commitment Met*

verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.		
	7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	*Commitment in Progress*
	7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.	*Commitment in Progress*
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	*Commitment in Progress*
	7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.	*Commitment in Progress*
	7.6 Recognition and respect for human rights is demonstrated by the MMCF producer 's forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or resolved social conflicts and remedy past or current human rights violations. **	*Commitment in Progress*
8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	*Commitment Not Met*
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	*Commitment Not Met*
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	*Not Applicable*

	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	*Not Applicable*
	9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.	*Commitment Not Met*
	9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **	*Not Applicable*
10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	*Commitment Not Met*
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	*Commitment Met*
	11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	*Commitment in Progress*
	11.3 The MMCF producer can document giving preference to suppliers that are not operating in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	*Commitment in Progress*
12. Pollution Prevention	12.1 * This verification process <u>will not</u> verify the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released	*Not Applicable*

4.3 Volume Summaries[5]

Reporting period: May 01, 2024 – April 30, 2025

Category	Explanation	Volume	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	-	-
Controlled material	Noncertified material controlled by the company's FSC Due Diligence System	-	-
FSC Mix	Material received with an FSC Mix Credit or FSC Mix % claim from an FSC CoC certified company	-	-
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	-	-
Non-FSC	Material received with no FSC claim.	4854256 kg of cellulose flake	100 %
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	-	-

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

1. Evaluation of Site: DP Acetate, UAB

Primary Responsible Person: (Responsible for control system at site(s))	Karolis Jonikas, Sales manager
Auditor(s):	Marius Kavaliauskas
People Interviewed, Titles:	Sales Manager Head of Purchasing Department, Purchasing Department Manager Administrator-ecologist Financial officer Production manager
Brief Overview of Audit Process for this Location:	*Please refer to Section 2.3 above for Description of Overall Audit Process.*
Comments: UAB DP Acetate administration is fully responsible for development and enforcement of the company sourcing policy and purchasing raw materials for the mill.	

2. Standard Checklist

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

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	
Indicators	**Findings**
1.1 Senior executive and key managers make a publicly available commitment to full implementation of the forest sourcing policy.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The Company published CanopyStyle Policy for Protecting Forests to promote sustainable forest management and conserve ancient and endangered forests (effective on 2025). Document is signed by director. The policy is publicly available on intranet, webpage https://www.dp.lt/sustainability/canopystyle/ advertisement board and also available upon request. Interview conducted with Sales Manager who is the main responsible person for Canopy audit and confirm their understanding on the definition of ancient and endangered forests and other controversial sources.
1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy. These are available upon request to stakeholders. **	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company has developed and implemented the procedures "UAB "DP acetate compliance for CANOPYSTYLE certification, Version 1". Procedures effective date - 10/10/2025. Document describes dissolving pulp sourcing for the implementation of CanopyStyle Policy, where the suppliers are subject to the monitoring and evaluation from the company. During the audit it was identified that developed procedures describes the process of Policy implementation. During interview with responsible person, it was clarified that requirement is known, understood and will be implemented following requirement. The procedure is available upon request to the stakeholders.
1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation.**	**Conformance with Indicator:** ☐ Not Applicable

	☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** According to procedures the main responsible person for Policy implementation is Sales Manager. The Organisation appointed Sales Manager as an employee with overall responsibility and authority for the Organisation's compliance with the applicable requirements of this standard and Policy implementation. The interview with responsible person showed that she is aware of assigned responsibilities in implementing the policy.
1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Employee duties and responsibilities related to CanopyStyle compliance implementing Policy are outlined in the procedures chapter No. 2. The sales manager coordinates the entire CanopyStyle implementation process, initiates internal audits, and ensures that reports are submitted to management. The sales manager plans and organizes training for employees and documents their participation. The sales manager plans and organizes training for employees and documents their participation. The purchasing manager prepares an annual risk assessment report, reviews supplier certificates, and ensures traceability. The purchase manager collects and archives supplier documents, checks declarations of origin and FSC/PEFC validity. The sales manager prepares an annual progress report, submits it to the verification body, and administers the register of non-conformities and complaints. Interviews found all relevant staff were aware of Canopy policy and their responsibility.
1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met

	☐ Insufficient Information Available **Description of the finding:** The company has notified supplier the commitments via email (email copy to Cerdia International GmbH on 20 October 2025). Communication record samples were shared with the auditor for review. Supplier responded to the commitment and had no objections for the commitments. In general, both companies are in close and cooperation.
1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company has notified supplier the commitments via email (email copy to Cerdia International GmbH on 20 October 2025). Supplier responded to the commitment and had no objections for the commitments. During audit, auditors reviewed suppliers' contract samples provided by the company, the requirements to implement the Policy are not added in the current agreements/contract. The company agreed to add such requirements in the contract for future procurements. Company provided a contract template adding all relevant requirements.
1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company has developed and implemented the internal control procedure (Chapter No 5) to monitor supplier conformance with the Policy, where the supplier is subject to the monitoring and evaluation of the company. Company has developed and documented risk assessment process. The monitoring is closely related to the risk assessment evaluation, non-conformance identification and the grievance process. During interview with responsible person it was identified, the requirement is known and will be properly implemented in the future.

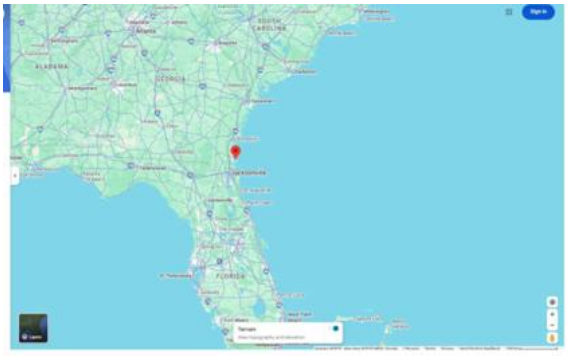
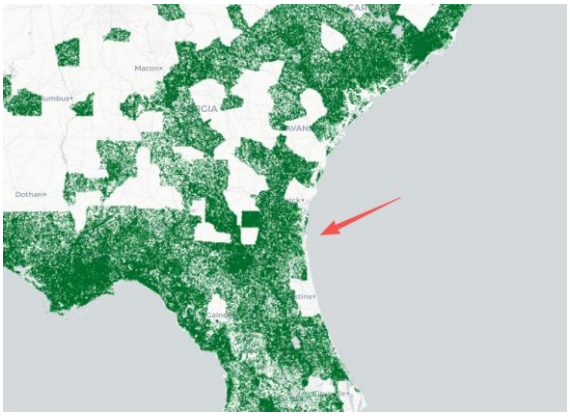
1.8 The MMCF producer has put in place a grievance procedure.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The grievance procedure has been compiled into the internal control procedure (Chapter No. 6) including dissolving pulp sourcing. According to the grievance procedure, any complaint/ grievance can be submitted to the company via several channels, such as phone call, written letters, report on the company's website, etc. Once the complaint/ grievance is received, responsible personnel will take care of as well as document the complaint/ grievance and report to the relevant staff. The complainant will be informed of the receipt of the complaint within 5 days of receipt. Relevant staff shall respond to the complainant. Relevant departments will conduct investigation as soon as it possible and provide feedback/solution/action plan. During the audit grievance registration system has been presented. Responsible staff are aware on the requirement. In addition, the company is FSC certified [BV-COC-159990] which requires a grievance procedure as well.
1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The non-conformity and grievance procedure has been described in procedures (Chapter No. 6) including dissolving pulp sourcing. According to the procedure, any identified non-conformity is registered. Once the non-conformity is issued, responsible personnel will take care of as well as document and report to the relevant staff. Relevant staff shall respond to the non-conformity as soon as it possible including analysis of root causes and provide feedback/solution/action plan. During the audit non-conformity (similar to grievance) registration system has been presented.

