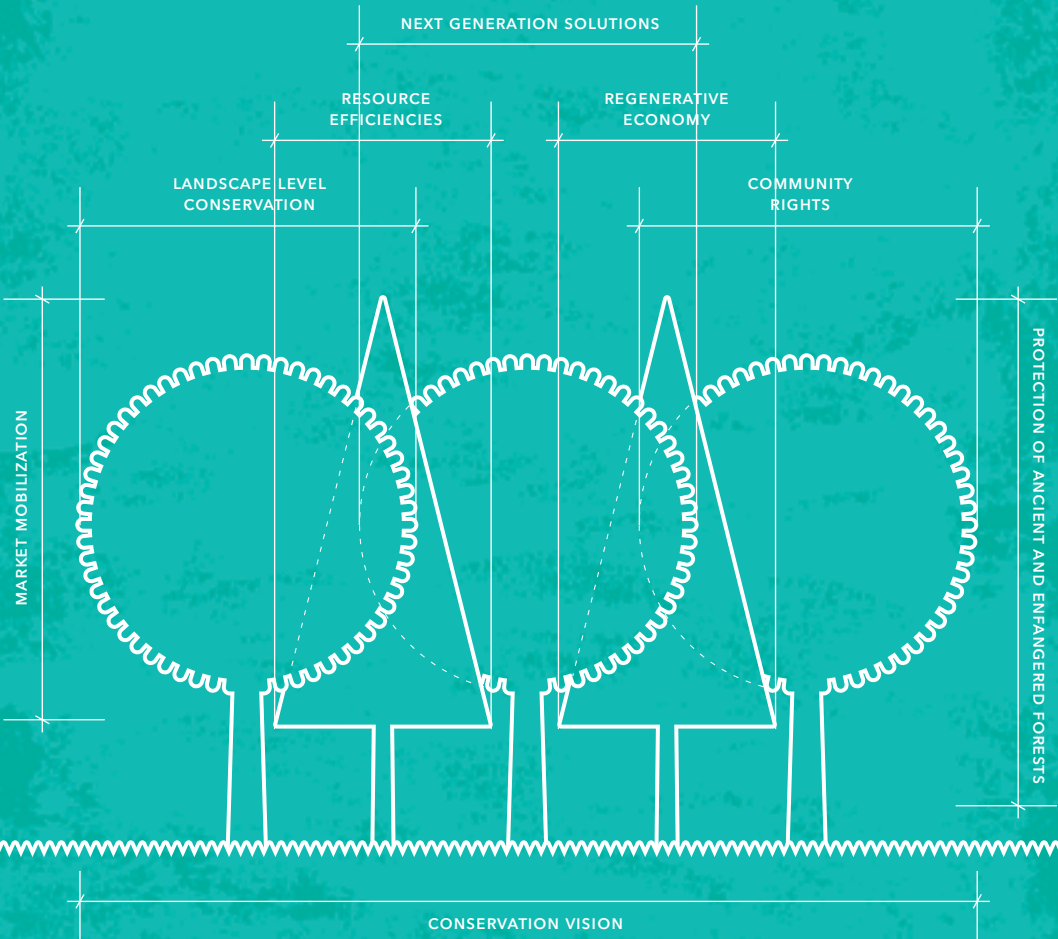
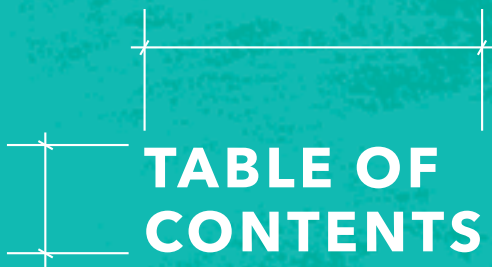


# Designing the New Blueprint for Forests

## 2017 - 2018 Annual Report





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# 3500 square kilometers of land

still need protection in the  
**#Broadback** Forest to ensure  
ecological integrity of this jewel  
in Canada's boreal forest.

**#LandscapeOfHope**



# **FROM THE DRAFTING TABLE: *A MESSAGE FROM CANOPY'S FOUNDER AND EXECUTIVE DIRECTOR***

## **It's time for a redesign!**

**This year saw the galvanization of many brands and governments behind the circular economy concept and next generation solutions. These are systems design concepts that have come of age and Canopy is on the vanguard of international efforts to draw these design theories into reality.**

**Conventional consumption and production models are failing humanity and our planet. Since founding Canopy I've been cognizant that developing a blueprint to guide the needed shifts in consumption behavior, supply chains and production infrastructure allows us to share the process of change with all our partners.**



Imagining what's possible and drawing that through into tangible plans has enabled us to spark the development of hundreds of environmental papers, catalyze deep change through the viscose supply chain, secure millions of hectares of forests as protected or under logging moratorium, and break disruptive technologies out of the laboratory and into the marketplace. These shifts lay the groundwork for our transition to a more sustainable and just economy and society.

