



CanopyStyle Audit Report for Eastman Chemical

Assessment 2019

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TABLE of CONTENTS

INTRODUCTION	3
1. GENERAL DESCRIPTION	4
2. EVALUATION SCOPE	5
3. EVALUATION PROCESS	5
4. EVALUATION RESULT	6
Appendix A: STANDARD CHECKLIST (CanopyStyle Verification Framework – Corporate Sourcing)	12
Appendix B: STANDARD CHECKLIST (CanopyStyle Verification Framework – MMCF Mill Checklist)	32
Appendix C: RECOMMENDATIONS FOR IMPROVEMENT	39

INTRODUCTION

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, NEPCon offers timely and cost-effective certification services around the world.

The purpose of this report is to document performance of *Eastman Chemical* hereafter referred to as "Organization", against the requirements of the Verification Framework and Guidelines, (February 2019 version¹) and further guidance documents² developed by Canopy and approved, supported and requested by the CanopyStyle Leaders for Forest Conservation (Leaders Group)³ and the over 200 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 NEPCon auditors who have evaluated company systems and performance against the applicable standard(s). The public version excludes confidential and sensitive information that did not affect the formal results of the audit. 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.

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

¹ <https://canopyplanet.org/wp-content/uploads/2019/04/CanopyStyle-Audit-Guidelines-and-Framework-2019-version.pdf>

² <https://canopyplanet.org/resources/canopystyleaudit/canopystyle-audit-guidelines/>

³Current members of this group are H&M, M&S, Inditex/Zara, EILEEN FISHER, Stella McCartney and Canopy

1. GENERAL DESCRIPTION

1.1 Organization overview

The organization receives and uses dissolving pulp to produce cellulose acetate filament yarn and staple fiber. The organization uses three suppliers of dissolving pulp, two suppliers are FSC certified and sell pulp with an FSC Mix Credit or FSC Controlled Wood claim. The remaining supplier is PEFC certified and sells pulp with a 100% PEFC certified claim. The PEFC certified supplier sources pulp from a plantation in Brazil. The organization has FSC Controlled Wood in scope of their FSC certification to cover sourcing from this supplier.

1.2 Organization scope (sites, locations, etc)

The organization has one site in Kingsport Tennessee, USA.

1.3 Organization sourcing policy

The organization's sourcing policies can be found on the following websites:

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

[A general overview is pine and eucalyptus dissolving grade wood pulp has been sourced from Bracell, Georgia-Pacific Cellulose and Rayonier.](#)

2. EVALUATION SCOPE

Scope Item	Check all that apply to the Certificate Scope	
Mill Type:	<input checked="" type="checkbox"/> Single	<input type="checkbox"/> Multi-site
Input Material Source:	<input checked="" type="checkbox"/> Listed in supplier CoC form	<input type="checkbox"/> Other suppliers
Majority Fiber Input:	Dissolving pulp	
Map of Ancient and Endangered Forests Overlay Completed:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No Comments:
Mill Capacity:	200,000 KMT/year	
Primary Activity:		
Outsourcing:	<input type="checkbox"/> FSC-certified subcontractors	<input type="checkbox"/> Non-certified subcontractors
	<input type="checkbox"/> Outsourcing of the complete production process	
	<input type="checkbox"/> High risk subcontractor site(s) included	
	<input checked="" type="checkbox"/> No outsourcing	
Workforce: 14,644	Permanent male: 11,130	Permanent female: 3,514
	Contract male:	Contract female:
	TOTAL: 14,644	

Sites included in evaluation	Location
Eastman Chemical	200 S Wilcox DR, Kingsport, Tennessee

3. EVALUATION PROCESS

Auditor name(s)	Qualifications
Jenna Mueller	Jenna Mueller started with the Rainforest Alliance in August of 2013, completed training to be an approved Staff Auditor in September 2013, and has completed 100+ FSC audits. Prior to joining the Rainforest Alliance, she spent 1.5 years as an environmental and sustainability auditor and consultant. In addition, Jenna has more than 8 years of experience as a biologist and manager. Jenna became part of NEPCo in October 2018.

2.2 Audit Overview

Site(s)	Audit date	Total on-site audit time (Hours)
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Eastman Chemical	4 October 2019	8
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2.3 Description of Overall Audit Process

The auditor had a preliminary meeting to discuss the Canopy audit process and scope of the work on 16 August 2019.

The onsite evaluation was started at 8:00 a.m. on Friday October 4. The auditor observed receiving and warehouse storage locations, in addition to a discussion and general tour of environmental protection systems such as the above ground wastewater processing facility.

Persons interviewed are listed in Appendix A.

Documents reviewed included:

Emails between Canopy and the organization concerning advocacy

PowerPoint presentations concerning- research and development, advocacy, foundation work, and sustainability

Websites such as sustainability, suppliers, sourcing (specifics listed in report)

FSC Controlled Wood Risk Assessment for Bracell, Rayonier, and Georgia-Pacific Cellulose

FSC COC audit report for Eastman Chemical

Academic Risk Assessment for Bracell and Rayonier

Volume Summaries

Supplier List

Supplier Agreements

Procedures

Evaluation of internal filing system and documents such as training topics, management support, and information concerning sustainability, ethics, and values.

4. EVALUATION RESULT

4.1 Evaluation Conclusion

Overall, the organization had very thorough tracking systems, well documented information and a plethora of information available to evaluate the indicators of this standard. The organization is doing advanced work in recycling and creating closed loop cradle to grave fibres. Already in existence is closed loop chemical usage.

Areas of improvement include ensuring all suppliers have signed the Supplier Agreement and to address issues raised in Canopy's Dissolving Pulp Mill Classification related to Bracell's risk due to ownership association. Bracell is owned by the RGE family of companies which has been linked to controversial sourcing.

Updated Conclusion: After the audit, but prior to the finalization of the report, Eastman submitted a signed supplier agreement with RYAM (9 January 2020) which completed the

signatures of agreements from all suppliers. Eastman also shared meeting invites and notes from meetings held with both APRIL and Bracell (November 2019) that demonstrates progress in engaging with the companies managed by Royal Golden Eagle. Eastman representatives also provided evidence of a site visit in February 2020 to Bracell, in Brazil.

