

canopy

SCALING UP

**2021 – 2022
ANNUAL REPORT**

SCALING UP

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ACCELERATE

A MESSAGE FROM OUR FOUNDER AND EXECUTIVE DIRECTOR

In a former life, I was an elite lightweight rower. It occupied many, many hours of my everyday. Training was intense both on the water and off to build muscle, hone efficiency and develop mental discipline. But it was during the competitive regattas that a different quality came into play: one that pushed us to really perform. Elite athletes' motivation to beat personal bests – and their competitors – is accompanied by a mental focus that enables incredible endurance and feats. It's like having another gear to shift into. Right now, with the climate and biodiversity clock ticking, we are in the race of our lives. We must find that extra gear to achieve what, to some, may seem impossible to keep this planet viable for all of us.

Although the ecological context for Canopy's work continues to be sobering, Canopy, in collaboration with our partners, continues to push our boundaries. I'm encouraged by concrete gains and the growing movement of partners who are galvanizing around our work to make the 'Art of the Possible' a reality.

In 2021, the ranks of both our CanopyStyle and Pack4Good initiatives swelled. Stars of the luxury and sportswear worlds, LVMH, Burberry, HUGO BOSS, and Puma, along with global logistics giant Li & Fung and Indian e-retailer Flipkart all leaned in to ensure their viscose and paper packaging do not originate from the world's Ancient and Endangered Forests. Similarly, Walmart lent its significant global reach to transforming the viscose supply chain. As a result, we have seen additional, significant advances by conventional producers; supply chains transforming in years, not decades, just as our times require.

In our Next Gen work to replace half of the wood currently used in global viscose and packaging production with low carbon alternative feedstocks, we are seeing a surge in market commitments and pull-through. Two of the world's largest viscose producers, Aditya Birla and Lenzing, have committed to producing commercial volumes of Next Gen within two and four years respectively. Meanwhile, Canopy innovation partner, Renewcell, has announced it is doubling the production capacity of its first mill, opening in Fall 2022, due to the strength of market interest. It will be the first Next Gen pulp mill for the viscose sector, and we will ensure it is the first of many to come over the next decade.

In forest landscapes, we worked closely with local allies to build the political imperative for the government to stop the continued logging of BC's iconic old growth rainforests and halted the sale of key elephant habitat to a biofuel company in Indonesia's Leuser Ecosystem. As we work alongside global allies in the quest to conserve 30 – 50% of the world's forests by 2030, we are exploring and developing new vehicles to deliver ambitious levels of conservation across a greater number of landscapes.

The company we travel with can make or break a challenging journey. We feel lucky to navigate these unprecedented times alongside our philanthropic and strategic partners who share our imperative for change. We're grateful for their support, efforts, and collaboration as we transform systems at scales – and on timelines – that are commensurate with the ecological realities of our time. So buckle up – it's time to do the impossible again!

Nicole Rycroft

Nicole Rycroft

Founder and Executive Director, Canopy



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THE 400 CLUB

Our CanopyStyle campaign works collaboratively with brand partners to shift the fashion industry's viscose supply chain away from endangered forests to low impact or circular Next Gen solutions.

Last year, we exceeded 400 CanopyStyle brand partners, adding industry heavyweights to the cadre, including Walmart and LVMH. Our ever-restless campaigners aren't stopping there. This year we look to break the 500 mark.

The CanopyStyle club is one you want to be in. The password is 'For the Forests'.

KEY NEW PARTNERS

Walmart US, Walmart Canada, Sam's Club, Puma, HUGO BOSS, and LVMH.

KEY MILESTONE

Expanded into India with our first Indian brand partners House of Anita Dongre and Flipkart, and the Chinese market with global logistics giant Li & Fung.



A LITTLE HELP FROM OUR FRIENDS

"Being a signatory to CanopyStyle has allowed us to take real action that aligns with our policies, and positions us alongside 400 of our peers who also advocate for forest conservation around the globe and inspire us to keep pushing in this direction."

— **Mara Hoffman**, fashion designer

DESTINATION IMPACT

To make a global difference you need global reach.

Canopy significantly expanded our influence in Asia last year with several of the region's biggest companies launching joint Pack4Good and CanopyStyle policies.

We haven't been everywhere yet, but it's on our list.

KEY NEW PARTNERS

Hong Kong logistics giant Li & Fung; Indian super e-retailer Flipkart; and Indian fashion house, House of Anita Dongre.



A LITTLE HELP FROM OUR FRIENDS

“We understand that building sustainable supply chains cannot be done alone – and so are very pleased to be partnering with Canopy to advance ambitious and tangible solutions for our climate and forests in the apparel and packaging supply chains.”

– **Deepika Rana**, Chief
Operating Officer, Li & Fung

50 SHADES OF GREEN

Canopy's Hot Button report is the fashion industry's premier guide to the world of viscose, covering 88% of global production.