Canopy's work to catalyze development of commercial scale production of agricultural straw-based papers and packaging over the past 14 years passed a major milestone in 2017. We were excited that construction commenced on North America's first modern, commercial-scale straw pulp mill. Bulldozers have never looked so good! In our opinion, the mill under construction in eastern Washington marks the start of the broader shift of packaging and paper infrastructure towards next generation solutions. And this game-changer for forests and species also provides much needed economic development in rural farming communities. We are equally excited by our work with a number of innovators who have developed technologies for recycling used clothing into new viscose-rayon thread. We have already started to bridge the gap between the lab, large-scale production, and our big fashion brand partners with them.

These are elegant solutions to deforestation, forest degradation, climate change and waste. Leveraging our expertise and experience to drive broader and faster adoption of next generation solutions throughout the packaging, paper and clothing supply chains is a priority for Canopy over the next five years.

While in many parts of the world, political decision makers have taken a step back from conservation leadership, I've been

buoyed, during my extensive travels, by the deepening commitment and advocacy of many of our brand partners. Be it launching endangered forest policies, contributing cutting edge science to help advance alternatives, raising awareness of Landscapes of Hope like the Leuser Ecosystem, or directly engaging the Québec government to urge finalization of protection of the Broadback Forest, it's been heartening to see companies across North America, Europe and Asia increasingly assume a mantle of environmental leadership. Canopy is committed to further enabling this surge in momentum towards resolving global environmental challenges. This past year, we have added capacity on our team and we have joined with almost 100 new brand, supply chain and philanthropic partners as we develop an ambitious new strategic plan to ramp up our success between now and 2030.

Transforming our unsustainable reliance on ancient and endangered forests is foundational to maintaining a stable climate and vibrant biodiversity. The transition away from logging high carbon and biodiverse forests requires faster scale-up of next generation solutions. Large consumer brands, viscose producers, disruptive technology ventures, philanthropists and civil society are increasingly donning their hardhats and gearing up to play their part, for which I feel grateful. Canopy is excited to roll out a clear global blueprint to join these seemingly disparate players and issues into a cohesive effort. We hope you'll join us.

Forward for Forests!



**Nicole Rycroft**

*Founder and Executive Director*



# 161 global fashion brands

have committed to stop sourcing  
from the world's ancient and  
endangered forests.

[#CanopyStyle](#)



# 10 authors

have written the **#Refugium** to help raise awareness of the need to conserve Vancouver Island's last pockets of intact rainforest.

# Our Builders: Staff and Board of Directors

Fundamental to any successful design or blueprint is the commitment, talent and creativity of the team behind it. Here's a glance at Canopy's dedicated team:

