

CanopyStyle

Osaka, Japan, Vancouver, BC, Canada, September 17, 2021: Today, environmental not-for-profit Canopy, third-party auditor Preferred by Nature (formerly NEPCo), and Mitsubishi Chemical Corporation Fibers Materials Unit released the company's first CanopyStyle audit report.

The audit found that Mitsubishi's sourcing policy meets CanopyStyle requirements, and that this has been communicated well with all suppliers and relevant managers. Mitsubishi's sole supplier of cellulose acetate (Daicel) receives dissolving pulp from a supplier that is at low-risk of sourcing from priority Ancient and Endangered Forests and other controversial sources, however, verification will be required to fully determine low risk.

"We welcome Mitsubishi's audit and participation in CanopyStyle, which we see as an important step in engaging the remaining 48% of the global supply chain of MMCF that has not yet reached green shirt status in our Hot Button Ranking. We are encouraged that Mitsubishi is moving quickly on steps to implement their CanopyStyle sourcing policy by engaging with its main supplier" said Nicole Rycroft, Executive Director at Canopy.

"Mitsubishi is committed to reducing its impact on the world's forests, and taking part in the CanopyStyle initiative is an important part of that commitment. CanopyStyle audits provide an important tool that enables us to understand possible sources of risk in our supply chain. We look forward to continuing this important work with Canopy and taking action on the recommendations of the audit," said the fibers materials unit general manager, Mr Otsubo at Mitsubishi Chemical Corporation.

"Preferred by Nature is pleased to be an independent auditing body for the CanopyStyle initiative and in particular making it possible to meet the growing demand for CanopyStyle Audits throughout Asia," stated Jon Jickling, Director of Solutions at Preferred by Nature.

Key findings of the audit include that Mitsubishi Chemical Corporation has:

- Developed a sourcing policy in line with CanopyStyle initiative and communicated this policy with all suppliers, and has developed a risk assessment for its suppliers.
- Obtained FSC-CoC certification for its facility, and only deals with material that qualifies as FSC Controlled Wood.

Moving forward, Canopy recommends that Mitsubishi Chemical Corporation:

- Engage with Daicel to encourage the company to undertake a CanopyStyle audit. By doing so, Daicel will be able to determine whether all of their suppliers are in fact low risk. In turn, Mitsubishi will be able to determine its eligibility for low-risk status.
- Ensure that contracts with current and future suppliers include a requirement to implement Mitsubishi's fibre sourcing and forest policy, and communicate this with suppliers.
- Develop and implement an action plan to collaborate with innovative companies and suppliers to encourage the development of Next Generation alternative fibres in a commercially competitive way.
- Work with Canopy to support conservation solutions for key Ancient and Endangered Forests.

The full audit report can be found at:

https://preferredbynature.org/sites/default/files/publicsummaries/Final_CanopyStyle%20Audit%20Report_Mitsubishi%20Chemical.pdf

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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.

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Mitsubishi Chemical Corporation Fibers Materials Unit