4.2 Summary of findings

Rating	Color
Not Applicable	Grey
Commitment Met	Green
Commitment in Progress	Yellow
Commitment Not Met	Red
Insufficient Information Available	Grey

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 publically available commitment to full implementation of the forest sourcing policy **	<i>Commitment Met</i>
	1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy with input from and agreement of civil society stakeholders. **	<i>Commitment Met</i>
	1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **	<i>Commitment Met</i>
	1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.	<i>Commitment Met</i>
	1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers. **	<i>Commitment Met</i>
	1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers. **	<i>Commitment in Progress</i>
	1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy. **	<i>Commitment Met</i>
	1.8 The MMCF producer has put in place a transparent/public grievance procedure with the input and agreement of civil society stakeholders	<i>Commitment Met</i>
	1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received. **	Grey
	1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it. **	<i>Commitment Met</i>

	1.11 Each production site managers have developed procedures to implement the Policy, when relevant. **	<i>Commitment Met</i>
2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	2.1 An assessment of the MMCF producer supply chain has been completed globally and shared with Leaders Group. This assessment will be updated every year and shared with the Leaders Group. **	<i>Commitment Met</i>
	2.2 The assessment identifies all suppliers in the chain that supply the MMCF mills, beginning at the forest or plantation of origin.	<i>Commitment Met</i>
	2.3 A risk assessment has been done with the information and shared with Leaders Group.	<i>Commitment in Progress</i>
	2.4 This supply chain assessment has been presented to the Leaders Group and stakeholders, allowing for questions to be answered and information gaps to be highlighted.	<i>Commitment in Progress</i>
	2.5 The MMCF producer publishes its suppliers publicly, or, in the absence of such transparency, is providing its customers with a robust track and trace system that can be used throughout the supply chain up to clothing and textile retailers.	<i>Commitment Met</i>
3. No conversion of natural forest to plantations	3.1 The initial date of the plantation development has been documented and sourcing only occurs in areas identified pre 1994, or post 1994 with a supporting valid FSC certificate. **	<i>Commitment in Progress</i>
4. Since the signature of the Policy, all sourcing from ancient and endangered forests and other controversial sources have been eliminated	4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & endangered forests”, “intact forest”, “natural forest”, “endangered species”, “controversial sources”, “high conservation value”, “high carbon area”, “peatlands”, etc. that are consistent with this document and the forest sourcing policy template. **	<i>Commitment Met</i>
	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 Leaders Group. **	<i>Commitment in Progress</i>
	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. **	
	4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws. **	<i>Commitment Met</i>
	4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified. **	<i>Commitment in Progress</i>
5. If suppliers contravene these criteria, the MMCF producer will first engage them to change practices and then re-evaluate its relationship with them	5.1 All MMCF producers’ suppliers are identified and the forest of origin is known. **	<i>Commitment Met</i>
	5.2 The MMCF producer has developed procedures for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found. ** (Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)	<i>Commitment Met</i>

	5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found. **	
6. The MMCF producer welcomes interested stakeholders and Leaders Group observers to verify the implementation.	6.1 Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process. **	<i>Commitment Met</i>
	6.2 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. **	
	6.3 If sourcing from controversial areas, with records of conflict and human rights violation, an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public. **	
	6.4 The MMCF producer has 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. **	
	6.5 The MMCF producer has developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free Prior and Informed Consent. **	
7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies	7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities. **	<i>Commitment in Progress</i>
	7.2 Suppliers document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers. **	<i>Commitment in Progress</i>
	7.3 The MMCF producer and its suppliers show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties and includes relevant stakeholders.	<i>Commitment Met</i>
	7.4 The MMCF producer and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers	<i>Commitment in Progress</i>
	7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.	<i>Commitment Met</i>
	7.6 Recognition and respect for human rights is demonstrated. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. **	<i>Commitment Met</i>

8. Development of Innovative and Alternative Fiber	8.1 The MMCF producer has developed and implemented an internal action plan to collaborate with innovative companies and suppliers to explore and encourage the development of new alternative fiber sources that reduce environmental and social impacts, such as agricultural residues and recycled fibers. **	<i>Commitment Met</i>
	8.2 The research and development phase for the production of pulp and cellulosic fiber made from alternative fiber sources has been successfully completed and the MMCF producer is entering a commercial scale phase.	<i>Commitment Not Met</i>
9. Voluntary advocacy for conservation solutions	9.1 The MMCF producer has a track record of participating in events that support collaborative and visionary system solutions that aim protect remaining ancient and endangered forests. **	<i>Commitment Met</i>
	9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions that have the Free, Prior and Informed Consent of affected indigenous and local communities. **	<i>Commitment Met</i>
	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.	<i>Commitment in Progress</i>
	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. **	
10. Responsible forest management	10.1 The MMCF producer has defined criteria for responsible forest management, gives a preference for FSC certification and has developed and implemented an action plan to increase FSC intake. **	<i>Commitment in Progress</i>
11. Reduction of Greenhouse Gas (GHG) Footprint by recognizing the importance of forests and peatlands as carbon storehouses	11.1 The MMCF producer has developed and implemented procedures to evaluate their suppliers' performance in reducing GHG.	<i>Commitment Met</i>
	11.2 The MMCF producer can document giving preference to suppliers that have identified and adopted management measures to protect forested peatland at the concession and landscape level (peat dome) and that have identified, withdrawn from and restored peatlands and their hydrology. **	<i>Commitment Met</i>
12. Pollution Prevention	<p>12.1 * This verification process <u>will not</u> address the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality.</p> <p>However, it will be noted when MMCF producers invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process). The indicators will be the number of mills using such cleaner processes and the % of overall volumes produced with such technology. This information will be treated and framed as additional bonus performance by the MMCF producer.</p>	<i>Commitment Met</i>

4.3 Volume Summaries

Category	Explanation	% Overall
FSC Controlled Wood	Material received with an FSC Controlled Wood claim (either from an FM or COC certified company)	55-70%
Controlled material	Noncertified material controlled by the company's FSC Due Diligence System	0
FSC Mix	Material received with an FSC Mix Credit or FSC Mix % claim from an FSC CoC certified company	<5%
FSC 100%	Material received with an FSC 100% claim from an FSC certified company (FM or COC).	0
Non-FSC	Material received with no FSC claim.	0
PEFC	Material received with an PEFC claim. Note materials can be received with both a PEFC and FSC claim (no double counting)	20-30%

Appendix A: STANDARD CHECKLIST (CanopyStyle Verification Framework – Corporate Sourcing)