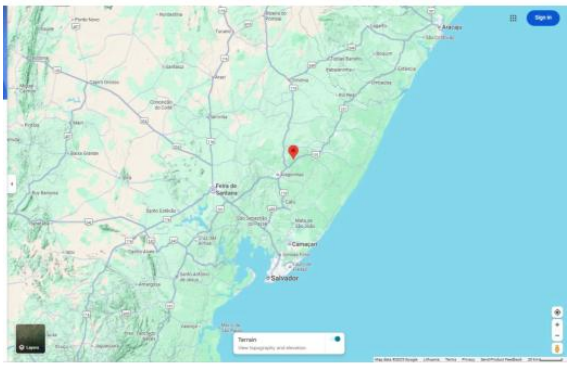
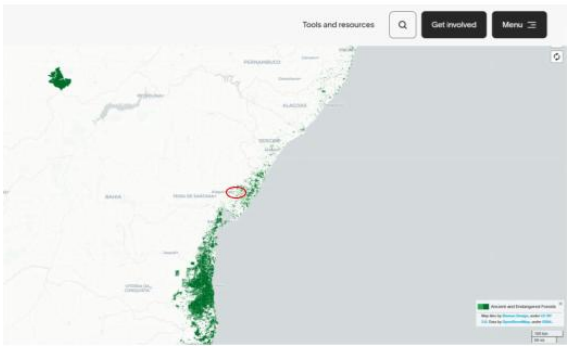
	Responsible staff are aware on the requirement. During audit, no non-conformance and grievance received.
1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company conducted trainings on the policy and Canopy requirements before the audit on 10 October 2025 for relevant staff. Training records were provided to the auditor. The interview with staff (Sales Manager, Head of Purchasing Department, Purchasing Department Manager, Production manager) confirmed that they are aware of the policy and are implementing it.
1.11 Each production site managers have developed procedures to implement the Policy, when relevant.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The procedures are developed by the corporate office and shared with the mill.
Summary: The company has issued a CanopyStyle Policy for Protecting Forests, effective in 2025, to promote sustainable forest management and protect ancient and endangered forests. The policy, signed by the director, is publicly available internally and upon request, with website publication. The Sales Manager is responsible for policy implementation and demonstrated full understanding of the requirements. However, public policy is not using standard text. The company developed procedures titled "UAB DP acetate compliance for CANOPYSTYLE certification, Version 1" (effective 10 October 2025), outlining standard requirements. Employee roles are clearly defined: the Sales Manager oversees audits, training, and reporting, while the Purchasing Manager handles supplier risk assessments and traceability. All staff interviewed were aware of the policy. Supplier were informed of the company's commitments via email and expressed no objections, though current contracts lack CanopyStyle clauses; these will be added in future - the contract template adding all relevant requirements has been provided. Internal control and grievance procedures were established to monitor supplier compliance and manage complaints through multiple channels. Staff are aware of these processes, and records were available during the audit. Overall, the company has effectively structured responsibilities and systems to ensure full implementation of the CanopyStyle Policy.	

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

2.1 The MMCF producer identifies all raw material inputs by volume (i.e., wood pulp/chips, cotton linters, agricultural residues, recycled cotton pulp) for the previous year. It also includes information about what volumes have FSC claims (i.e., FSC Mix, FSC 100%, FSC controlled wood). Where traceability is known, specify the FSC Certified FMU.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Annual volume summary has been provided during the audit. Company has identified all raw material inputs by volume (in kg measurements), product type, period and certification status outlining account for % (see chapter 4.3 Volume Summaries in the report) as required, for the period from May 2024 to April 2025. The interview with staff confirmed that they are aware on maintaining of the volume summary. Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp. Forest level supplier info is not known.
2.2 An assessment of the MMCF producer supply chain has been completed globally. The producer used the Forest Mapper, advice note on Ancient and Endangered Forests and Dissolving Pulp Classification tool, to make their supply assessment.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company conducted the risk assessments for supplier and both sub-suppliers(pulp suppliers) within the reporting period by combining the information collected for the supply chain, such as geolocation maps, forest coordinates (from Bracell), public data for instance, code of conduct, sustainability policies, FSC CW report (from Rayonier USA), supply chain info data form. The company's internal risk assessment lacks of the assessment for Rayonier Jesup mill. . The risk assessment has been conducted using ForestMapper as well as the Dissolving Pulp Classification Tool to define whether there are A&E forests involved in sourcing. The company also used public resources such as code of conduct, sustainability policies, certification report (such as FSC, PEFC) from

	pulp suppliers and Cerdia to evaluate additional criteria including: - legality (using CPI score as a supporting tool) - Whether GMO species is used - Where the forest(s) of origin are, plantation related information - Whether human rights of communities are recognized, respected and upheld The risk assessment results for suppliers were provided to the auditor. According to the company, Cerdia, their direct supplier, and 2 pulp mills (Rayonier Fernandina and Bracell) are all identified as No risk and qualified as sub-supplier. The interview with staff confirmed that they are aware on maintaining risk assessment in the supply chain. During the audit it was identified that risk assessment process is clearly described in the procedures. The company purchased non-certified materials as Cerdia lacks FSC or PEFC certification. Cerdia disclosed its pulp supply chain by providing procurement summaries alongside purchase, shipping, and supporting documentation for suppliers Rayonier USA and Bracell.
2.3 This assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company provided the supplier list. The 2 dissolving pulp mills as well as fibre flakes producer on the supply chain are identified. The supply chain composition goes as: - UAB DP Acetate supplier Cerdia International GmbH (cellulose acetate producer) - Cerdia International GmbH suppliers (UAB DP Acetate sub-suppliers): - Rayonier Advanced Materials Fernandina pulp mill) - Bracell Bahia Specialty Cellulose S.A. (pulp mill)