## FOUNDER AND EXECUTIVE DIRECTOR



**Nicole Rycroft**

## DEVELOPMENT AND OPERATIONS TEAM



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

## BOARD OF DIRECTORS



**François Barbier**  
*Business consultant and  
former president of Kraft  
Foods, European Biscuit  
Division*



**Marie Labitté**  
*Development  
Officer*



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



**Laura Yates**  
*Administrative  
Assistant*



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



**Tracie Wagman**  
*CEO, TWRL*



## CAMPAIGN TEAM



**Josée Breton**  
Communications  
Director



**Laura Repas**  
Communications and  
Marketing Specialist



**Amanda Carr**  
Director of Strategic  
Initiatives



**Tara Sawatsky**  
Corporate  
Campaigner



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



**Catherine Stewart**  
Senior Corporate  
Campaigner



**Sophika Kostyniuk**  
Senior Corporate  
Campaigner



**Elizabeth Sullivan**  
Corporate  
Campaigner



**Neva Murtha**  
Senior Corporate  
Campaigner



**Lee-Ann Unger**  
Corporate  
Campaigner



### IDENTIFYING OUR CAMPAIGNS



CanopyStyle



Temperate  
Rainforests



Communications



Second  
Harvest



Boreal



Paper  
Futures



Indonesia



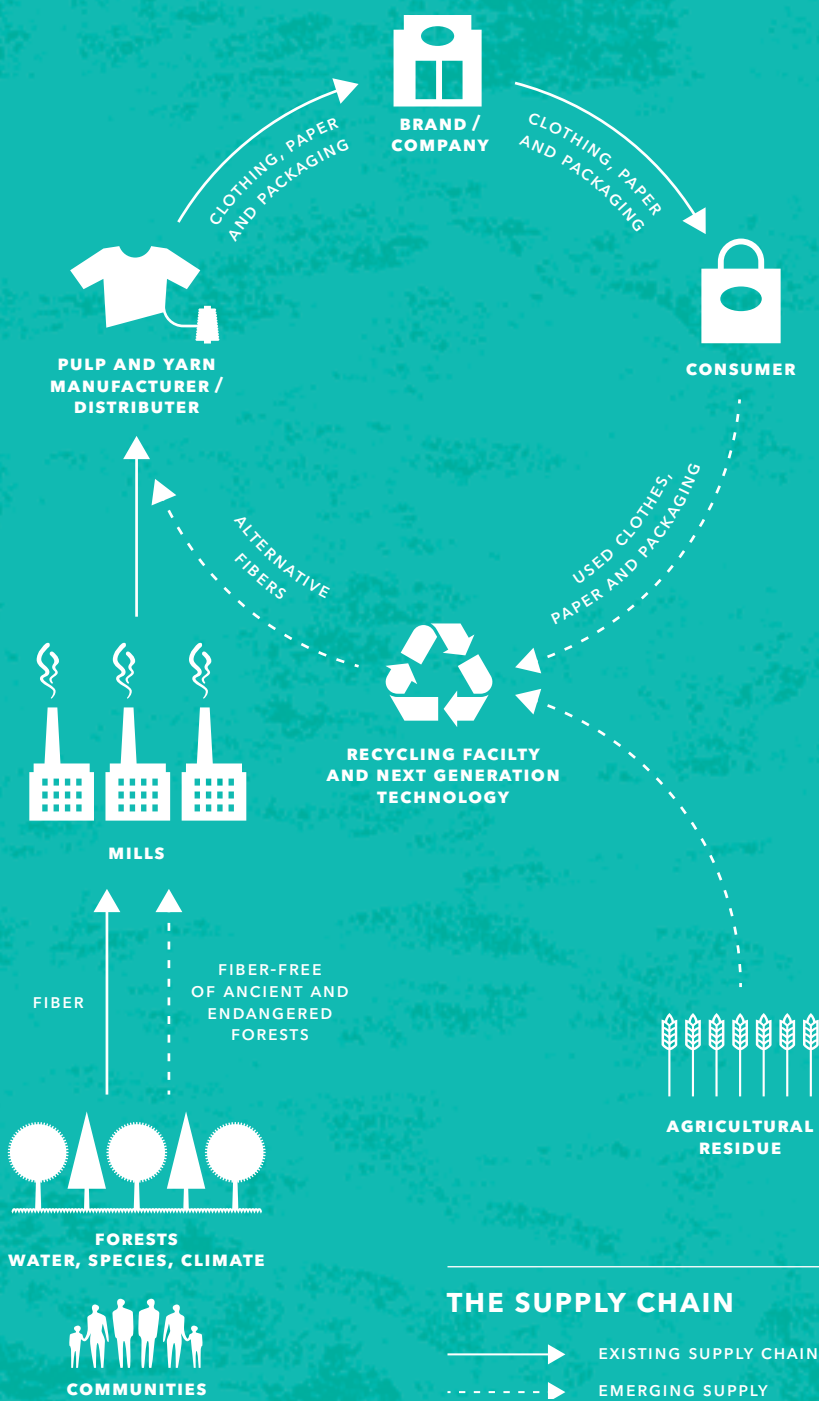
# 450 environmental papers

are listed in Canopy's Ecopaper Database, the "Holy Grail" of directories for North American ecopaper and sustainable packaging.

**#PaperFutures**

●● **CanopyStyle**  
is one of the smartest  
sustainability initiatives  
I know of, boosted by  
the fact that it requires  
joint efforts from all  
the industry. I have no  
doubt that it is saving  
decades of environ-  
mental struggle. ●●

– Felix Poza,  
Chief Sustainability  
Officer at Inditex



## THE SUPPLY CHAIN

-  EXISTING SUPPLY CHAIN
-  EMERGING SUPPLY



# REMODELLING THE SUPPLY CHAIN

## With Partnering Companies

At the foundation of Canopy's high-impact work to transform unsustainable supply chains and secure forest conservation are our partnerships with influential global brands. 2017 saw us increase and deepen our cadre of brand partners in both our CanopyStyle initiative and our PaperFutures campaign, the recently launched redesign of our work with heavy paper-consuming sectors.