1. Evaluation of Site: Eastman Chemical

Primary Responsible Person: (Responsible for control system at site(s))	Paul Hammes: Quality Systems Manager, Global Quality
Auditor(s):	Jenna Mueller, NEPCon Supply Chain Specialist
People Interviewed, Titles:	<p>Natalia Allen: Sustainability Leader, Textiles Paul Hammes: Quality Systems Manager, Global Quality Lacey Johnson: Manufacturing Technologist Ben Holmes: Product Manager Henrique Britto: Sourcing Manager Opening / Closing Jon Woods: General Manager, Textiles/Nonwovens Brian Eiselstein: Quality Manager Steve Crawford: Senior VP and CTO Situational Dawn Allen: Director, Product Management Kevin Urman: Technology Manager, Textiles/Nonwovens Cathy Combs: Director, Sustainability Karen Parsons: Sr. Marketing Communications Manager Elyse Batista: Marketing Communications, Fibers</p> <p>Crystal Anderson: Operator Crew 3 Chad Britain: Operator Crew 3 Shong Hall: Operator Crew 3 Jared Tatum: Chemical Engineer, Receipt and storage of pulp</p>

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their 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.**	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
	<p>Description of the finding: The organization has established and made public the policy; key managers of the organization are aware of the policy and demonstrated the commitment to implement the policy.</p>

	<p>A public sourcing policy is available at https://naia.eastman.com/woodpulppolicy The auditor confirmed through interview of staff listed, document review, review of public presentations, and review of public quotes from key managers. As part of the commitment statement, a preference for FSC certified material was included. Agreements are used with all suppliers and have been signed by all except one, which is currently in negotiations and planned signing is in the fourth quarter of 2019.</p>
<p>1.2 The MMCF producer has developed standard operating procedures (SOP) required to implement the Policy with input from and agreement of civil society stakeholders. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization is Forest Stewardship Council (FSC) certified and as such has an SOP to implement procedures such as complaints procedure which includes public participation. Also, as part of FSC certification sourcing of controlled material (material without an FSC claim), stakeholder notifications, and complaints procedures are publicly available at www.info.fsc.org. Additionally, supplier agreements are in place for two suppliers and are in the process of being approved for the third supplier.</p>
<p>1.3 The MMCF producer has assigned personnel with responsibility for Policy implementation. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization has a core team designated to implement this policy. A team leader has been designated and works closely with those identified on the core team, as demonstrated during the site visit, interview with core team, and reinforced by senior site management. The auditor reviewed training documents of staff for SOPs concerning FSC and Canopy.</p>
<p>1.4 The MMCF producer has developed capacity and organizational structure to implement the Policy.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p>

	<p>Description of the finding: Organization has a core team designated to implement this policy (see names on agenda). The team crosses business sectors, sustainability initiatives (such as FSC), and includes members of key management at the Kingsport location. Training had been conducted with relevant staff, per review of training records.</p>
<p>1.5 The MMCF producer has communicated its commitment to implement its Policy to all its suppliers.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization has three suppliers of dissolving pulp, two are FSC certified and one that sources from Brazil is only PEFC certified. The supplier sourcing from Brazil was included in the organization's FSC Risk Assessment for controlled material. Two of the three suppliers have signed supplier agreements where the commitment to implement its policy was identified and agreed to. The remaining supplier has been in negotiations to sign for several months and signing is expected in Quarter 4 of 2019, confirmed via interview and email.</p>
<p>1.6 The MMCF producer has included requirements to implement the Policy in agreements/contracts with current and future suppliers.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Written into the supplier agreements is the clause that all suppliers must sign. Organization discussed not sourcing from the one supplier that has not signed the agreement, until it is signed. This indicator is being graded as in-progress due to the one supplier that has not yet agreed to the policy within contracts.</p> <p>Updated Finding: After the audit, but prior to the finalization of the report, Eastman submitted a signed supplier agreement with RYAM (9 January 2020) which completed the signatures of agreements from all suppliers.</p>
<p>1.7 The MMCF producer has developed, and is implementing a system to monitor supplier conformance with the Policy.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p>

	<p>Description of the finding: Organization had procedure to monitor supplier performance, see GP-WI-212 in exhibit file. Annual internal audits and supplier visits are conducted by the organization's FSC Certifying Body of the supplier in Brazil. The other two suppliers provide material with an FSC claim (either FSC Mix Credit or FSC Controlled Wood), both are subject to annual audits by their FSC Certifying Bodies.</p> <p>Updated Finding: After the audit, the organization conducted their first review using the new GP-WT-212. The auditor reviewed evidence of this review and content related to the CanopyStyle audit and commitments. (Review conducted 30 Jan 2020)</p>
<p>1.8 The MMCF producer has put in place a transparent/public grievance procedure with the input and agreement of civil society stakeholders.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization is Forest Stewardship Council (FSC) certified and as such has an SOP to implement procedures such as complaints procedure which includes public participation. See FSC procedures and risk assessment in exhibit file. Also, as part of FSC certification sourcing of controlled material (material without an FSC claim), stakeholder notifications, and complaints procedures are publicly available at www.info.fsc.org. Organization traced the complaints process through organization for the auditor depending on how and where a complaint would be initiated such as through website or a phone call or if outside scope of FSC.</p>
<p>1.9 The MMCF producer has developed, and is implementing, an action plan that address any identified non-conformance and grievance received.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization has procedure to monitor supplier performance. No grievances have been received and no non-conformances identified to date. An action plan has not been developed as this is the first Canopy audit.</p>
<p>1.10 Key managers at each production site are aware of the Policy and demonstrate a similar commitment to implement it.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p>

	<input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: <p>There is only one site. Auditor confirmed commitment with core team, as demonstrated during the site visit, interview with core team, and reinforced by senior site management. The auditor reviewed training documents of staff outside core team for SOPs concerning FSC and Canopy.</p>
<p>1.11 Each production site manager has developed procedures to implement the Policy, when relevant. **</p>	Conformance with Indicator: <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: <p>Eastman has one production site that is managed by the corporate procedures for the CanopyStyle audit.</p>
<p>Summary: Organization has procedures and strong commitment to implement forest sourcing policy. All suppliers have been provided a supplier agreement explaining the forest sourcing policy and requiring a commitment to follow it. Two of the three suppliers have signed it. The third supplier has been in negotiations for several months to sign it.</p> <p>Update: The final supplier, RYAM, signed the supplier agreement on 9 January 2020.</p>	

