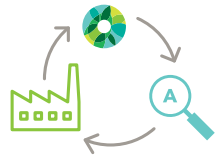


CANOYSTYLE AUDIT PROCESS

1 Company policy developed



Your company is committed via its policy to eliminate Ancient and Endangered Forests, and controversial sources from your supply chain.



Initial contact made between your company, Canopy and Auditing Body to review the CanopyStyle Audit Framework.

2 Company prepares for audit



Your company fills out information form, suppliers list and sends to Canopy and Auditing Body.



Your company and Auditing Body sign a service agreement. Your company signs audit preparation form and sends to Auditing Body.



Auditing Body prepares an audit plan and sends to your company.



Using ForestMapper, your company develops a risk assessment and prepares all documents for the audit (see audit preparation form).

3 Audit conducted



On-site audit or desk audit initiated with opening meeting and document review.



Desk audit, on-site facility inspection and interviews. The auditors will consult documents such as invoices, import documents, contracts, purchase orders, standard operating procedures, chain of custody COC reports, etc.



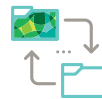
Closing meeting

Note: When short notice audits are required, they will normally occur within 3 months of the corporate audit, and the closing meeting will happen afterward.

4 Audit report drafted, reviewed and finalized



Auditors write draft report and Auditing Body reviews (20 business days from closing meeting).



Canopy reviews draft report and provides input to Auditing Body, which responds and prepares draft report for your company. A set of recommendations are included by Canopy (25 business days).



Your company reviews the draft report and sends comments to Auditing Body (15 business days).



Auditing Body and Canopy respond to your company's comments (20 business days)



The collection of audit findings ends. The report is finalized.

5 Audit report released publicly



Within 15 business days of the company receiving the report, Canopy, the auditor and your company have a tri-party closing call. After this, your company provides permission to publish the report (within 15 business days of tri-party closing call).



Public Report is posted on your company and Auditing Body websites (within 5 months of the completion of field work).



Audit report is publicly released and news is shared with media and the marketplace.



CanopyStyle Audits are normally required annually. It is expected that an action plan to address issues identified in the audit will be submitted to Canopy within 4 months of publication of the audit report (this is required before a second annual audit can be initiated). In instances where a previous CanopyStyle audit has identified known risk for a fibre producer or pulp supplier(s) and where the fibre or pulp producer(s) have not yet taken action on audit recommendations and solution pathways laid out by Canopy to address this audit finding of known risk, the producer is not eligible for auditing. This also applies to fibre producers that are knowingly sourcing from a pulp supplier previously audited and identified as known risk.

These are estimated timelines for when audits are conducted under business as usual circumstances.

Please contact canopy@canopystyle.org for more information.

<https://canopyplanet.org/resources/canopystyleaudit/>

canopy
Transforming Business
for our Planet