

# The Power of Collective Action

## 2016 - 2017 Annual Report



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**This annual report is dedicated to celebrating the life and impact of Dick Kouwenhoven, Founder, Chairman & Former CEO of Hemlock Printers – a true friend of the forests who touched all of us at Canopy.**

design and illustrations:  
Donderdag

# A Message from Canopy's Founder and Executive Director

Against a backdrop of dramatic political twists and turns, 2016 was notably a breakthrough year for forests and conservation!

With the finalization of the Great Bear Rainforest Agreements, a critical mass of global viscose producers committing to stop sourcing from endangered forests, and 1+ million hectares of intact boreal forests set aside from logging, Canopy is delighted and privileged to have been at the center of many exciting gains.

What enables us to catalyze these innovative supply chain shifts and landmark conservation wins? Collective action: it's at the very core of our work.

The dedicated efforts of Canopy's talented staff team of 12 are amplified by the complementary work of our brand partners. Executives working at hundreds of large publishers, printers, fashion brands, retailers and telecommunications companies are key change agents in alleviating the stress on endangered forest ecosystems and kick-starting the production of next generation solutions.

Canopy added significant names to our cadre of existing brand partners during this past year, notably in the fashion sector and print industry. It is these transformational partnerships, new and old, that have led fashion brands to stand with Canopy and support conservation of the Broadback Forest, while publishers and printers lend support to move North America's first straw pulp mills one step closer to realization.

Together we are sending a clear message to government and through the supply chain on the need for forest protection, and setting the conditions for innovative solutions and the emergence of a circular economy.

After more than 15 years of dedicated campaigns, 85% of the Great Bear Rainforest is now formally protected or off-limits to logging: a testament to the power that can be unlocked when divergent parties work towards a common goal and are incentivized to succeed. Beyond the Great Bear Rainforest, we look forward to securing similar conservation gains in Canada's boreal forest and Indonesia's Leuser ecosystem.

As those close to the organization know, Canopy is unabashedly ambitious with the results we strive to deliver. For those who don't know us, our aspirations can seem unrealistic, given our modest size and resources. I am inspired every day to work alongside such a passionate team who consistently over-deliver on our goals. Key partners to our staff are, of course, Canopy's dedicated board, strategic advisors, our generous donors and committed brand partners. Galvanized by a shared vision of what's possible, we find collective action to be a powerful lever in realizing some of the world's most exciting conservation gains.

Today's dramatic political climate and ecological realities mean that civil society and corporate leadership are even more important to secure clean air, fresh water, a stable climate and vibrant species. Now more than ever, Canopy is dedicated to driving solutions at a scale proportional to the problems we're grappling with. Our times demand nothing less and we're excited to redefine what is possible for our planet and society.

We look forward to working with you!



**Nicole Rycroft**  
Founder and Executive Director



# Canopy's Staff and Board of Directors

Canopy's dedicated and passionate team work hard to affect the distribution of power to the advantage of the world's forests and communities.

## FOUNDER AND EXECUTIVE DIRECTOR



**Nicole Rycroft**

## CAMPAIGN TEAM



**Amanda Carr**  
Campaign Director



**Laura Repas**  
Communications Director



**Suzann Howatt**  
Campaign Director



**Tara Sawatsky**  
Corporate Campaigner



## CAMPAIGNS



Books



Boreal



Clothing



Indonesia



Magazines



Newspapers



Printers



Second Harvest



Temperate Rainforests



**Mélissa Filion**  
Québec Director and Senior Corporate Campaigner



**Catherine Stewart**  
Senior Corporate Campaigner



**Sophika Kostyniuk**  
Senior Corporate Campaigner



**Aurora Tejeida**  
Communications Officer



**Neva Murtha**  
Senior Corporate Campaigner



## DEVELOPMENT AND OPERATIONS TEAM

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**Fawzia Ahmad**  
*Operations and Development Director*



**Marie Labitté**  
*Development Officer*



**Laura Yates**  
*Administrative Assistant*

## BOARD OF DIRECTORS

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**Louise Dennys**  
*Executive Publisher of the Knopf Random House Canada Publishing Group, Executive Vice-President, Random House of Canada Ltd.*



**Lisa Matthaus**  
*Coordinator, Organizing for Change*



**Bruce Walsh**  
*Director of University of Regina Press*



**Tracie Wagman**  
*Co-Founder of Pin & Tucker*



# Harnessing the Power of the Market for Forests and Communities

Collective action can lead to remarkable outcomes – the seemingly impossible becoming the new norm. Here are a few of the highlights fashioned by Canopy in 2016.