2. The MMCF producer only sources raw material from suppliers that are transparent, traceable and are in conformance with the policy	
Indicators	Findings
<p>2.1 An assessment of the MMCF producer supply chain has been completed globally and shared with Leaders Group. This assessment will be updated every year and shared with the Leaders Group. **</p>	Conformance with Indicator: <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: <p>Eastman's list of suppliers is available publicly. The results of the Canopy audit will be assessed in the "hot button issues" report and a copy of the audit provided to the Leaders group, as confirmed through interview and email. The risk assessment has been shared with Canopy but permission has not been granted to share with the Leaders Group.</p>

	<p>Updated finding: After the audit and prior to report finalization, Eastman has granted permission to share with the Leaders Group (verified via interviews). Canopy accepts this permission as commitment met.</p>
<p>2.2 The assessment identifies all suppliers in the chain beginning at the forest or plantation of origin, that supply the MMCF mills.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization provided the auditor with a sourcing information form and supplier documents that identified suppliers, if sourced from forests or plantations, FSC certifications, and amount of material. Suppliers are listed publicly at https://naia.eastman.com/woodpulp sourcing Additionally, the FSC Controlled Wood Risk Assessment for Bracell is publicly available and other FSC suppliers (Rayonier and Georgia Pacific Cellulose) have public FSC Controlled Wood Risk Assessments. The FSC Controlled Wood public summaries contain information on supply area. Additionally, all suppliers have been provided a supplier agreement explaining the forest sourcing policy and requiring a commitment to follow it. Two of the three suppliers have signed it. The third supplier has been in negotiations for several months to sign it.</p>
<p>2.3 A risk assessment has been done with the information and shared with Leaders Group.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization received names of the Leaders Group during the audit. The Organization hired academics at a regional university to evaluate risk of sourcing from two current suppliers. The risk assessment has not yet been provided to Canopy nor the leaders group.</p> <p>The academic risk assessment conducted includes the assessment of three suppliers, two of which the company is currently sourcing from (Bracell and Rayonier) and one potential supplier. For quality reasons, the potential supplier was removed from consideration. GP Cellulose (current supplier, but not a part of the academic risk assessment) is covered by an Executed Supplier Agreement and the organization is only purchasing FSC certified material from them. GP</p>

	<p>Cellulose has an FSC risk assessment that is publicly available at info.fsc.org.</p> <p>The company has determined that all current suppliers are low risk (using FSC terminology). However, in two cases, the results are not consistent with Canopy's Classification of Dissolving Pulp Mills, which indicates potential risks for two suppliers: Bracell (Management by RGE family of companies linked to deforestation and social conflict) and Rayonier (conversion/deforestation).</p> <p>Because Eastman has received a minimum of FSC Controlled Wood claims from Rayonier, the risk raised by Canopy can be considered mitigated.</p> <p>Updated findings: After the audit, but prior to finalization of the report, Eastman shared meeting invites and notes from meetings held with both APRIL and Bracell (November 2019) that demonstrates progress in engaging with the companies affiliated with Royal Golden Eagle. Eastman representatives also provided evidence of a site visit in February 2020 to Bracell in Brazil.</p> <p>In addition, Eastman has granted permission to share risk assessments conducted with the Leaders Group (verified via interviews).</p> <p>This indicator is being graded as in progress as engagement with Bracell has just begun.</p>
<p>2.4 This supply chain assessment has been presented to the Leaders Group and stakeholders, allowing for questions to be answered and information gaps to be highlighted.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input checked="" type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The FSC Controlled Wood Risk Assessment for Bracell is publicly available and other FSC suppliers (Rayonier and Georgia Pacific Cellulose) As part of FSC Controlled Wood requirements stakeholder notifications are required for areas of specified risk. Results of stakeholder notifications are available at info.fsc.org.</p> <p>Results of the company's academic risk assessment are confidential, the organization recently received names of Leaders Group and has communicated plans and permission to share the relevant reports, however this has not been done to date.</p>
<p>2.5 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</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p>

throughout the supply chain up to clothing and textiles retailers.

- Commitment in Progress
- Commitment Not Met
- Insufficient Information Available

Description of the finding: Suppliers are listed publicly at <https://naia.eastman.com/woodpulp sourcing>. Additionally, the FSC Controlled Wood Risk Assessment for Bracell is publicly available and other FSC suppliers (Rayonier and Georgia Pacific Cellulose) have public FSC Controlled Wood Risk Assessments at info.fsc.org.

Summary:

The company currently sources from three suppliers.

The organization conducted an academic risk assessment of two current suppliers (Bracell and Rayonier) and one potential supplier for risks to Ancient and Endangered forests. Both of the current suppliers along with a third current supplier GP Cellulose all have FSC Controlled Wood Risk Assessments in place that are publicly available via info.fsc.org. Additionally, Eastman has included materials being sourced from Bracell in their own FSC risk assessment program.

The company has determined, within its risk assessment, all supply as low risk. However, for some suppliers, this result is not consistent with the Dissolving Pulp Classification Tool, which indicates potential risk for two of the suppliers (Rayonier and Bracell).

At the time of the audit the organization was in process of providing the third-party academic risk assessments they commissioned to Canopy and the Leaders Group, but had not yet completed this activity.

Update: After the audit and before the finalization of this report, Eastman has granted Canopy permission to share risk assessments with the Leaders Group and has engaged with Bracell regarding the issues raised in Canopy’s Dissolving Pulp Classification Tool.