Last year, two more producers earned the top "green shirt" ranking – signifying a low known risk of sourcing from endangered forests. There are now 13 "green shirt" producers, representing 50% of global production. Four others moved out of their risky "red shirt" rankings, and 12 are investing in Next Gen R&D.

CanopyStyle is shifting the environmental performance of the viscose supply chain and fashion industry in real time. Exactly what's needed in this turn around decade.

As Kermit might say – it's not easy being green, but it's certainly worth it.

KEY MILESTONE

Sixteen global viscose producers now on market or researching Next Gen Solutions.

A LUXURIOUS ACHIEVEMENT

Every year, three billion trees, many from the world's most vital forest ecosystems, are cut down to make paper packaging. Our Pack4Good campaign works to change that. Currently, 230 brands have committed to eliminate any packaging sourced from endangered forests through Pack4Good policies.

Last year Puma pounced on the opportunity to be Canopy's first major sports apparel brand. We then went full glamour and added the world's largest luxury conglomerate, LVMH, to Pack4Good and CanopyStyle. The partnership includes LVMH's 75 Maisons – including iconic labels such as Christian Dior, Tiffany & Co., Givenchy, and Veuve Clicquot.

Packaging is a massive global supply chain, so there's still work to do. It may not be time to pop champagne just yet, but we've got it on ice.

KEY NEW PARTNERS

LVMH, Mango, Deckers/UGG, and Hunter.

KEY MILESTONE

First five packaging producers sign on.



A LITTLE HELP FROM OUR FRIENDS

“LVMH recognizes and celebrates the importance of the world's Ancient and Endangered Forests as key to the world's biodiversity and our ability to address climate change. We are pleased to be a CanopyStyle and Pack4Good partner, an integral step as we continue to ensure the highest environmental performance for our products and supply chain.”

– **Hélène Valade**, Environment Development Group Director, LVMH.

CANOPY BY THE NUMBERS 2021

117

brands joined
Canopy Style

160

brands joined
Pack4Good

32

Next Gen innovators
we are working with
to develop game-
changing solutions

**\$850
Billion**

Canopy Style
collective brand
revenue leveraging
change through the
viscose supply chain

**\$187
Billion**

Pack4Good collective
brand revenue lever-
aging change through
the packaging supply
chain

718

media hits reaching
a potential three
billion people

49%

Instagram channel
growth

39%

Facebook channel
growth

107%

LinkedIn channel
growth

26

staff getting
the work done

ENDING SINGLE USE

From cradle to grave, single use products leave a legacy of environmental damage that humanity and the Earth simply cannot afford. As companies increasingly trade in plastic for paper, they risk transferring the impacts from oceans to forests.

That's why last year we partnered with Break Free From Plastic to call for an end to the harmful "paper vs plastic" narrative and linear, single-use products – and support a shift towards circularity.

To amplify that message we also created a series of engaging communications assets, including our own Rube Goldberg machine, showcasing the devastating effects of both the paper and plastics supply chains.

KEY MILESTONE

A Call to Action was signed by 188 organizations from across the globe.



SOLUTIONS AT SCALE

Scaling solutions to save forests and meet the challenges of our time is what Canopy's Next Gen work is all about.

Last year, Canopy was an active player in two of the world's largest viscose producers – Aditya Birla and Lenzing – publicly announcing commitments to significantly ramp up production of Next Gen fabrics from recycled textiles.

On the packaging side, two of our innovator partners have built straw-pulp production facilities in Europe and China – with a third innovator producing packaging from seaweed by-product.

If you need a solution, our Next Gen team has an answer.

NEW SOLUTIONS COMING TO MARKET

Fourteen MMCF producers are in the process of testing, trialing, or already have Next Gen products in the market.

KEY MILESTONE

Canopy partner Renewcell is building the world's first commercial-scale recycled textile mill – set to open in Sweden, Sept 2022.



A LITTLE HELP FROM OUR FRIENDS

“No one has done more to drive the shift to Next Generation Solutions for man-made cellulose than our friends at Canopy.”

– **Patrik Lundström**, CEO of Renewcell, world's first Next Gen textile pulp mill

LET'S GET CHIC

In November, we launched Circular Chic, a fashion shoot inspired by our 2020 “Solutions Are Sexy” campaign, featuring cutting-edge Next Gen products and a diverse set of influencers and changemakers.

Circular Chic showcases that game-changing, low-carbon alternatives are viable for clothing and packaging today and ready to be scaled.

One of the Next Gen dresses from the shoot also just graced the cover of Cosmo.

Now that's sexy.

KEY MILESTONE

The campaign garnered 29 pieces of coverage – including a feature in Vogue Business.