	For Rayonier Advanced Materials (Fernandina mill+Jesup mill), due to the fact that the company are not able to connect sub-supplier directly, all sourcing information was provided by the Cerdia International GmbH. The sourcing info beyond the pulp mill is disclosed to a regional (county) level in the US (SEGA – South east Georgia, FL – Florida, SC – South Carolina, L - Alabama). A sourcing map for Rayonier Advanced Materials comparing to the Forest Mapper is provided in the pictures below:   It's seen that there are ancient and endangered forests as well as intact forest landscape overlapping with the provided sourcing area. However, according to the latest Dissolving Pulp Mill Classification Tool, Rayonier Advanced Materials Fernandina mill is graded as No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit. For the sampled sourcing areas,for Rayonier US (the 2 mills), Cerdia managed to provide the harvesting polygons, but still forest level suppliers info is not known. For Bracell Bahia Specialty Cellulose S.A., due to the fact that the company are not able to connect sub-supplier directly, all sourcing information was provided by the Cerdia International GmbH. The sourcing info beyond the pulp mill is disclosed to a forest level in the Brazil (Mangueira and Rio Torto). A sourcing map for Bracell Bahia Specialty Cellulose S.A.

	comparing to the Forest Mapper is provided in the pictures below:   It's seen that there are ancient and endangered forests overlapping with the provided sourcing areas. In addition, according to the latest Dissolving Pulp Mill Classification Tool, Bracell Bahia Specialty Cellulose S.A is graded as potential risk Due to ownership connection with Royal Golden Eagle. Coordinates were also provided from Bracell. The cellulosic flakes were bought as non-certified to the company as Cerdia lacks certification. Cerdia disclosed procurement documents from both Bracell and Rayonier US, According to the sampled trade and transport documents from Bracell and Rayonier US to Cerdia, Bracell provided 100% PEFC certified pulp, while Rayonier US (both Fernandina and Jesup mills) provided non-certified pulp. Since there is non-certified pulp supplied to the company, therefore, there is no guarantee that the wood chips are not from other controversial sources. Given that not all suppliers along the supply chain starting from forest level all the way to MMCF producer are disclosed, this indicator is graded as Commitment in Progress.
2.4 This assessment is updated every year and	**Conformance with Indicator:**

shared with Canopy, with permission to share with the Leaders Group	☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** This audit is the first CanopyStyle audit (assessment) for the company. The supply chain assessment including risk evaluation process is described in the procedures with assigned responsibilities. According to company procedures, the assessment is going to be updated every year. During the audit this time, the evidence and the assessment for this reporting period was provided to the auditor, it has been shared with Canopy as well. The company is also willing to share with the Leaders Group. The interview with staff showed that they are aware on the requirement and it will be properly implemented in the future.
2.5 The producer developed additional criteria to complete their risk assessment, to include legality, violation of human risks and risks related to the conversion of natural forests to plantations (1994 date), use of Genetically Modified Organism.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** During the audit it was identified that risk assessment process is clearly described in the procedures. Within the reporting period, the company completed risk assessments for the supplier and both sub-suppliers. These assessments synthesized data provided directly by Cerdia as well as publicly available information. For more details refer to the findings described for the indicator to indicator No. 2.2 and 2.3 The internal risk assessment does not have Jesup mill included. This indicator is considered as Commitment in Progress.
2.6 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textiles retailers.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	Description of the finding: The requirement is described in the procedures. It was identified that responsible person is aware on the implementation process. All supply chain information will be available for customers upon request. Cerdia as the cellolose flake supplier as well as both Bracell and Rayonier as the pulp suppliers are disclosed in public https://www.dp.lt/raw-material-sourcing/ .
Summary: The audit confirmed that the company maintains a comprehensive annual volume summary for all raw material inputs, categorized by product type, period, and certification status for May 2024 to April 2025, with staff demonstrating clear awareness of its maintenance. Risk assessments for suppliers and sub-suppliers were carried out using ForestMapper and the Dissolving Pulp Classification Tool, supported by additional criteria such as legality, GMO use, forest origin, and human rights considerations. The company's supply chain includes two dissolving pulp mills—Rayonier Advanced Materials and Bracell Bahia Specialty Cellulose S.A.—supplied through Cerdia International GmbH. Sourcing maps for both mills confirmed that their supply areas do not overlap with ancient or endangered forests, leading to a "No Ancient and Endangered Forest sourcing issues" grading. Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp. Forest level supplier info is not known. The company has also shared the audit results with Canopy and expressed willingness to engage with the Leaders Group. Overall, the audit found that the company's processes for risk assessment, supplier evaluation, and transparency are in place and aligned with CanopyStyle requirements, with continuous improvement actions identified for future audits.	

3. MMCF supply chain is deforestation free – there is no conversion of natural forest to plantations	
Indicators	**Findings**
3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Supply chain description and sourcing areas are provided in findings No 2.3. In general, no solid evidence provided from the company regarding plantation development. The company has collected Bracell Bahia Specialty Cellulose S.A signed "Statement of no Forest conversion" on the plantations that are maintained and information on forest origin level. The cellulosic flakes were bought as non-certified to the company as Cerdia lacks certification. Cerdia disclosed procurement

	documents from both Bracell and Rayonier US, According to the sampled trade and transport documents from Bracell and Rayonier US to Cerdia, Bracell provided 100% PEFC certified pulp, while Rayonier US (both Fernandina and Jesup mills) provided non-certified pulp. The only forest certification which guarantees no conversion after 1994 is FSC 100%. Therefore, this indicator is graded as Commitment in Progress. Kindly note: - The only forest certification which guarantees no conversion after 1994 is FSC 100%. - PEFC certification at the forest level or in the supply chain does not preclude material originating from plantations. - FSC controlled wood does not necessarily exclude material originating from plantations established after 1994. - FSC Mix Credit pulp, some portion of the supplier's procurement would originate from FSC-certified forests, which meet this requirement. However, some portion would originate from as controlled material, which does not necessarily preclude sourcing from plantations established after 1994.
Summary: No solid evidence provided from the company regarding plantation development. The cellulosic flakes were bought as non-certified to the company as Cerdia lacks certification. Cerdia disclosed procurement documents from both Bracell and Rayonier US, According to the sampled trade and transport documents from Bracell and Rayonier US to Cerdia, Bracell provided 100% PEFC certified pulp, while Rayonier US (both Fernandina and Jesup mills) provided non-certified pulp. The only forest certification which guarantees no conversion after 1994 is FSC 100%. Therefore, this indicator is graded as Commitment in Progress.	