## *Canopy's Campaign To Green Fashion Recognized with Positive Impact Award*

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In October, Canopy was honored to receive the BF+DA Positive Impact Award for Leadership in Creating a Better Supply Chain.

The award recognizes the CanopyStyle initiative and its impressive momentum to date in alleviating the impacts of viscose production on the world's forests. The New York gala honored other sustainability trailblazers in the fashion industry, including ethical powerhouses (and CanopyStyle partners) Patagonia and EILEEN FISHER.



## *Fashion Brands Join Efforts To Protect the Boreal's Broadback Forest*

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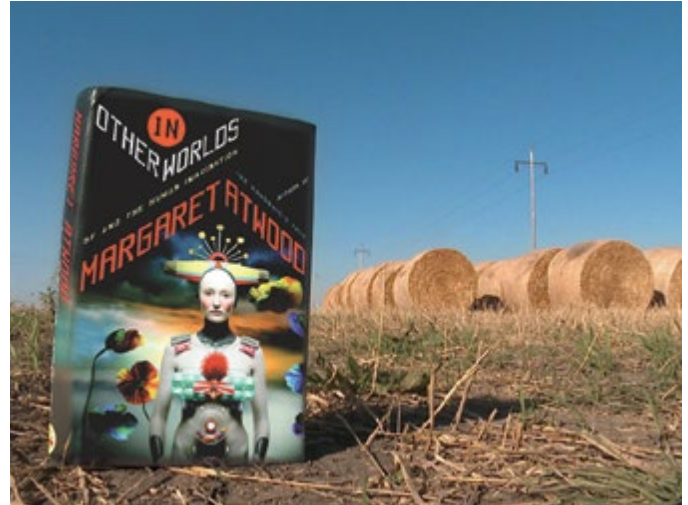
To advance efforts to stop rayon/viscose from being made of endangered forests and controversial sources, Canopy convened representatives of 87 clothing brands in New York last October. Mandy Gull, Deputy Chief of the Cree First Nations community of Waswanipi in Canada's boreal forest, spoke to the gathering of clothing executives during the day-long CanopyStyle Global Brand Summit. Deputy Chief spoke of the impacts felt by her people who have already lost the vast majority of their traditional territories to logging and industrial development, and their quest to secure protection of the last 10% of old-growth forests in their territory. Numerous brands have since contacted the Quebec government encouraging them to protect the last third of the Broadback Forest, an area critical for Waswanipi culture and the survival of the region's woodland caribou.





### **Award-winning Blueline Report: Go-to Resource for Large Print Customers**

Canopy released an **update** to its award-winning Blueline Report, which profiles and ranks the environmental performance of North America’s largest printers. The Blueline Matrix ranks printers on a set of 28 key criteria and informs consumer brands of the sector’s leaders in environmental performance. The update comes within a year of its original publication. It reveals significant improvement in the environmental performance and reporting transparency of the 30 largest printers in North America, as well as a widening gap between the leaders and those who are “slow to move.” The report has become a key resource for North America’s leading publishers, brands and large corporate consumers as they search for print partners who can help them meet their sustainability goals.



### **Farming Communities across North America Sign Up for Straw Mills in Their Backyard**

Over the past decade, Canopy has dramatically increased market demand for papers and packaging made with agricultural residues such as straw. Using straw to make paper rather than forests saves trees, energy and water. Our organization is now working with investors and numerous ventures on the verge of building new straw pulp mills in North America.

