



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. Our Group Purpose is to "Enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust". Our Group Purpose and values form the foundation for all actions and decisions within our business.

Birla Cellulose produces a complete range of MMCF's and their specialty variants (VAPs) spanning all 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 Domsjö Fabriker AB, Sweden.

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


Birla Cellulose will endeavor to find 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"¹ ensuring low risk of sourcing from Ancient and Endangered (A&E) Forests and verify that suppliers are working towards tracking forest of origin.

- Birla Cellulose shall endeavor to eliminate deforestation and conversion in its supply chains, as defined by the Accountability Framework Initiative definitions of deforestation, natural forest, conversion, and natural ecosystem, while allowing for the sustainable management and harvesting of forests in ways that maintain biodiversity and ecological integrity. The cut-off date after which deforestation and conversion is considered non-compliant with this policy is December 31, 1994 (or December 31, 2020 with corresponding FSC FM certification).
- Birla Cellulose strives to respect the rights and land titles of individuals, Indigenous People and Local Communities (IP/LC), which are codified under the UN Guiding Principles on Business and Human Rights. We will seek our upstream suppliers to be consistent with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). This includes ensuring that any engagement related to land use, access, or transfer will be conducted in accordance with the principles of Free, Prior and Informed Consent (FPIC), ensuring transparency, inclusivity, and full disclosure throughout the process.
- Birla Cellulose does not source any wood from A&E 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 A&E 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 ² 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: 1st July 2025
Place: Mumbai, India

Signature: 
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Designation: Business Head
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¹ <http://canopyplan.org/node/forestmapper>

² 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.)