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

4.2 All areas meeting the definition of "ancient and endangered forests" have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Canopy, with permission to share Leaders Group.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company's internal risk assessments to all suppliers have included identifying ancient and endangered forests as well as controversial sources requirements. Both sub-suppliers disclosed the sourcing supply chain to a regional (county) / forest level. Detailed findings please refer to indicator 2.3. According to the Company: **Rayonier Advanced Materials (Fernandina mill)** No risk and qualified as sub-supplier **Bracell Bahia Specialty Cellulose S.A**. No risk and qualified as sub-supplier. Although the company's risk assessment lacks of the assessment for Rayonier Jesup mill, according to the Canopy Dissolving Pulp Classification Tool on evaluation of whether sourcing from A&E forests, Rayonier Fernandina and Jesup mill are graded as No Ancient and Endangered Forest sourcing issues identified based on current information and/or CanopyStyle Audit. While for Bracell, it is graded as potential risk due to ownership connection with Royal Golden Eagle. The company has shared the assessment information to auditors during this audit and shared to Canopy and Leader Group also. Additionally, company is in cooperation with direct supplier (Cerdia International GmbH) encouraging it certifying according FSC system. The cellulosic flakes were bought as non-certified to the company as Cerdia lacks certification. Cerdia disclosed procurement documents from both Bracell and Rayonier US (both Fernandina and Jesup mill). According to the sampled trade and transport documents from Bracell and Rayonier US to Cerdia, Bracell provided 100% PEFC certified pulp, while Rayonier US (both Fernandina and Jesup mill) provided non-certified pulp. Since there is non-certified pulp supplied to the Cerdia and Cerdia also provided non-certified cellulosic flakes to the company, therefore, there is no guarantee that the wood chips are not from other controversial sources.

4.3 Any raw materials in the MMCF producer's supply chain originating from ancient and endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company published their Policy and has developed procedures. Responsible person is aware on the requirement. During the audit not any materials, originating from ancient and endangered forests or other controversial sources, taking into account only the one flake supplier – Cerdia is identified before the Policy was adopted. Since the company does not directly purchase dissolving pulp, this indicator is graded as Commitment in Progress.
4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The interviews with management representatives confirmed they are aware on relevant laws and regulations. Auditor reviewed public Beneficial Owner Register data, no any information has been identified concerning violating local, national and international laws. The company holds a number of third-party certificates, most of which covers the compliance with applicable law, including: FSC Chain of Custody · ISO9001:2015 · ISO45001:2018 · OEKO-TEX STANDARD 100
4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:**

	The Company has conducted risk assessment on the supply chain revealing the risk of sourcing from ancient and endangered forests and other controversial sources. This indicator is a summary of 4.1-4.4.
Summary: The Company has established robust policies and procedures aligned with the CanopyStyle framework, defining ancient and endangered forests, intact forests, and controversial sources. Internal risk assessments for all suppliers include evaluating risks related to ancient and endangered forests and controversial sources. The company has shared relevant assessment information with auditors, Canopy, and the Leader Group, and is collaborating with direct supplier Cerdia International GmbH to pursue FSC certification. A formal policy has been published, procedures are in place, and responsible personnel are aware of compliance requirements. According to the company, no materials from ancient, endangered, or controversial sources were found before policy adoption. Management demonstrates awareness of relevant legal obligations, and public records show no violations of local or international laws. Although risk assessments are ongoing, and need for continued monitoring and engagement across the supply chain. Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp. Forest level supplier info is not known.	

5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	
Indicators	**Findings**
5.1 All MMCF producers' suppliers are identified and the forest of origin is known.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The Company's dissolving pulp supplier list was provided and shared. All dissolving pulp mills are known. However, forest(s) of origin info is known for one sub-supplier and for another is known on regional (county) level. Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp. Forest level supplier info is not known. This indicator is graded as Commitment in Progress. Detailed assessment also see in findings on indicator 2.3 & 4.2.
5.2 The MMCF producer has developed procedure for engaging with suppliers, up to withdrawing from purchase and other	**Conformance with Indicator:** ☐ Not Applicable

agreements in situations where non-conformance is found.** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Based on the procedure for dissolving pulp sourcing for the implementation of Pulp Procurement Policy, where the suppliers are subject to the monitoring and evaluation from the company. The procedure is composed of several segments including Monitoring and Management on non-compliance as well as Complaints and Suggestions Procedure. When non-compliance is identified, suppliers are required to provide a written explanation within 5 working days. And the non-compliant material shall be segregated separately and only could be accepted after passing through the verification. If the materials cannot be verified to comply with the procurement requirements, the company suspend it and will return the materials back to supplier. Interviews with responsible staff revealed that they are aware on the requirement. Additional Policy has been shared with.
5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Taking into account this is initial audit, the implementation of the requirement is described in the procedures, the requirement is known by responsible person and the requirement will be implemented if non- conformance has been identified by the company. Interviews with responsible staff revealed that they are aware on the requirement. During the reporting period, no non-conformance found from the company.
Summary: The company has provided a complete list of its dissolving pulp suppliers, with all mills identified, since it's not able to verify if Bracell and Rayonier Fernandina mill are supplying Cerdia. The forest of origin information is only fully known for one sub-supplier, while for another, it is available at a regional (county) level. A more detailed evaluation of this issue is presented under indicators 2.3 and 4.2. The company has established a clear procedure for sourcing dissolving pulp in line with its Pulp Procurement Policy. This procedure includes supplier monitoring, management of non-compliance, and handling of complaints and suggestions. When non-compliance is detected, suppliers must respond in writing within five working days. Any non-compliant material is segregated and can only be accepted after successful verification. If	

compliance cannot be confirmed, the company suspends and returns the material to the supplier. Staff interviews confirmed that the responsible personnel are aware of these requirements and understand the procedures. As this is an initial audit, the company's system is largely procedural at this stage, but implementation mechanisms are in place and ready to be applied when needed.