3. No conversion of natural forest to plantations

Indicators	Findings
<p>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 FSC certificate.**</p>	<p>Conformance with Indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of the finding: All suppliers sourcing from plantations are FSC CoC certified, except for Bracell, which is PEFC CoC certified. Bracell is covered under the organization’s FSC Controlled Wood Risk Assessment.</p> <p>FSC Forest Management certification provides assurance that plantations have not been established post 1994, but FSC Controlled Wood and PEFC certification do not. As Eastman is sourcing a mix of all three, this indicator is being graded as in progress.</p>

Summary:

FSC Forest Management certification provides assurance that plantations have not been established post 1994, but FSC Controlled Wood and PEFC certification do not. As Eastman is sourcing a mix of all three, this indicator is being graded as 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
<p>4.1 The MMCF producer has adopted clear definitions for the terms included in their Policy, such as “ancient & endangered forests,” “intact forest,” “natural forest,” “endangered species,” “controversial sources,” “high conservation value,” “high carbon area,” “peatlands,” etc. that are consistent with this document and the forest sourcing policy template.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization worked with Canopy to develop a public sourcing policy which is available at https://naia.eastman.com/woodpulppolicy</p>
<p>4.2 All areas meeting the definition of “ancient and endangered forests” have been identified and mapped and suppliers and fibre that have a high risk of being considered controversial sources have been identified and shared with Leaders Group.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization uses a combination of FSC risk assessments (according to the FSC CoC CW standard for controlled material) for Rayonier, GP Cellulose and Bracell as well as an additional third-party academic risk assessment for two suppliers. The organization’s FSC risk assessment of Bracell includes annual supplier onsite audits to review sourcing locations and condition of the forest. The organization’s FSC Certifying Body also conducts an audit of the site. Rayonier and GP Cellulose are subjected to annual third-party audits (by their Certifying Bodies) for FSC Controlled Wood.</p> <p>Forest mapper was utilized, and areas identified as ancient and endangered could overlap with some suppliers’ sourcing. The Dissolving Pulp Classification Tool explains how to assess these sources sourcing areas and provide recommendations to mitigate this risk, which Eastman is following.</p> <p>Results are to be shared with Leaders Group as confirmed through email and interview but were not shared at the time of the audit.</p> <p>Updated finding: After the audit and prior to report finalization, Eastman has granted</p>

	<p>permission to share with the Leaders Group (verified via interviews), but the sharing has not occurred yet.</p>
<p>4.3 Any raw materials in the MMCF producer's supply chain originating from ancient and endangered forests or other controversial sources, and acquired before the Policy was adopted by the company, such as stocks in log yards, will be documented, identified accordingly and utilised by the mills.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization keeps less than 15 days of pulp onsite. This is not applicable. Auditor confirmed through mill tour and review of invoices.</p>
<p>4.4 The MMCF producer is aware of all relevant local, national and international laws and there is no evidence of non-compliance, with local, national or international laws.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Local national and international law are all elements of an FSC Controlled Wood risk assessment. Weak enforcement is identified, Corruption Perception Index is considered, and results are used to indicate low or specified risk. These elements are identified in the organization's FSC risk assessment. Additionally, the organization has to adhere to trade and customs laws and the Lacey Act to import material into the US, elements that are part of FSC certification requirements. Given the publicly available sourcing policies, code of conduct and based on interviews, the organization takes adherence to laws paramount.</p>
<p>4.5 The commitment not to source from ancient and endangered forests and other controversial sources is verified.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization uses a combination of FSC risk assessments (according to the FSC CoC CW standard for controlled material) for Rayonier, GP Cellulose and Bracell as well as an additional third-party academic risk assessment for their two suppliers. The organization's FSC risk assessment of Bracell includes annual supplier onsite audits to review sourcing locations and condition of the forest. The organization's FSC Certifying Body also conducts an audit of the site. Rayonier and GP Cellulose are subjected to annual third-party audits (by their Certifying Bodies) for FSC Controlled Wood.</p>

	<p>Forest mapper was utilized, and areas identified as ancient and endangered could overlap with some suppliers' sourcing.</p> <p>The company has determined that all current suppliers are low risk (using FSC terminology). However, in two cases, the results are not consistent with Canopy's Classification of Dissolving Pulp Mills, which indicates potential risks for two suppliers: Bracell (Management by RGE family of companies linked to deforestation and social conflict) and Rayonier (conversion/deforestation).</p> <p>Because Eastman has received a minimum of FSC Controlled Wood claims from Rayonier, the risk raised by Canopy can be considered mitigated.</p> <p>Updated findings: After the audit, but prior to finalization of the report, Eastman shared meeting invites and notes from meetings held with both APRIL and Bracell (November 2019) that demonstrates progress in engaging with the companies affiliated with Royal Golden Eagle. Eastman representatives also provided evidence of a site visit in February 2020 to Bracell in Brazil.</p> <p>This indicator is being graded as in progress as engagement with Bracell has just begun.</p>
<p>Summary: Organization is using four risk assessments to evaluate sourcing risks with the conclusion of low risk for all three active suppliers. This risk rating is not consistent with Canopy's Dissolving Pulp Classification Tool, which identifies one with potential risk and another with high risk due to affiliation with companies sourcing from controversial sources.</p> <p>Update: After the audit, but prior to finalization of the report, Eastman shared evidence of engagement with high risk suppliers according to Canopy recommendations. This engagement is in process.</p>	

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

Indicators	Findings
5.1 All MMCF producers' suppliers are identified and the forest of origin is known.**	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization has identified all suppliers and identified forests of origin, as indicated in FSC and company risk assessments and publicly available information such as listing of suppliers.</p>

<p>5.2 The MMCF producer has developed procedure for engaging with suppliers, up to withdrawing from purchase and other agreements in situations where non-conformance is found.**</p> <p>(Note: This means potential legal and contractual issues associated with withdrawal are identified and addressed.)</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization uses a combination of procedures and a signed supplier agreement to engage suppliers, up to withdrawing from purchases and other agreements. Auditor reviewed evidence to verify the implementation of these producers and agreements.</p>
<p>5.3 The MMCF producer has documented withdrawals from supply agreements where non-conformance has been found.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: No withdrawals to date.</p>
<p>Summary: Organization has adequately identified sourcing locations and have procedures to hold suppliers to agreements.</p>	

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

Indicators	Findings
<p>6.1 Leaders Group and other stakeholder observers are invited to participate freely and to report observations during this verification process.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable</p> <p><input checked="" type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p> <p><input type="checkbox"/> Commitment Not Met</p> <p><input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization has participated in Canopy meetings, events, and advocacy. FSC risk assessment information is publicly available. Organization has noted and encouraged comments publicly on sourcing policy, wood pulp supplier, and on website. Upon release of information to Leaders Group it will provide another avenue for participation and comment.</p>
<p>6.2 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</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Commitment Met</p> <p><input type="checkbox"/> Commitment in Progress</p>