Through **YIMBY!**, or the Yes, In My Backyard! outreach program, Canopy asked farm communities in the wheat, rye, flax and sorghum belts of Canada and the United States to nominate themselves as potential candidate sites for these new green mills that will use excess straw that is removed from fields and often burned after the food grain harvest. Sixteen American and Canadian communities submitted portfolios detailing their suitability for building a straw pulp mill. We are now sharing these portfolios to the mill ventures scouting locations as part of our work to accelerate the availability of an alternative to endangered wood-based pulp for making paper – and bring new green jobs to rural communities.



# Harnessing the Power of the Market for Forests and Communities



## ***Farming Communities Precedent: Traditional Land Returned to Community in Indonesia***

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In December, the government of Indonesia excised 5,172 hectares of land from pulp producer Toba Pulp Lestari's concessions and gave it "tanah adat" (customary land) status for traditional use by its traditional owners the community of Panduma'an-Sipituhuta. This is the first time in Indonesian history that the rights of local communities have been acknowledged with this type of meaningful government action.

Communities have been greatly affected by Toba Pulp Lestari's activities on their traditional lands with impacts ranging from weakened traditional economies, to pollution, to low water levels effecting subsistence rice yields. The company's impacts on the local ecology and species have been equally marked. Since the beginning of its work with the fashion industry, Canopy has engaged brand partners and viscose-rayon producers, to support a change in Toba Pulp Lestari's operations and encourage the mill to address its historic social conflicts and ecological impacts.

5172 hectares is just a start, but one very meaningful for the people of Panduma'an and species like the sun bear, which rely on the natural forests in the area for its survival.





# Growing numbers

STELLA MCCARTNEY



## +1,000,000

**Followers** reached thanks to CanopyStyle Ambassador Stella McCartney's video series addressing the issue of fabrics and forests.



## 1,100,000

**Hectares of intact Boreal forest** placed under moratorium from logging as outcome of Canopy's work with world's largest viscose producer.



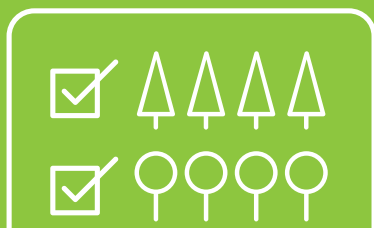
## 300

**First Ladies and key decision makers** in attendance at the September UN General Assembly Luncheon as Nicole Rycroft spoke of solutions to protect the world's endangered forests.



## 10+

**Mid-sized straw pulp mills** would be required to supply production for the 1.3 million tons of market demand for the straw-based paper products Canopy has documented.



## 51

**Companies** with new Ancient and Endangered Forest Procurement Policies in 2016.



## 1.3x

**The country of Switzerland** is the area in the Great Bear Rainforest that is now off limits to logging.



## Customers Key in Unlocking Conservation in the Great Bear Rainforest

In February 2016, Canopy gathered with government officials, First Nations leaders, forest industry executives, and other conservation organization leaders to celebrate the completion of a precedent-setting framework in the Great Bear Rainforest.

The Premier of British Columbia announced a new model for conservation – one that ensures a supply of sustainably harvested forest products, supports community well-being and secures conservation of the region's remarkable forest ecosystems.

The Great Bear Rainforest is a charismatic landscape with a rich cultural heritage. In the early 2000s, 90% of the area was subject to development. Today, 85% is formally protected or legally off-limits to logging. Communities, environmental organizations, businesses and governments worked to secure this landmark outcome.