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

*If sourcing from Priority Ancient and Endangered Forests, the MMCF producer (and/or supplier) is doing so in a manner consistent with the Advice Notes and actively engaging its supplier(s) to undertake large-scale scientifically based conservation planning and seeking FSC forest management certification for wood sourcing. (if, and when the producer is vertically integrated, they may execute the conservation planning and FSC certification themselves)

Indicators	Findings
6.1 When requested, Canopy, Leaders Group and other stakeholder observers are permitted to participate freely and to report observations during this verification process. **	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The implementation of the requirement is described in the procedures. Responsible person confirmed that Leader Group and other stakeholders are welcome to join the verification as observers in the future, and any observations could be reported to the auditor freely.
6.2 The MMCF producer requires of its supplier to complete large scale scientifically based conservation planning, High Conservation Value assessments, and/or High Carbon Value assessment, identifying areas for protection, has been completed, based on best available science, by a credible third party, and made public. **	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☒ Insufficient Information Available **Description of the finding:** This indicator is only required when the company's sourcing has been verified as key priority areas of ancient and endangered forests.
6.3 If sourcing from controversial areas, with records of conflict and human rights violation, the MMCF producer requires of its supplier to complete an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☒ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as

	coming from areas where there is record of conflict or human rights violations.
6.4 The MMCF producer requires of its supplier to have developed a management plan that identifies measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☒ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as coming from areas where there is record of conflict or human rights violations.
6.5 The MMCF producer requires of its supplier to have developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free, Prior and Informed Consent.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☒ Insufficient Information Available **Description of the finding:** This indicator is only required when company's sourcing has been verified as coming from areas where there is record of conflict or human rights violations.
Summary: The management confirmed leader group and other stakeholders are welcome to join the verification as observers in the future, and any observations could be reported to the auditor freely. Indicator 6.2-6.5 are only required when company's sourcing has been verified as key priority areas of ancient and endangered forests.	

7. The MMCF producer shall require their forest/wood suppliers to recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of mills and their supply chain and affiliated companies in the forestry sector *Note: This audit focuses on only on forest sourcing and wood-based pulp production. We recognize that there are other issues of concern and interest that are beyond the scope of this risk verification audit. Additional actions will be required by brands, retailers and MMCF producers to adequately address and verify health and safety, working conditions, labour practices, equity and discrimination at mill sites.*	
Indicators	**Findings**
7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities affected by forest operations.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Collaboration with suppliers is described in procedures. The company requires its

	suppliers in its sourcing policy to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities. Currently, Company follows up this indicator via verifying their supplier's certification information and related materials (i.e public report/sustainable report and commitments, statement, relevant Policy, installing certification systems and etc) from suppliers. Interview revealed awareness of responsible staff on the requirements.
7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers.**	Conformance with Indicator: ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The process in the company is managed through risk assessment for suppliers. Additionally due to the fact that the company are not able to connect sub-supplier directly, conformance with the producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. information is provided by the Cerdia International GmbH. Relating to the declared dissolving pulp suppliers, Rayonier Advanced Materials (Fernandina mill) maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. The FSC certification, including the FSC Controlled Wood standard, contains FSC Core ILO requirements and association policy, which can partially cover these requirements. Holding an FSC-COC certification alone is insufficient to document conformance with this commitment. Only FSC 100% certification fully meets these requirements. As of PEFC, not all PEFC affiliated standards have the same requirements regarding rights. Responsible person checked certifications status for both sub-suppliers in public certificate search data bases during the audit. Certificates are maintained. According to risk assessment methodology company verify public information on violation human rights, community rights, First Nations rights and rights of workers cases. Relating to information collected during the audit there are still room for

	improvements for gathering information and improving verification for sub-suppliers. Sampled procurement documents shows that Cerdia bought 100% PEFC certified metarial from Bracell, however, material bought from Rayonier US (Fernandina and Jesup mill) is not certified. Therefore, this indicator is graded as Commitment in Progress.
7.3 The MMCF producer and its suppliers have a grievance mechanism and show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The Company is FSC certified and also has a public grievance operation procedure to accept and handle complaints contained in the internal control procedure for dissolving pulp sourcing. Relating to supplier Cerdia International GmbH the mutual agreement on the grievance mechanism has been provided during the audit. Additionally, supplier maintains own grievance mechanism which is public. Relating to the declared dissolving pulp suppliers, Rayonier Advanced Materials maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. **Those certificate systems require a complaints mechanism and resolution.** Responsible person checked certifications status for both sub-suppliers in public certificate search data bases during the audit. Certificates are maintained.. The cellulosic flakes were bought as non-certified to the company as Cerdia lacks certification. Cerdia disclosed procurement documents from both Bracell and the 2 mills from Rayonier US. According to the sampled trade and transport documents from Bracell and Rayonier US to Cerdia, Bracell provided 100% PEFC certified pulp, while Rayonier US (both Fernandina and Jesup mills) provided non-certified pulp. Since there is non-certified pulp supplied to the Cerdia and Cerdia also provided non-certified cellulosic flakes to the company, therefore, there is no guarantee that the upper stream

	suppliers are implementing the requirement for non-certified sources. This indicator is considered as a commitment in progress.
7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The Company has implemented internal policy recognizing and respecting the rights of its workers. Policy is based on national legislation and is followed by complaints and notification procedures with the option of confidentiality. Additionally, company is FSC certified. Current certification system supports the rights of workers as well. The company has established and operates a Works Council. Relating to supplier_ Cerdia International GmbH, a mutual agreement on the the rights of workers has been provided during the audit. Additionally, supplier maintains own policy on the rights of workers which is public. Relating to the declared dissolving pulp suppliers, Rayonier Advanced Materials maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. Those certificate systems cover worker rights. Responsible person checked certifications status for both sub-suppliers in public certificate search data bases during the audit. Certificates are maintained. According to risk assessment methodology company verify public information on worker rights violation. During the audit documentation relating to implementation recognizing and respecting the rights of its workers has been verified, representative out of Works Council has been interviewed at the company. No nonconformities have been identified. Since there is non-certified pulp supplied to the Cerdia and Cerdia also provided non-certified cellulosic flakes to the company, therefore, there is no guarantee that the upper stream suppliers are implementing the requirement for non-certified sources. This indicator is graded as Commitment in Progress.
7.5 The MMCF producer has developed procedures to ensure its forest/wood suppliers	**Conformance with Indicator:** ☐ Not Applicable

uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.	☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Company has implemented internal policy respecting ILO principles. Policy is based on national legislation (which meets ILO convention principles) and is followed by complaints and notification procedures with the option of confidentiality. Additionally, company is FSC certified. Current certification system supports ILO principles. Relating to supplier_ Cerdia International GmbH,a mutual agreement on the the ILO principles has been provided during the audit. Additionaly, supplier maintains own policy which is public. Relating to the declared dissolving pulp suppliers, Rayonier Advanced Materials maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. Those certificate systems cover ILO principles. Responsible person checked certifications status for both sub-suppliers in public certificate search data bases during the audit. Certificates are maintained. According to risk assessment methodology company verify public information on ILO. During the audit documentation relating to implementation on ILO has been verified, representative out of Works Council has been interviewed at the company. No nonconformities have been identified. Although the company implemented internal policy respecting ILO principles, it doesn't develop a procedure to ensure its forest/wood suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Since there is non-certified pulp supplied to the Cerdia and Cerdia also provided non-certified cellulosic flakes to the company, therefore, there is no guarantee that the upper stream suppliers are implementing the requirement for non-certified sources. Therefore, this indicator is considered as a commitment in progress.
7.6 Recognition and respect for human rights is demonstrated by the MMCF producer's forest/wood suppliers. There is no evidence of continuing to source from a forest/wood supplier that has failed to acknowledge or	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress

resolved social conflicts and remedy past or current human rights violations. **	☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The Company has implemented internal policy recognizing and respecting human rights. Policy is based on national legislation and is followed by complaints and notification procedures with the option of confidentiality. Additionally, company is FSC certified. Current certification system supports the human rights as well. Relating to supplier_ Cerdia International GmbH, a mutual agreement on the human rights has been provided during the audit. Additionally, supplier maintains own policy on the human rights which is public. Although the declared pulp suppliers_Rayonier Advanced Materials US maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. Those certificate systems cover ILO principles, This indicator is a summary of 7.1-7.5, and is graded as Commitment in Progress.
Summary: The company has established comprehensive procedures for collaboration with suppliers, requiring them to adopt policies aligned with Free, Prior and Informed Consent (FPIC) principles for indigenous peoples and local communities. Staff responsible for these processes demonstrated clear awareness of the requirements during interviews. Supplier management is guided by a risk assessment process, particularly since the company cannot directly engage with sub-suppliers. Although the declared pulp suppliers_Rayonier Advanced Materials US maintains FSC COC and Forest management FSC certificates, Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. Since there is non-certified pulp supplied to the Cerdia and Cerdia also provided non-certified cellulosic flakes to the company, therefore, there is no guarantee that the upper stream suppliers are implementing the requirement for non-certified sources for most of the indicators under KPI 7.	

8. Development of Innovative and Alternative Fiber	
Indicators	**Findings**
8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☒ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company only utilizes acetate fiber for production. No other alternative fiber(s) are used such as recycled fibers. Ongoing projects related to environmental and social impacts are as follows: • Instalation of solar power plants;

	• closed-loop production process (acetone manufacturing), cradle-to-cradle cycle; • EU project, UAB Acetate plans to conduct a technological audit during the Environmental Design and Environmental Management Certification activities; • ISO standards will be implemented; • Integration of renewable energy sources as part of the EU project.
8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☒ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company only utilizes acetate fiber for production. No other alternative fiber(s) are used such as recycled fibers. The grading is Not Met because they have yet to develop an action plan to develop alternative fiber source production.
Summary: The company only utilizes acetate fiber for production. No other alternative fiber(s) are used such as recycled fibers. There are identified several ongoing projects, but not directly related to innovative companies and suppliers to explore and encourage the development of new alternative fiber sources regarding to environmental and social impacts.	

9. Voluntary Advocacy for conservation solutions	
Indicators	**Findings**
9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** During this audit, no solid evidence provided for this indicator. Since the company just signed onto Canopystyle initiative and very new to the program, for this audit, this indicator is graded as Not Applicable, however, in the future, this indicator will have to be assessed.
9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met

	☐ Insufficient Information Available **Description of the finding:** During this audit, no solid evidence provided for this indicator. In addition, the company is not prompted during this audit period.
9.3 The MMCF producer publicly supports science-based international and national target(s) and programs for preserving designated protected and conservation areas that have the Free, Prior and Informed Consent of affected indigenous and local communities.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☒ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** During this audit, no solid evidence provided for this indicator.
9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs.**	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Not applicable as this indicator is only applicable to MMCF producers who manager forests.
Summary: During this audit, no solid evidence provided for this indicator.	

10. Responsible forest management	
Indicators	**Findings**
10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake.**	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☒ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Company is FSC certified and is in cooperation with direct supplier (Cerdia International GmbH) encouraging it certifying according FSC system in coming year. Relating to the declared but not verified dissolving pulp suppliers, Rayonier Advanced Materials maintains FSC COC and Forest management FSC certificates, Bracell Bahia

	Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. However, no action plan is provided in increasing the FSC intake from the company, only verbal promise is given.
Summary: Company is looking for opportunities including FSC certified suppliers in the supply chain. No action plan is provided in increasing the FSC intake from the company.	

11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	
Indicators	**Findings**
11.1 The MMCF producer has procedures to evaluate their suppliers' performance in reducing GHG.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Company and supplier performance in reducing GHG are counted and tracked by sustainability reporting. Reports are public. The sub-supplier GHG emission evaluation procedure is developed and included in the company's procedure and risk evaluation to identifying performance in reducing GHG.
11.2 MMCF producer has procedures to know whether their suppliers are sourcing from tropical peatlands and/or intact forest landscapes.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The required implementation is described in the internal procedures chapter No. 5, covering supplier risk assessment for sourcing out of peatlands and/or intact forest landscapes. Supply chain description and sourcing areas are provided in findings No 2.3. In general, no solid evidence provided from the company regarding sourcing from tropical peatlands and/or intact forest landscapes. There is non-certified dissolving pulp supplied to Cerdia and Cerdia provided non-certified cellulosic flakes to the company, the commitment of not sourcing from tropical peatlands and/or IFLs cannot be guaranteed.
11.3 The MMCF producer can document giving preference to suppliers that are not operating	**Conformance with Indicator:** ☐ Not Applicable

in intact forest landscapes or on drained tropical peatlands and that have identified, withdrawn from and are restoring peatlands and their hydrology. **	☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Concerning company policy, it has the requirement on not sourcing material originating from intact forest landscapes or on drained tropical peatlands. The company has a procedure implementing the sourcing policy and maintains risk assessment to prevent sourcing from tropical peatlands and/or intact forest landscapes. Relating to the information in risk assessment the declared pulp suppliers, i.e. Rayonier Advanced Materials maintains FSC COC and Forest management FSC certificates (FSC Controlled Wood and FSC Mix claims for production), Bracell Bahia Specialty Cellulose S.A. maintains PEFC COC and Forest management certificates. Responsible person checked certifications status for both sub-suppliers in public certificate search data bases during the audit. There is non-certified dissolving pulp supplied to Cerdia and Cerdia provided non-certified cellulosic flakes to the company, the commitment of not sourcing from tropical peatlands and/or IFLs cannot be guaranteed.
Summary: The company tracks and reports its own and its suppliers' performance in reducing greenhouse gas (GHG) emissions through public sustainability reporting. A formal procedure for evaluating sub-supplier GHG emissions is included in the company's risk assessment process. Supply chain descriptions and sourcing areas are documented, but there is no solid evidence confirming that materials are not sourced from tropical peatlands or intact forest landscapes (IFLs). The audit verified that Rayonier Advanced Materials and Bracell Bahia Specialty Cellulose S.A. hold valid FSC and PEFC Forest Management and Chain of Custody certificationsThe company maintains a policy prohibiting sourcing from drained tropical peatlands and IFLs and conducts risk assessments to manage this. Direct supplier Cerdia International GmbH plans to obtain FSC certification, which is expected to improve traceability and control. There is non-certified dissolving pulp supplied to Cerdia and Cerdia provided non-certified cellulosic flakes to the company, the commitment of not sourcing from tropical peatlands and/or IFLs cannot be guaranteed.	