<p>science, by a credible third party, and made public.**</p>	<p><input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding:</p>
<p>6.3 If sourcing from controversial areas with records of conflict and human rights violation, an assessment that includes participatory mapping of lands owned or claimed by indigenous and local communities, identification of areas for protection, areas for conflict resolution and remedy of past harms that involve affected parties, their chosen advisors and relevant stakeholders, have been completed by a credible and mutually agreed third party and made public.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding:</p>
<p>6.4 The MMCF producer has developed a management plan that identifies and measures to protect areas identified in large scale scientifically based conservation planning, HCV and HCS assessments with the Free, Prior and Informed Consent of indigenous and local communities whose land or land claims are impacted and with input from credible ENGOs.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding:</p>
<p>6.5 The MMCF producer has developed and implemented a time-bound action plan to actively seek the legal protection of these areas with final land-use decision-makers in a way that meets principles of Free, Prior and Informed Consent.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding:</p>
<p>Summary:</p> <p>The organization has participated in Canopy meetings, events, and advocacy. FSC risk assessment information is publicly available. Organization has noted and encouraged comments publicly on sourcing policy, wood pulp supplier, and on website. The organization is not sourcing from ancient and endangered forests and therefore 6.2-6.5 above is not applicable.</p>	

<p>7. The MMCF producer shall recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies.</p>	
<p>Indicators</p>	<p>Findings</p>
<p>7.1 The MMCF producer has developed and requires its suppliers to adopt a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress</p>

	<input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: Organization identifies FPIC in sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed.
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: <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: Organization identifies this in their sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed. However, not all suppliers have signed the agreements.
7.3 The MMCF producer and its suppliers show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties and includes relevant stakeholders.	Conformance with Indicator: <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: Organization has complaints procedures. FSC complaints procedures are publicly available through the DDS summary at info.fsc.org for each supplier. Only one supplier does not have FSC certification, Bracell, however, Eastman controls these inputs with mechanisms to handle complaints. Complaints can be received from website number listed in several places. Organization described how complaints would be handled depending on source to the auditor.
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: <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available Description of the finding: Organization identifies this business code of conduct in their sourcing

	<p>policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed. Not all agreements are signed at the time of this audit.</p> <p>Auditor confirmed through interview with Core Team and with plant workers that structures exist and workers felt safe in bringing forward any concerns.</p> <p>Updated findings: After the audit, but prior to the finalization of the report, Eastman submitted a signed supplier agreement with RYAM (9 January 2020) which completed the signatures of agreements from all suppliers.</p>
<p>7.5 The MMCF producer has developed procedures to ensure its Tier one suppliers uphold the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization identifies third party code of conduct in their sourcing policy, which helps ensure rights at work https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed. All suppliers are subjected to FSC audits and the Declaration of Fundamental Principles and Rights at Work are part of the Policy of Association (signed by FSC certified companies). Bracell does not hold FSC certification, and therefore does not sign the Policy for Association, however their sourcing activities are subject to Eastman's FSC Controlled Wood risk assessment where this principle is discussed.</p>
<p>7.6 Recognition and respect for human rights is demonstrated. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization identifies respect for human rights in their code of conduct in their sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed. All suppliers are subjected to FSC audits and there is a human rights component of the Policy of Association (signed by FSC certified companies). Bracell is subjected to an annual FSC audit where this principle is discussed. The auditor did not see evidence of avoidance or failing to resolve issues, during interviews and site visit.</p>

Summary: Organization has strong policies to recognize, respect and uphold human rights and the rights of communities and workers. All suppliers hold certification, and suppliers without FSC certification are included in Eastman's FSC Controlled Wood certification scope.

8. Development of Innovative and Alternative Fiber

Indicators	Findings
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<p>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.**</p>	<p>Conformance with Indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of the finding: The organization's risk assessment discusses reducing environmental and social impacts and recommendations on sustainable fiber sourcing. Additionally, the organization is working on closed loop manufacturing and recycling chemicals and materials. See exhibit file for the presentation provided to the auditor.</p> <p>The organization is currently exploring alternative fibers, such as recycled textiles.</p>
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<p>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.</p>	<p>Conformance with Indicator:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input checked="" type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available <p>Description of the finding: The organization's risk assessment has recommendations on reducing environmental impacts. Due to the quality of pulp required to produce Naia, alternative sources are not currently available. The organization is working towards breaking materials down to the molecular level to increase recyclability throughout the life of the material. These projects are in research and development phase.</p> <p>This indicator is being graded as commitment not met, as Eastman has not yet entered a commercial scale phase for alternative fibers they are working on in R&D phase.</p>
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Summary: Given the quality required, organization is currently limited in its ability to consider alternative cellulose fibers. However, organization has made recycling materials a priority.

9. Advocacy for conservation solutions

Indicators	Findings
<p>9.1 The MMCF producer has a track record of participating in events and taking actions that support collaborative and visionary system solutions that aim to protect remaining ancient and endangered forests. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization has history of advocacy for environmental issues. The Eastman Foundation has given significant sums to the Nature Conservancy and Southern Appalachian Conservancy over multiyear partnerships. Additionally, the organization has supported advocacy campaigns with Canopy (see exhibit file).</p>
<p>9.2 When prompted, the MMCF producer uses its brand influence or purchasing influence to positively impact conservation and development solutions including Free, Prior and Informed Consent of affected indigenous and local communities. **</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The organization has supported advocacy campaigns with Canopy (see exhibit file). Additionally, organization identifies FPIC in sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed.</p>
<p>9.3 The MMCF producer publicly supports large scale scientifically based conservation solutions, international and national target(s) and programs for preserving designated protected and conservation areas including the Free, Prior and Informed Consent of affected indigenous and local communities.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization created FSC Risk Assessment and conducts internal audits with supplier from Brazil. The FSC Risk Assessment. Organization commissioned a scientific risk assessment on two suppliers and one potential supplier and it did contain recommendations for sustainable fiber sourcing. Additionally, the organization has supported the Nature Conservancy and other similar organizations in their preservation of forests for many years.</p>
<p>9.4 The MMCF producer is developing and implementing specific programs to increase the endangered species population and the maintenance of their habitat through time, with government and/or ENGO programs. **</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met</p>

	<input type="checkbox"/> Insufficient Information Available Description of the finding: This indicator is only applicable with the MMCF producer is sourcing from the forest directly (connected to the forest).
Summary: Organization is committed to advocacy, scientific investigation, and conservation and has several programs engaging different stakeholders.	