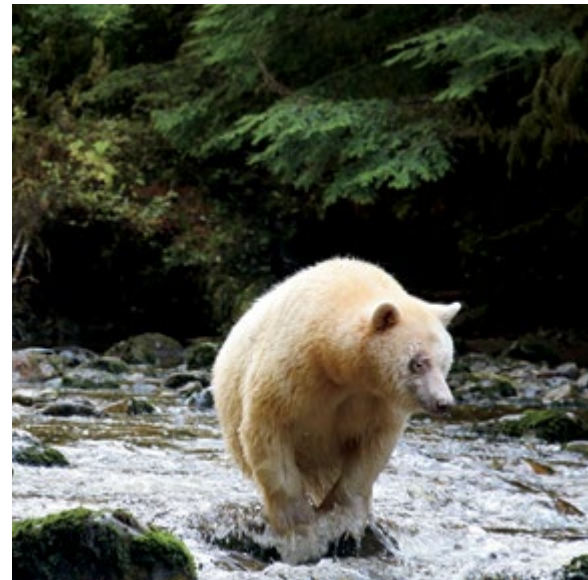
### HOW CANOPY'S BRAND PARTNERS CATALYZED ACTION

Lesser known but also critical in bringing this landmark framework to fruition is the pivotal role that global customers played. Over the past 16 years of the Great Bear Rainforest negotiations, Canopy built a cadre of global forest-products customers who engaged at key moments to bring forward economic, environmental and human well-being solutions. Many credit these global stakeholders in tipping the scales towards logging moratoria, consensus building – and finally, formal protection.

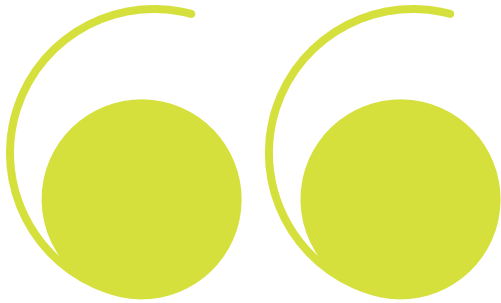
At key junctures during the decades-long negotiations, as discussions floundered, forest-product customers stepped in to encourage their suppliers and the government to continue negotiating. Well-timed calls, letters, visits and participation in customer and investor roundtables convened by Canopy and allies over the years were key to the agreements moving forward.

A critical milestone in securing the framework was a Canopy-led Customer Round Table in 2015. Hosted by The Globe and Mail and Canopy, the gathering of Time Inc, Penguin Random House, Marks & Spencer, Kimberly Clark, TC Transcontinental, and EILEEN FISHER along with more than 40 other global forest-product customers proved pivotal to government action. Announced at the forum were the legal rules that are now foundational to today's Great Bear Rainforest Framework.

The Great Bear Rainforest is a testament to the power of the global marketplace in securing meaningful conservation and supply chain solutions in endangered forests. It is a blueprint for large-scale conservation in other key landscapes of hope.



The Great Bear Rainforest is a rare 6.4 million hectare temperate rainforest on the Pacific coast of Canada.



***Our involvement in the forward-thinking protection of the Great Bear Rainforest is exciting and inspiring for our whole team.... By working wherever possible with progressive suppliers, speaking up when our voice could make a difference and supporting all of the players sitting at the negotiations table, we've been able to play a role in creating a legacy for the future. That will always be a source of pride for everyone involved.***

– **LISA MORDEN**, Senior Director,  
Global Sustainability  
at Kimberly-Clark Professional



# Campaign Profile



## CanopyStyle: Fashion for Forests

In three short years since its public launch, CanopyStyle has garnered incredible early momentum in eliminating the use of endangered forests from rayon and viscose fabrics.

In large part, this success is due to the collective action of fashion brands, designers and retailers who have joined with Canopy to engage their viscose suppliers to ensure their supply chain is free of ancient or endangered forest fiber.

### GREEN IS THE NEW BLACK FOR BRANDS

By the end of 2016, Canopy had secured a critical mass of 68 brands, retailers and fashion designers, totaling 100 billion USD in annual revenue, committed to eliminating the use of ancient and endangered forest fiber in their fabrics. Thirty-six of these brands and designers launched their formal CanopyStyle commitments throughout 2016.

To support this growing movement of brands implementing their policies, Canopy convened representatives of 87 global fashion brands for a day-long summit in October. The focus was to strategize conservation solutions for the world's endangered forests and provide these key industry decision makers with tools to help transform their supply chains. Canopy produced

a detailed guide for brands, which includes three primary tools:

- A hierarchy of sustainable raw material inputs for viscose;
- The viscose producer pathway;
- A detailed brand implementation pathway "tree" outlining key indicators and levels brands can achieve as they tackle forests via fabrics.