12. Pollution Prevention	
Indicators	**Findings**
12.1 *This verification process <u>will not</u> verify at first hand the pulp and viscose manufacturing process which can lead to air and water	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met

emissions that impact overall environmental quality. Canopy expects MMCF producers to invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process), and to implement the ZDHC new viscose guidelines available at https://www.roadmaptozero.com/post/zdhc-man-made-cellulosic-guidelines-released	☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The CanopyStyle audit will not report on this indicator. Other tools such as the Hot Button report will address chemical management starting in 2020.
Summary: The CanopyStyle audit will not report on this indicator. Other tools such as the Hot Button report will address chemical management starting in 2020.	

** Indicates Critical Indicators

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

1. Evaluation of Site: UAB DP Acetate

Primary Responsible Person: (Responsible for control system at site(s))	Edita Ruplienė, sales manager
Auditor(s):	Marius Kavaliauskas
People Interviewed, Titles:	Sales Manager Head of Purchasing Department, Purchasing Department Manager Administrator-ecologist Financial officer Production manager
Brief Overview of Audit Process for this Location:	Please refer to Section 3.3 above for Description of Overall Audit Process.
Comments:	This mill is responsible for the acetate filament yarns production.

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing the Fiber Sourcing/Forest Policy	
Indicators	**Findings**
1.1 Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** According to procedures the main responsible person for Policy implementation is Sales Manager both for administration (office) and the mill. The Organisation appointed Sales Manager as an employee with overall responsibility and authority for the Organisation's compliance with the applicable requirements of this standard and Policy implementation. The interview with responsible person showed that she is aware of assigned responsibilities in implementing the policy.
1.2 Each production site's/mill's managers have developed procedures to implement the Policy, when relevant.**	**Conformance with Indicator:** ☐ Not Applicable

	☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The company has developed and implemented the procedures "UAB "DP acetate compliance for CANOPYSTYLE certification, Version 1". Procedures effective date - 10/10/2025. And this is shared with the mill. Document describes dissolving pulp sourcing for the implementation of CanopyStyle Policy, where the suppliers are subject to the monitoring and evaluation from the company. During the audit it was identified that developed procedures describes the process of Policy implementation. During interview with responsible persons it was clarified that requirement is known, understand and will be implemented following requirement.
Summary: The organization has clearly designated the Sales Manager as the main responsible person for the implementation of the CanopyStyle Policy and compliance with applicable standards. This responsibility covers both administrative (office) operations and activities at the mill. The Sales Manager has been formally appointed and granted overall authority to ensure that all policy requirements are met. During the interview, the responsible person demonstrated good awareness and understanding of these assigned duties. The company has also developed formal procedures titled "UAB DP Acetate Compliance for CanopyStyle Certification, Version 1", which became effective on October 10, 2025. These procedures outline the company's approach to sourcing dissolving pulp and monitoring suppliers to ensure alignment with the CanopyStyle Policy. The audit confirmed that the documented procedures adequately describe the process for implementing the policy.	

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy- and all sourcing from the local site is consistent with the corporate desktop audit.	
Indicators	**Findings**
2.1 The production site/mill maintains all purchase and sales, documentation related to the wood fiber inputs.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Provided additional information in 2.1 clarifying that the corporate office maintains all purchase and sales, - mill has no any activity related to sourcing or to the sales.

	The requirement is described in the procedures. Interviews with responsible persons, review of purchase and sales documents (sample – full month March, 2025) and records in accountant system confirmed that the responsible persons for purchasing and finance maintains all printed and digital documents to ensure that the requirements are met. No non-conformances have been recorded. The mill has no sourcing activity of cellulose flakes. The corporate office maintains all purchase, sales documentation and accounting related to the wood inputs/outputs. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. .
2.2 The mill/production site maintains all delivery documentation received with the wood fiber inputs.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Provided additional information in 2.1 clarifying that the corporate office maintains all purchase and sales, - mill has no any activity related to sourcing or to the sales. The requirement is described in the procedures. Interviews with responsible persons, review of purchase documents (sample – full month March, 2025) and records in accountant system confirmed that the responsible persons for purchasing and finance upon receipt of material check the supplier invoice and related documents to ensure that the requirements are met. No non-conformances have been recorded. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia.
2.3 All wood fibre input going into the mill is consistent with and identified within the MMCF supply chain assessment provided during the desktop audit.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available

	Description of the finding: The requirement is described in the procedures. Interviews with responsible persons, review of purchase documents (sample – full month March, 2025) and records in accountant system confirmed that the responsible persons for purchasing and finance upon receipt of material check the supplier invoice and related documents to ensure that all materials going into the mill is consistent with and identified supply chain assessment. No non-conformances have been recorded. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Since there is no wood pulp stored at the company's warehouse, as the company does not purchase dissolving pulp from its direct supplier_Cerdia. This indicator is graded as Not Applicable.
2.4 When sourcing from certified or verified land origin, the supplier code and claim for the applicable third-party verification is included on sales and delivery documentation.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The requirement is described in the procedures. Supply chain description and sourcing areas are provided in findings Appendix A, No. 2.3. Procurement document samples provided and checked between Cerdia and the company for cellulose flakes as non-certified. Samples of trade and transport documents also checked from Bracell and Rayonier US to Cerdia, which provided by Cerdia. Bracell provided 100% PEFC certified pulp and Rayonier US provided non-certified pulp.
2.5 The production site maintains and can verify a summary of annual purchases (or inputs).	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met

	☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Provided additional information in 2.1 clarifying that the corporate office maintains all purchase and sales, - mill has no any activity related to sourcing or to the sales. The mill has no sourcing activity of cellulose flakes. The corporate office conducts the purchasing and maintain the records of annual purchase data. Annual volume summary on the procurement of cellulose flakes has been provided during the audit. Company has identified all raw material inputs by volume (in kg measurements), product type, period and certification status outlining account for % (see chapter 4.3 Volume Summaries in the report) as required, for the period from May 2024 to April 2025. The interview with staff confirmed that they are aware on maintaining of the volume summary. Summary of annual purchases verification in accountant system has been performed during the audit, no non-conformities has been identified.
2.6 All MMCF producers provide outgoing transportation documents and certification status if relevant. Supplementary information should include the forest/plantation of origin when known.	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** During the audit, samples (full month April, 2025) of trade and transport documents for outgoing products were provided to the auditor. The acetate yarn sold from the company is not certified. Company is including production origin of country in sales documents by default. Interviews showed that requirement is known and certification status information will be included as the direct supplier will be FSC certified. Supplementary information is included upon buyer request.
Summary: Audit interviews, document reviews, and system checks confirmed that purchasing and finance personnel maintain all required documentation and follow established procedures. Supplier invoices and related documents are verified upon receipt of materials, ensuring consistency with supply chain requirements. Certification verification for sub-suppliers was completed, with valid FSC and PEFC certificates maintained except for one non-certified direct supplier (Cerdia International GmbH). The company has established an annual volume summary identifying all raw materials by volume, type, and certification status, with no non-conformities found. Outgoing product documentation correctly indicates production origin, and staff are aware that certification status will be included once the supplier obtains FSC certification. All reviewed requirements are implemented effectively, and no non-conformances were identified.	