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.**	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
<p>Description of the finding: Organization identifies this in their sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed. Fiber sourcing projections for pulp with an FSC Mix Credit claim are expected to increase to three (3) times current purchases in the next year, per presentation. This action plan has not yet been implemented.</p>	
Summary: Organization describes its preference for FSC certification in several locations.	

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 developed and implemented procedures to evaluate their suppliers' performance in reducing GHG.	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
<p>Description of the finding: Organization conducted a life cycle analysis of Naia (see exhibit file). Additionally, sustainability goals are publicly tracked on the organization's website. https://www.eastman.com/Company/Sustainability/Goals/Pages/EnvironmentalData.aspx Supplier input is used to create the pulp model used for Naia and is updated annually. The supplier agreement allows Eastman to request information that can be used to calculate the suppliers GHG emissions and tracked over time.</p>	

<p>11.2 The MMCF producer can document giving preference to suppliers that have identified and adopted management measures to protect forests, forested peatland at the concession and landscape level (peat dome) and identify, withdraw from and restore peatlands and their hydrology.**</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Organization identifies this in their sourcing policy https://naia.eastman.com/woodpulppolicy and on supplier agreements, which must be signed.</p>
<p>Summary: Suppliers sourcing and GHG emissions affect organization's sustainability goals and evaluation and are monitored.</p>	

12. Pollution Prevention	
Indicators	Findings
<p>12.1 This verification process <u>will not</u> address the pulp and viscose manufacturing process which can lead to air and water emissions that impact overall environmental quality. However, it will be noted when MMCF producers invest in and use the cleanest dissolving pulp and viscose manufacturing technology (i.e. lyocell process). The indicators will be the number of mills using such cleaner processes and the % of overall volumes produced with such technology. This information will be treated and framed as additional bonus performance by the MMCF producer.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Eastman implements several pollution control mechanisms. For production of Naia chemicals used are recycled along with any off-spec yarn. The organization has a closed loop production process. Much research and development has been on breaking down materials to the molecular level and manufacturing in recyclability. Similarly work into being able to recycle more and different types of plastics into production is ongoing.</p> <p>Eastman provided a recent audit report (an environmental audit conducted by an international auditing body in 2019 on behalf of a global retail fashion brand) that confirms that Eastman is invested in clean technology using a closed loop process where 99% of the acetone is being recovered. The report also makes high remarks of their wastewater treatment plant. The closed loop production process and wastewater plant applies to 100% of the Naia produced.</p> <p>This indicator is being graded as met, however it is important to note that this audit does not evaluate environmental compliance or best practices regarding pollution prevention. This indicator is a means to ensure that Eastman is</p>

	continuously improving their systems to meet the standards set by other pollution experts and verification/certification schemes.
Summary: Environmental goals such as pollution prevention are important to the organization and information is tracked and publicly available.	

** Indicates Critical Indicators

Appendix B: STANDARD CHECKLIST (CanopyStyle Verification Framework – MMCF Mill Checklist)

1. Evaluation of Site: Eastman Chemical Company

Primary Responsible Person: (Responsible for control system at site(s))	Paul Hammes: Quality Systems Manager, Global Quality
Auditor(s):	Jenna Mueller
People Interviewed, Titles:	Natalia Allen: Sustainability Leader, Textiles Paul Hammes: Quality Systems Manager, Global Quality Lacey Johnson: Manufacturing Technologist Ben Holmes: Product Manager Henrique Britto: Sourcing Manager Opening / Closing Jon Woods: General Manager, Textiles/Nonwovens Brian Eiselstein: Quality Manager Steve Crawford: Senior VP and CTO Situational Dawn Allen: Director, Product Management Kevin Urman: Technology Manager, Textiles/Nonwovens Cathy Combs: Director, Sustainability Karen Parsons: Sr. Marketing Communications Manager Elyse Batista: Marketing Communications, Fibers Crystal Anderson: Operator Crew 3 Chad Britain: Operator Crew 3 Shong Hall: Operator Crew 3 Jared Tatum: Chemical Engineer, Receipt and storage of pulp
Brief Overview of Audit Process for this Location:	Please refer to Section 2.3 above for Description of Overall Audit Process.
Comments:	

2. Standard Checklist

1. The MMCF producer has publicly communicated and is implementing their Fiber Sourcing/Forest Policy	
Indicators	Findings
1.10 Key managers at each production site/mill are aware of the Policy and demonstrate a similar commitment to implement it.**	Conformance with Indicator: <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available

	<p>Description of the finding: The organization has established and made public the policy, key managers of the organization are aware of the policy and demonstrated the commitment to implement the policy. A public sourcing policy is available at https://naia.eastman.com/woodpulppolicy The auditor confirmed through interview of staff listed, document review, review of public presentations, and review of public quotes from key managers. As part of the commitment statement, a preference for FSC certified material was included.</p>
<p>1.11 Each production site's/mill's managers have developed procedures to implement the Policy, when relevant.**</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: There is only one site. Auditor confirmed commitment with core team, as demonstrated during the site visit, interview with core team, and reinforced by senior site management. The auditor reviewed training documents of staff outside core team for SOPs concerning FSC and Canopy.</p>
<p>Summary: There is only one site, much of this was covered in Appendix A.</p>	

2. Sourcing from transparent supply chains that are in conformance with the policy.

Indicators	Findings
<p>2.6 The production site/mill maintains all <u>purchase and sales</u> documentation related to the wood fiber <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Auditor reviewed multiple invoices from all three suppliers. Rayonier provide dissolving pulp with an FSC Controlled Wood claim and Georgia Pacific provided dissolving pulp with an FSC Mix Credit claim. Bracell provided dissolving pulp with a 100% PEFC Certified claim. The FSC Controlled Wood Risk Assessment for Bracell is publicly available and other FSC suppliers (Rayonier and Georgia Pacific Cellulose) have public FSC Controlled Wood Risk Assessments, and have shared other documents, that identify sourcing locations. The organization's commissioned scientific risk evaluation of the three suppliers was provided to the auditor and indicated sourcing areas and species. The auditor observed pulp in</p>