### TRANSFORMING A GLOBAL SUPPLY CHAIN

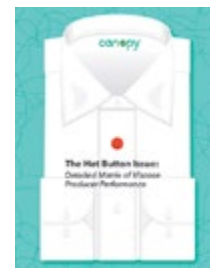
The strong engagement by brands and designers has sparked parallel shifts within the rayon-viscose supply chain. Producers that represent 75% of global viscose production now have policies in place that commit them to stop sourcing from ancient and endangered forests, require consent of indigenous communities, support lasting forest conservation and commit to investing in closed-loop innovation. Seven of these 10 producers launched their policies in 2016.

To support brands in tracking how producers are progressing on their commitments, Canopy published its

first viscose producer report "**The Hot Button Issue.**" It is the first tool to rank the performance of the world's largest viscose producers across 19 sustainability criteria including:

- Public CanopyStyle Audits that assign a risk of sourcing from endangered forests or other controversial sources;
- Leadership in driving closed-loop innovation such as using recycled clothes and leftover straw instead of trees;
- Advancing global forest conservation.

In addition to working with Canopy to engage their fabric producers, brands are lending their voice to advocate for landscapes of hope like the Great Bear Rainforest, the boreal's Broadback Forest and Indonesia's Leuser ecosystem. Green has never looked so good!



CanopyStyle aims to curb the use of endangered forests and controversial fiber in rayon and viscose fabrics, catalyze closed-loop innovation and advance conservation in the world's remaining ancient and endangered forests.





***CanopyStyle is moving the dial faster than any other environmental issue that H&M or our industry is currently working on.***

– **CECILIA STRÖMBLAD BRÄNNSTEN,**  
Environmental Sustainability  
Business Expert at H&M



# A Glimpse at Canopy's Donations Policy

Canopy believes it can best fulfill its mission through a broad base of support from various sources.

**Canopy relies on the financial support of foundations and individual donors who share our passion for the planet.**

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.

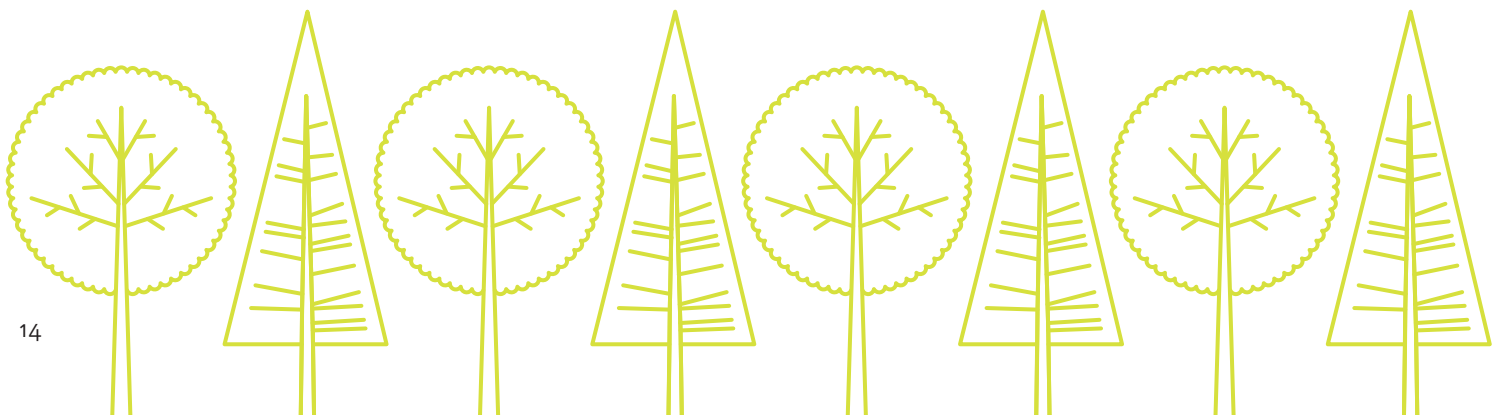
For the complete policy, go to <http://canopyplanet.org/about-us/corporate-donations-policy/>

