





Aditya Birla Group's new CanopyStyle Audit reconfirms low risk of sourcing from Ancient and Endangered Forests and movement on Next Generation Solutions and conservation

Mumbai, New York, Vancouver, OCTOBER 14, 2020: Today, environmental not-for-profit Canopy, third-party auditor Preferred by Nature (formerly NEPCon), and Aditya Birla Group released the India-head quartered viscose producer's results of their second CanopyStyle Audit. Birla has, once again, confirmed the industry leading rank of low risk of sourcing pulp from Ancient and Endangered Forests or other controversial sources. Aditya Birla Group is the third largest producer of MMCF in the world, and owns eight viscose mills and four dissolving pulp mills. Aditya Birla's facility, Indian Rayon, was included in this year's audit. Century Rayon, while managed by Birla, is separately owned by Century Textiles & Industries Ltd and has independent sourcing, and is therefore undergoing their own audit expected to be released in the coming weeks.

"Congratulations to Aditya Birla Group for once again being assessed as 'low risk' on their second CanopyStyle Audit," said Nicole Rycroft, Executive Director at Canopy. "The Audit results also indicate significant movement on conservation solutions in Ancient and Endangered Forests where they have strategic influence and advancements in Next Generation Solutions. We look forward to further expanding on the details of those efforts in our upcoming 2020 Hot Button Report."

"Collaborating with Canopy and CanopyStyle Audits have been a great learning experience for the Birla Cellulose and has helped us continually strengthen our sustainable forestry and wood sourcing practices," said Mr. Dilip Gaur, Business Director of Birla Cellulose. "Partnering with our upstream and downstream value chain to continually improve the forestry practices and co-create next generation feedstock solutions is among our highest priorities."

"Preferred by Nature is very pleased to be conducting the second round of annual audits for the CanopyStyle initiative," said John Jickling, NEPCon. "This is a signal that companies continue to take their policy commitments seriously and intend to take action between audits for continuous improvement."

Key findings of the audit include:

- 1. Current Aditya Birla Group's fibre supply chains are confirmed as low risk of sourcing from Ancient and Endangered Forests or other controversial sources.
- 2. The Aditya Birla Group has conducted a comprehensive and transparent risk assessment of all sourcing by their dissolving wood pulp suppliers.
- 3. The Group is using its influence to positively impact conservation solutions and commercial-scale production of cellulosic fibre made from alternative fibre sources.

Moving forward, Canopy recommends that Birla:

- Adopt ambitious public targets and timelines for increasing the use of Next Generation alternative fibres in a commercially competitive way.
- Build on the company's engagement in the CanopyStyle initiative to include advocacy actions for the conservation of key priority forest regions.
- Establish internal systems to monitor policy implementation of policy in addition to FSC-certification and other certification systems.

Due to COVID-19, one short notice site visit was delayed and will be completed once restrictions ease.

The full audit reports can be found at:

https://preferredbynature.org/canopystyle https://www.birlacellulose.com/reports-policies.php

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Canopy

Canopy is an international not-for-profit environmental organization dedicated to protecting our forests, species and climate. Canopy collaborates with more than 750 companies to develop innovative solutions, to make their fibre supply chains more sustainable, and to help protect our world's remaining Ancient and Endangered Forests. Canopy's partners include H&M, Sprint, Target, Amazon, Penguin Random House, Zara, TC Transcontinental, and Scholastic. Canopy's work relies on the support of individual donors who share our passion for the planet. www.canopyplanet.org

Preferred by Nature

Preferred by Nature, formerly NEPCon, is an international, non-profit organisation working to support better land management and business practices that benefit people, nature and the climate. For 25 years, we have worked with businesses, smallholders, non-profit organisations and governments on developing solutions to

major global challenges such as deforestation and climate change. We focus on forest and climate impact commodities and related sectors. Through a well-developed network of local representatives and contractors, Preferred by Nature offers timely and cost-effective certification services around the world. Our focus on mission and impact differentiates our services and strengthens our credibility. www.preferredbynature.org

Birla Cellulose

Birla Cellulose, the Pulp and Fibre business of USD 48.3 billion Aditya Birla Group, is a leading sustainability focused man made cellulosic fibre producer. Its nature based fibers come from renewable wood sourced from sustainably managed forest. Birla Cellulose operates 12

pulp and fibre sites that apply closed loop processes and environmentally efficient technologies that recycle raw materials and conserve natural resources. It's five global advanced research centers are equipped with state of the art facilities and pilot plants. It's

new generation innovative products like Livaeco™, Liva Reviva, Excel lyocell, Liva Antibac and Birla spun shades are designed with superior sustainable credentials. With an aim to create bigger and broader impact, Birla Cellulose collaborates actively with its value chain partners and works closely with organizations like, Canopy, Sustainable Apparel Coalition, Zero Discharge of Hazardous Chemicals, Changing Markets Foundation, Textile Exchange, WBSCD, Fashion for Good amongst others to continually learn and apply the best practices within its global operations and across its value chain.