	<p>the warehouse and all were from identified suppliers.</p>
<p>2.7 The mill/production site maintains all <u>delivery documentation</u> received with the wood fiber <u>inputs</u>. Such documentation includes an identification of the forest of origin.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Delivery documents were available for review and linked to invoices. All sales documents reviewed were for the identified three suppliers listed above. All suppliers have sourcing areas identified in the FSC Risk Assessments and the organization's own risk assessment.</p>
<p>2.8 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.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: Auditor reviewed multiple invoices from all three suppliers. All included the relevant COC or CW code.</p>
<p>2.9 The production site maintains a summary of annual purchases and then sales to the MMCF producer.</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The summary of purchases and sales was available for review onsite by the auditor. Total amounts are indicated in the sourcing information form.</p>
<p>2.10 All Suppliers provide <u>outgoing</u> transportation documents that include the forest/plantation of origin and certification status if relevant</p>	<p>Conformance with Indicator:</p> <p><input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: The forest of origin is not required on outgoing transportation documents for FSC or PEFC certification schemes. Instead, all suppliers are evaluated under FSC Risk Assessment where their sourcing areas are identified. The organization has taken the additional step of having a risk assessment identifying each supplier and their sourcing area,</p>

	and additional documents have been shared. If sourcing areas change, suppliers are required to notify the organization at which time risk needs to be evaluated. If material is imported, then country of origin is indicated on the customs documents. FSC or PEFC claims were present on all documents reviewed by the auditor.
Summary: The organization had a well-managed FSC and PEFC certification system, they were used to keeping records and all required information for those schemes was included in documents reviewed by auditor.	

4. Sourcing from ancient and endangered forests and other controversial sources have been eliminated.	
Indicators	Findings
4.4 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.**	<p>Conformance with Indicator:</p> <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
4.5 Production site/mill understands the definitions of Ancient and Endangered forests and controversial sources. They also comply with the commitment to not procure wood from Ancient and Endangered forests and controversial sources.	<p>Conformance with Indicator:</p> <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
4.6 Production mills have conducted assessment of presence of ancient and endangered forests and other controversial forests in their wood supply areas.	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available
4.7 The sourcing from regions that contain Ancient and Endangered forests and other controversial sources is verified to low risk by this CanopyStyle audit.	<p>Conformance with Indicator:</p> <input type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input checked="" type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available

	<p>Description of the finding: The organization's commissioned scientific risk assessment identified sourcing from ancient and endangered or other controversial sources to be low risk, based on definitions provided by Canopy. However, according to Canopy's assessment, low risk cannot be confirmed for all suppliers.</p>
<p>Summary: Most of the indicators were addressed in Appendix A, there is only one site.</p>	

5. Actions if suppliers contravene criteria	
Indicators	Findings
<p>5.4 Production sites/mills have a documented program for monitoring performance of suppliers which includes procedures for identifying non-conformances to the CanopyStyle policy and sanctions to suppliers in such cases where non-conformances are identified.</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the performance monitoring of suppliers is done at the corporate/organizational level rather than the site level.</p>
<p>Summary: Organization only has one site. Indicators were addressed in Appendix A.</p>	

7. Recognize, respect and uphold human rights and the rights of communities and workers affected by the operations of their supply chain and affiliated companies.	
Indicators	Findings
<p>7.1 The production site/mill has developed and adopts a similar policy, systems and procedures to implement Free, Prior and Informed Consent of indigenous people and local communities. **</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the policy applies to both the corporate/organizational level and site level.</p>
<p>7.2 The production site/mill document how they conform with the MMCF producer's commitment to recognize and respect human rights, community rights, First Nations rights and rights of workers.</p>	<p>Conformance with Indicator:</p> <p><input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p>

	<p>Description of the finding: This indicator is not applicable because the production site and corporate/organizational level operate as one entity with regards to 7.2</p>
<p>7.3 The production site/mills show responsible handling of complaints and resolution of conflicts in a transparent and accountable manner that is mutually agreed by the parties and includes relevant stakeholders.</p>	<p>Conformance with Indicator: <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the production site and corporate/organizational level operate as one entity with regards to 7.3</p>
<p>7.4 The production site/mill and its suppliers have developed internal capacity and organizational structure to recognize and respect the rights of its workers.</p>	<p>Conformance with Indicator: <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the production site and corporate/organizational level operate as one entity with regards to 7.4</p>
<p>7.5 The production site/mill has developed procedures to ensure commitment to the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and will require the equivalent of their own suppliers.</p>	<p>Conformance with Indicator: <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the production site and corporate/organizational level operate as one entity with regards to 7.5</p>
<p>7.6 Recognition and respect for human rights is demonstrated. There is no evidence of avoiding or failing to resolve social conflicts and remedy past or current human rights violations.</p>	<p>Conformance with Indicator: <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Commitment Met <input type="checkbox"/> Commitment in Progress <input type="checkbox"/> Commitment Not Met <input type="checkbox"/> Insufficient Information Available</p> <p>Description of the finding: This indicator is not applicable because the production site and corporate/organizational level operate as one entity with regards to 7.6</p>

Summary: The organization only has one site. The organizations' policies and procedures pertain to both the corporate and site level. All indicators in this section were addressed by indicators in Appendix A.

Appendix C: RECOMMENDATIONS FOR IMPROVEMENT

Recommendations for Eastman Chemical Company for continuous improvement

6 April 2020

Canopy applauds Eastman Chemical for embarking on the verification process in fall 2019, and demonstrating deep engagement with suppliers to identify fiber sourcing and examine any potential risks in the supply. These are important measures to ensure compliance with your dissolving wood pulp sourcing policy.

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

1. Develop targets and timelines for the use of next generation alternative fibres in order to rapidly enter the commercial scale phase;
2. For suppliers in the US South East, ensure and monitor that all fibre is subject to adequate mitigation measures now and in the future;

Continue to engage the supplier that is connected to the Royal Golden Eagle (RGE) family of companies, and actively monitor whether RGE and its connected companies are embarking on an transformational path, to implement significant change on the ground in Indonesia and increasing to scale up of next generation fibre solutions.

3. Increase the amount of FSC fibre used, with a preference for fibre from FSC certified forests (FSC 100%);
4. Build on the company's initial action to support the conservation of a key landscape of hope in Leuser Ecosystem and Vancouver Island, to include advocacy for other key regions globally;
5. Continue to adopt best in class processing and work with experts in the field to continuously meet new standards related to chemical discharge and pollution.

We recommend that the company develops an action plan to address these priority issues, so that they can be addressed before the next annual audit.

As mentioned in the CanopyStyle audit framework, ongoing audits and/or random site visits will be essential to ensure that Eastman Chemical Company continues to implement their policy and meets the expectations of the CanopyStyle Initiative.

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