



## WOOD FIBRE SOURCING POLICY

Birla Cellulose is part of 'Aditya Birla Group (ABG)', India's first truly multinational corporation with global presence. The group governed by its strong set of values and has a vision of creating value for its multiple stakeholders through its leadership in sustainable business practices.

Birla Cellulose produces a complete range of MMCF's and their specialty variants (VAPs) spanning all the three generations of fibres viz. viscose staple fibre (VSF), modal & lyocell and wood based pulp. Birla Cellulose comprises of pulp & fibre manufacturing operations of Grasim Industries Ltd., India; Thai Rayon Public Co. Ltd., Thailand; PT Indo Bharat Rayon, Indonesia; Birla Jingwei Fibres Co. Ltd., China; AV Group NB & AV Terrace Bay, Canada and Domsjo Fabriker AB, Sweden.

Birla Cellulose is focused on building environmentally sustainable businesses by way of supporting sustainable forest practices. In furtherance of the same, Birla Cellulose will maintain at each primary conversion site a Wood Fibre Procurement Policy and, where applicable, Forest Management Policy tailored to the jurisdictional requirements of each of its business operations.

Birla Cellulose will endeavor to find out alternative sustainable resources in case of trading and sourcing wood or wood fibre (herein referred to as wood) from the following categories:

1. Illegally harvested wood,
2. Wood harvested in violation of traditional and civil rights,
3. Wood derived from uncertified High Conservation Value (HCV) forests,
4. Harvested from plantations established after 1994 through the conversion or simplification of natural forests,
5. Wood from forests in which genetically modified trees were planted,
6. Wood harvested in identified ancient and endangered forests, or endangered species habitat.

If the Suppliers are identified to have contravened these criteria, Birla Cellulose will endeavor to persuade them to develop appropriate practices and/or re-evaluate the relationship with them in a timely manner.

Birla Cellulose will participate in the CanopyStyle independent third party verification audit of its operations, supply chain, and use its best efforts to source wood from suppliers participating with credible forest certification standards. Birla Cellulose recognizes the Sustainable Forestry Initiative (SFI®) and Programme for the Endorsement of Forest Certification (PEFC™), and prefers the Forest Stewardship Council® (FSC®).

Birla Cellulose will strive to increase the amount of certified wood in its supply chain and grow FSC® Chain of Custody within its value chain. Birla Cellulose will evaluate the regional wood supply of its suppliers and facilities, as well as new supply partnerships and expansion plans, in relation to the "ForestMapper Application"<sup>1</sup> ensuring low risk of sourcing from Ancient and Endangered forests and verify that suppliers are working towards tracking forest of origin.

<sup>1</sup><https://canopyplanet.org/tools/forestmapper/>

Birla Cellulose does not source any wood from Ancient and Endangered forests such as those that are located in specific regions in Canada, Russia, Amazon, Europe, Indonesia, West Africa and Coastal temperate rainforests. If it is determined, that suppliers are sourcing wood from Ancient and Endangered forests, Birla Cellulose will endeavor to persuade such suppliers to implement science-based conservation plans.

Birla Cellulose will continue to explore research and development opportunities for alternative fibre<sup>ii</sup> sources and technologies and continue to scale up next generation solutions. Birla Cellulose will on a best efforts basis work on identifying and developing technological solutions, which will help in recycling more industrial fabric waste as well as post-consumer clothing as inputs.

Birla Cellulose will work towards identifying opportunities to support and advocate existing conservation solutions, agreements and further new initiatives to advance sustainable sourcing and forest protection.

Date: September 2021

Place: Mumbai, India

Signature:



Name:

Kalyan Ram Madabhushi

Designation:

Chief Operations Officer (COO),  
Pulp and Fibre Business

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<sup>ii</sup> These include lower impact feedstock, such as recycled fabrics, agricultural residues and/or use microbial cellulose technologies. Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forest land to on purpose crops is not an issue, kenaf can also be included here. Depending on how they are harvested, fibres for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)