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

4. Since the signature of the Policy, all sourcing from ancient and endangered forests or other controversial sources have been eliminated.	
Indicators	**Findings**
4.1 The production site/mill is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.**	**Conformance with Indicator:** ☐ Not Applicable ☒ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The interviews with management representatives confirmed they are aware on relevant laws and regulations. Auditor reviewed public Beneficial Owner Register data, not any information has been identified concerning violating local, national and international laws. The company holds several third-party certificates, most of which covers the compliance with applicable law, including: FSC Chain of Custody · ISO9001:2015 · ISO45001:2018 · OEKO-TEX STANDARD 100
4.2 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not **receive** wood from Priority Ancient and Endangered forests, as	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress

outlined in the Advice Note and from controversial sources.	☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The mill has no sourcing activity of cellulose flakes. By interviews, the management of the mill demonstrated their understandings on ancient and endangered forests and controversial sources. Corporate office has conducted the risk assessment on their supply chains to understand the risk of sourcing from ancient and endangered forests and other controversial sources. Detailed findings please refer to indicator 2 and 4 under Appendix A.
4.3 Production mills have conducted assessment of presence of Ancient and Endangered forests, as *outlined in the Advice Note* and other controversial sources in their wood supply areas.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The assessment was conducted by corporate office. Detailed findings please refer to indicator 2 and 4 under Appendix A.
4.4 The sourcing from regions that contain Ancient and Endangered forests, as *outlined in the Advice Note* and other controversial sources, is verified to be low risk by this CanopyStyle audit.	**Conformance with Indicator:** ☐ Not Applicable ☐ Commitment Met ☒ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** The assessment was conducted by corporate office. Detailed findings please refer to indicator 2 and 4 under Appendix A.
Summary: Management representatives demonstrated awareness of relevant laws and regulations, with no evidence of legal violations identified in the Beneficial Owner Register. The company maintains multiple third-party certifications (FSC Chain of Custody, ISO 9001:2015, ISO 45001:2018, and OEKO-TEX STANDARD 100) confirming compliance with applicable legal and regulatory requirements. The mill does not source wood pulp directly. Management showed a clear understanding of risks related to ancient and endangered forests and controversial sources. Corporate-level assessments have been conducted to evaluate supply chain risks in these areas. Detailed results of these assessments are provided under indicators 2 and 4 in Appendix A.	

5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	
Indicators	**Findings**

5.1 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to their CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified.	**Conformance with Indicator:** ☒ Not Applicable ☐ Commitment Met ☐ Commitment in Progress ☐ Commitment Not Met ☐ Insufficient Information Available **Description of the finding:** Supplier performance monitoring program was conducted by the corporate office and shared with the mill. Based on the procedure for dissolving pulp sourcing for the implementation of Pulp Procurement Policy, where the suppliers are subject to the monitoring and evaluation from the company. The procedure is composed of several segments including Monitoring and Management on non-compliance as well as Complaints and Suggestions Procedure. When non-compliance is identified, suppliers are required to provide a written explanation within 5 working days. And the non-compliant material shall be segregated separately and only could be accepted after passing through the verification. If the materials cannot be verified to comply with the procurement requirements, the company suspend it and will return the materials back to supplier. Interviews with responsible staff revealed that they are aware on the requirement.
Summary: The corporate office conducted a supplier performance monitoring program and shared the results with the mill in line with the Pulp Procurement Policy. The procedure includes monitoring, managing non-compliance, and handling complaints. Suppliers must respond in writing within 5 working days to any non-compliance, and non-compliant materials are segregated until verified. Unverified materials are suspended and returned to the supplier. Staff interviews confirmed awareness of these requirements.	

Appendix C: RECOMMENDATIONS FOR IMPROVEMENT

The CanopyStyle Initiative has developed these recommendations to provide direction on how companies should address some of the main non-conformities found in this audit report.

These recommendations have been developed by Canopy, presented to the company for feedback, and are provided as an appendix in this audit report for use by the company and auditors, starting immediately after finalization of the audit report.

Canopy applauds DP Acetate for completing its first CanopyStyle audit. The audit report confirms that company can be rated as 'no known high risk'. However, the company has made considerable improvements to their systems to comply with CanopyStyle requirements and dedicated capacity for further implementation. In

the spirit of continuous improvement, , Canopy recommends the following immediate next steps:

1. The company should identify all its downstream suppliers right up to the forest of origin. While the company has made efforts on its part, it is dependent on its raw material supplier Cerdia who has provided insufficient evidence. Therefore we highly recommend that the company suggest to its supplier Cerdia to undergo a CanopyStyle verification audit.

2. Continue to deepen the understanding of DP Acetate's commitment to avoid sourcing from Ancient and Endangered forests, both internally, and with supply chain partners. The company should conduct additional due diligence as part of its internal risk assessment, which includes efforts to identify the forest of origin. If the company cannot identify the forest of origin, the company should know the region and species of tree being used for the pulp. This is particularly relevant to suppliers that have possible risk. This can help determine risk levels.

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3. The company should also publish a list of all their suppliers on their website.

4. Develop a preference for purchasing inputs that are FSC certified. (FSC Mix or FSC 100%). Furthermore all legitimate FSC input material should be identified as coming from an FSC certified source.

5. With support from Canopy, collaborate with conservation organisations involved in protecting forests either in region or sourcing or home country.

6. Explore the use of Next Generation fibres to replace forest fibre used,and develop an action plan to integrate them into production.

7. Implement ZDHC MMCF guidelines for chemical management, which gives producers unified criteria for measuring output indicators like wastewater, sludge, air emissions and other process-related parameters.

We recommend that DP Acetate develop and implement action plans for these priority issues, so that they can be addressed prior to the next audit.

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

Once again, we congratulate you for the completion of your audit and for proactively taking steps to screen for, and ensure no use of, Ancient and Endangered Forests and other controversial sources. We look forward to working collaboratively with DP Acetate to address these recommendations and other outstanding issues.