



## **Sateri CanopyStyle Audit: Results Released**

### **Global viscose producer, Sateri, completes independent verification audit by Rainforest Alliance to evaluate wood pulp sourcing risk**

#### **May 21st 2018 - Shanghai, China, New York, USA and Vancouver, Canada**

Today, environmental not-for-profits Canopy and the Rainforest Alliance, together with global viscose producer Sateri, are releasing the independent verification audit results of Sateri's pulp sourcing practices, a process that uses a risk-based approach and requires verifiable evidence to evaluate viscose producers' progress on their CanopyStyle<sup>1</sup> commitment.

Sateri is one of the first few leading global viscose fiber producers to complete the CanopyStyle Audit. The audit report documented the purchases of pulp from 13 suppliers of dissolving wood pulp, out of a list of 17 possible suppliers, which are listed in the audit report and on Sateri's website. The auditors confirmed the termination of fiber use from two controversial sources. Sateri now purchases a majority of their dissolving pulp from two suppliers that are sourcing from plantations in Brazil, Indonesia and Malaysia.

The key findings of Sateri's audit include:

- The need for further analysis to determine the risk level of the fiber from Brazil;
- Confirmation of the presence of pulp with raw material from Indonesia and Malaysia, regions known for highly controversial industrial logging operations and major impacts on climate and endangered species habitat;
- The risk level of the remaining volume of pulp which cannot, at present, be determined as low risk of coming from ancient and endangered forests and/or controversial sources, due to a current lack of information about the forest of origin of the material from the dissolving pulp suppliers.

"We are encouraged that Sateri promptly terminated two controversial sources and is working to bring further transparency on the forest of origin of their other suppliers," said Nicole Rycroft, Canopy's Executive Director. "Deforestation and forest degradation are key in driving climate change, species decline and undermining of frontline community rights. We look forward to engaging with Sateri to improve their sustainability performance and sourcing impacts, especially in landscapes such as Indonesian and Malaysian tropical forests."

"The Rainforest Alliance is proud to participate in this important initiative that furthers our mission to conserve biodiversity and help ensure sustainable livelihoods," stated Richard Donovan, Rainforest Alliance Senior Forests Advisor. "Our role includes serving as the trusted auditor, helping drive the sustainable use of non-timber forest elements in fashion and independently evaluating Sateri's progress. We conduct site evaluations, analyze and report on the progress required, and deliver audit results that are a snapshot in time, highlighting commitments met and areas for improvements."

"From day one, Sateri has been open to receiving external stakeholders, including third-party auditors, at our facilities," said Sharon Chong, Vice President, Sustainability at Sateri. "It is in this same spirit of transparency and accountability that we welcome the CanopyStyle Audit assessment as an opportunity to review our pulp sourcing practices. We have learnt much from this audit exercise, and

made good progress on areas that needed improvement. We will continue to pro-actively engage with our pulp suppliers to ensure compliance with our sustainability policy.”

Moving forward, the report suggests the company could improve their annual audit results in the following ways:

- Additional work is required to identify the forest origins and better understand the sourcing risk, as some of the suppliers listed may be sourcing from geographic areas that are in proximity to ancient and endangered forests and may lack the certification needed to help track the fiber and ensure avoidance of controversial sources;
- Sateri should continue to collect forest of origin information including GPS points, GIS coordinates and/or shapefiles from its dissolving pulp suppliers, which will allow for an overlay with the forthcoming Canopy ForestMapper, a map of ancient and endangered forests;
- When a low risk rating is not achieved, Sateri will need to take further actions, such as providing additional documentation that verifies compliance with CanopyStyle policy expectations, and/or exclusion of further sourcing from ancient and endangered forests and controversial sources, and/or additional assessment of the dissolving pulp supplier at their corporate office, mills and /or forest harvesting sites;
- Source more materials that come with certification claims, with a preference for fiber from Forest Stewardship Council (FSC®) - certified forests, to ensure that materials are coming from the certified scope of the supplier and supply chain;
- Ongoing regular audits, and/or random site visits, will be essential to track how Sateri continues to implement their policy and meets the expectations of the CanopyStyle initiative.

The public reports from audit evaluations of Sateri’s operations are available for download here:

[Report](#) on Sateri website;

[Report](#) on Rainforest Alliance website.

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#### **The Rainforest Alliance**

The Rainforest Alliance, which celebrated its 30<sup>th</sup> anniversary in 2017, is an international non-profit organization that works around the world to conserve forests and natural resources while advancing sustainable livelihoods through a focus on transforming land use practices, business practices, and consumer behavior. This CanopyStyle Audit was conducted by auditors from the Rainforest Alliance certification division, which since 1989 has provided expert certification in farm and forestry sectors, as well as assurance services.

To learn more about the Rainforest Alliance, visit [www.rainforest-alliance.org](http://www.rainforest-alliance.org) or <https://www.rainforest-alliance.org/business/>

#### **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 fiber supply chains more sustainable, and to help protect our world's remaining ancient and endangered forests. Canopy's partners include H&M, Sprint, Penguin Random House, Zara, TC Transcontinental, *The Globe and Mail*, and Scholastic. Canopy's work relies on the support of individual donors who share our passion for the planet.

[www.canopyplanet.org](http://www.canopyplanet.org)

## **About Sateri**

Sateri is one of the world's largest producers of viscose staple fibre, a natural raw material and key ingredient to everyday items like textiles, and non-woven products such as baby wipes and personal hygiene products. Sateri has three mills in China which can collectively produce about 800,000 metric tons of viscose stable fibre per annum. In Shanghai, we operate a sales, marketing and customer service network covering Asia, Europe and the Americas. In particular, our presence in Shanghai allows us to be strategically positioned to service the China market, which is the world's largest and fastest growing market for viscose staple fibre.

Sateri is committed to sustainable development. We launched our Sustainable Pulp Sourcing Policy in 2015 and Sustainability Policy in 2016. All of Sateri's mill operations have achieved the STeP by OEKO-TEX® and STANDARD 100 by OEKO-TEX® certifications, and is the first viscose company in the world to carry the MADE IN GREEN by OEKO-TEX® product label. With this highly coveted label, Sateri's viscose products are independently verified as safe and responsibly-produced. All of Sateri's mills have obtained the Chain of Custody (CoC) certification from the Programme for the Endorsement of Forestry Certification™ (PEFC™), and are certified under ISO 9001 and ISO 14001.

More information can be found on <http://www.sateri.com>

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<sup>i</sup> <http://canopyplanet.org/campaigns/canopystyle/>