# A Word about Our Supporters

**Canopy's donors and financial partners play a key role in our success. Their faithful contributions demonstrate their deep commitment to our work to ensure forests remain standing, species healthy, communities vibrant and our climate stabilized.**

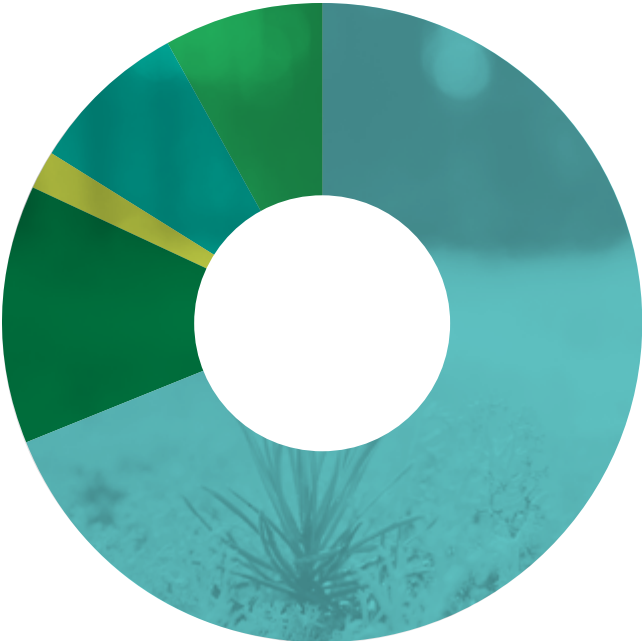
Working behind the scenes, Canopy's model of change calls for smart donors who understand our low-profile/high-impact strategy. Our supporters' passion for our mission runs deep. Our donors are among our most valued ambassadors – engaging their friends and family to join Canopy in protecting our world's forests and building sustainable supply chains.

By donating to Canopy, our supporters change the game for our worlds' forests. For this, we can not thank them enough.



# Financial Statement

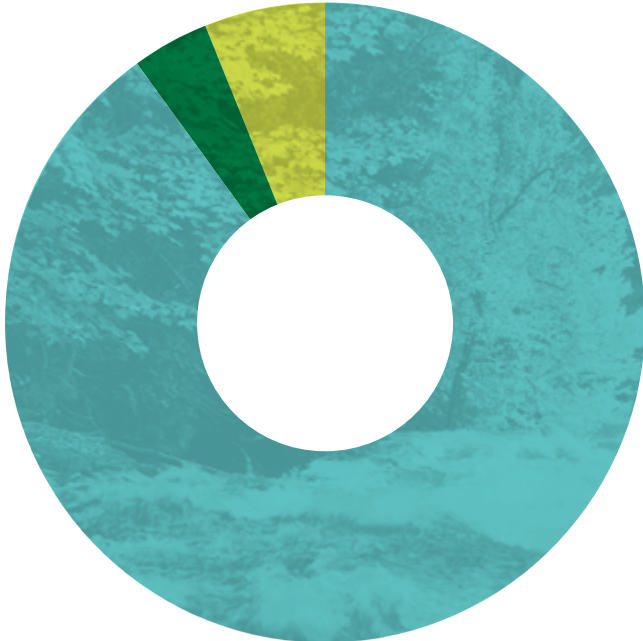
2016 Revenue



- Foundations – 69%
- Individuals – 13%
- Earned Income – 2%
- In Kind – 8%
- Other – 8%

**Total \$1,338,043.60**

2016 Expenses



- Campaigns – 90%
- Operations – 4%
- Fundraising – 6%

**Total \$1,333,937.35**



***“By systemically shifting the fashion sector away from ancient and endangered forests toward eco-solutions, Canopy will alleviate the stress of this \$3.3 trillion apparel industry on critical landscapes of hope in Canada’s boreal and temperate rainforests and Indonesia’s rainforests.”***

– **NICOLE RYCROFT**,  
Founder and Executive Director,  
Canopy



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