PROTECT THE IRREPLACEABLE

'Protect the Irreplaceable' was Canopy's message to the Government of British Columbia. Week after week we placed ads in Canada's national newspaper, *The Globe and Mail*, to call for the urgent protection of BC's iconic old growth forests.

That call was amplified by Canopy's brand partners as well as over 200 high-profile signatories who joined us for two of the ads including NASA scientist James Hansen, actors Joaquin Phoenix, Dame Judi Dench, and William Shatner, former Prime Minister Brian Mulroney, and environmentalists Greta Thunberg and Jane Goodall.

There is more to do to ensure long-term protection of BC's iconic rainforests, but as Star Trek star, William Shatner, said "Forests should live long and prosper."

KEY MILESTONE

Canopy's pressure helped lead the government to commit to defer logging on 2.6 million hectares of BC's most at-risk old-growth forests, pending consultation and agreement with Indigenous Nations.



SOCIALLY DURABLE CONSERVATION

In Indonesia, Canopy is working with local NGO partners to advance conservation of Sumatra's Leuser Ecosystem, one of Southeast Asia's largest remaining contiguous rainforests. Critical to achieving durable protection of this magical landscape will be making it economically – and socially – viable for local communities through the establishment of a conservation-based economy.

As part of this effort, Canopy enlisted an international ecotourism expert to work with our local partners and develop an EcoTourism Master Plan Roadmap for the Leuser Ecosystem. Canopy and our allies are now building support for the plan with local decision-makers.

KEY MILESTONE

Canopy bore witness to a Memorandum of Understanding between local NGO partner, HAKA, and the Bupati (governor) of a key region of the Leuser Ecosystem, focused on joint restoration and conservation-based economy efforts.



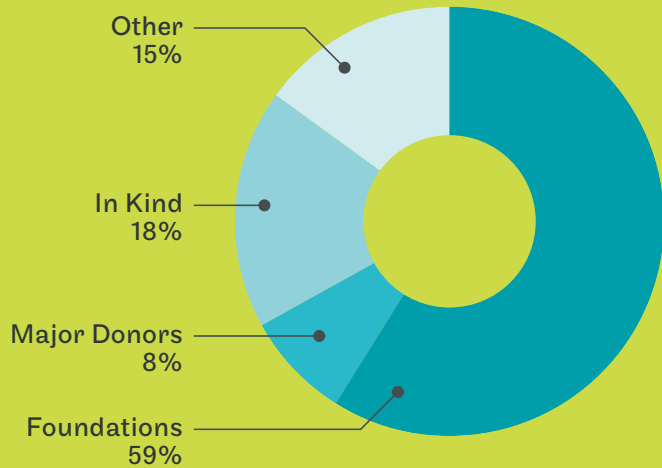
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A LITTLE HELP FROM OUR FRIENDS

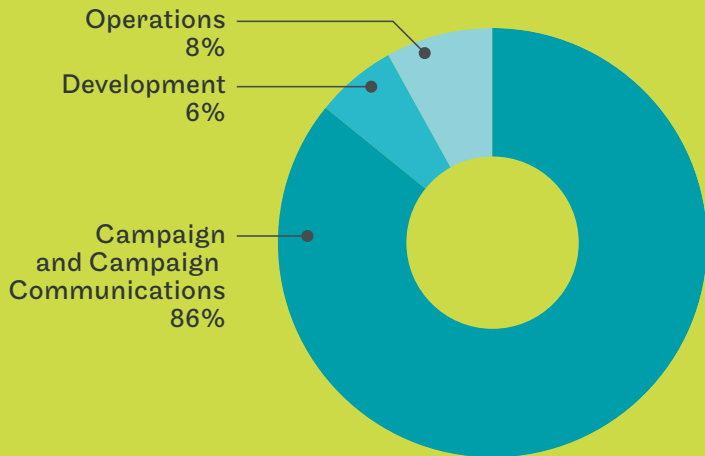
“Forests play a key role as carbon sinks and water reservoirs. With our new Forestry Policy, we will ensure that Puma is part of the solution to protect Ancient and Endangered Forests around the world.”

– **Stefan Seidel**, Head of Corporate Sustainability, Puma

2021/22 Revenue \$4,360,637



2021/22 Expenses \$4,078,817



Canopy has ended this fiscal year with a surplus of \$281,820. Due to COVID-19 Canopy underspent travel and meeting costs.

Canopy does not accept donations from or charge a fee to the companies with which we work. This maintains our independence and clarity on the nature of the partnerships. It also ensures that company budget limitations do not prohibit brands from engaging in our campaigns.

For the complete policy, go to <http://canopyplanet.org/about-us/corporate-donations-policy/>

In this turn-around decade for our planet, we are grateful to have you as part of our community.



Transforming Business
for our Planet

www.canopyplanet.org

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