### WHO JOINED THE CREW IN 2017 - 2018

Canopy welcomed 56 new partnering companies during 2017. We are delighted to count them among the 750 companies and brands we work with to protect the earth's ancient and endangered forests.

**WELCOME:** ALEXANDER MCQUEEN // ALLIED PRINTING // ANNA FIELD // ARKET/H&M // ATHLETA // BALENCIAGA // BANANA REPUBLIC // BOTTEGA VENETA // BOUCHERON // BRIONI // BROOKLYN'S OWN BY ROCAWEAR // CHRISTOPHER KANE // COBRA // DICKIES // DODO // ELANDERS AMERICAS // EVEN&ODD // EVEN&ODD ACTIVE // FRIBOO // FULLSTOP // GAP INC. // GIRARD-PERREGAUX // GUCCI // H&M HOME // INTERMIX // JEANRICHARD // KERING // KIOMI // KOALA // KODIAK // MAI PIU SENZ // MINT&BERRY // MCQ // MQ RETAIL // OLD NAVY // PERALSTON SHOES // PIER ONE // POMELLATO // PUMA // QEELIN // RE:IMAGINE // SAINT LAURENT // SPELL & THE GYPSY // STUPS // TAMGA DESIGNS // TAYLOR COMMUNICATIONS // TERRA AND WALLS // THE GAP // TWINTIP // ULYSSE NARDIN // VOLCOM // WORKRITE // YOURTURN // YOURTURN ACTIVE // ZALANDO ESSENTIALS // ZIGN //



### **BUILDING WITH NEW PARTNERS:**

When Gap Inc., along with its iconic brands GAP, Banana Republic and Old Navy became CanopyStyle partners in 2017, they brought an additional \$16B USD in annual revenue to the transformative market power of the CanopyStyle initiative. Gap was the highest profile milestone of a significant surge in US brands and apparel associations joining Canopy and our early CanopyStyle brand partners.

Across the Atlantic, luxury fashion group Kering, better known for its stable of iconic brands such as Gucci, Saint Laurent, Bellagio and Puma also lent their formal support to Canopy's work in the apparel sector.

Together, they will add their voices to stop deforestation and forest degradation and advance forest protection.

## STRENGTHENING THE FOUNDATION: TOOLS FOR SUCCESS

Updated and reliable tools are key to enabling efficient implementation of our brand partners' purchasing policies. In 2017, Canopy revised and/or launched four key tools to support the sustainability and purchasing experts of the companies we work with now, as well as the companies that will join our efforts in the future.

These tools are enabling brands to ensure their "own house is in order" as they shift to, and continue to support, sustainable global supply chains.



### ENVIRONMENTAL PAPER DATABASE

Canopy's online *Environmental Paper Database* (EPD) is the "go to" for companies searching for sources of sustainable paper and packaging. It features more than 450 options.



### BLUELINE RANKING

The *Blueline Ranking* is a widely used tool profiling the sustainability performance of North America's largest printers according to 32 sustainability criteria.



### HOT BUTTON ISSUE RANKING

Canopy's 2017 *Hot Button Issue* ranks 11 viscose and rayon producers that represent 70 percent of global viscose production. This update assesses viscose producers across 24 criteria.



### LIFE CYCLE ANALYSIS OF MAN-MADE CELLULOSIC FIBERS

This *Life Cycle Analysis* on the impact of raw fiber sourcing was commissioned by Stella McCartney. Canopy chaired the advisory panel. It is a resource for all brands, designers and retailers interested in making sustainable fiber sourcing choices.

## With Next-Generation Solutions

As we look to alleviate stress on the world's forests and natural systems, shifting our society towards more circular economy models of production – consumption and next-generation solutions is key. Catalyzing rapid and broad adoption of these systems and technologies is a priority for Canopy as we move towards our 2030 goals.



### NEW VENTURES SIGN ON

Part of catalyzing next-generation solutions at scale is identifying which ventures are most viable and enabling them to move to market. Canopy now works with 16 next-generation-solutions enterprises – three of those developed formal policies and working relationships with Canopy during the past year.

**WELCOME:** AGRALOOP // CRAILAR // TYTON BIOSCIENCES //





### **PLAN INTO ACTION: FIRST STRAW PULP MILL BREAKS GROUND**

Canopy has helped build straw papers and packaging into a competitive alternative to products made with virgin tree fiber by securing focused demand from large consumer companies. After 14 years of envisioning and designing a new pathway for the production of paper and packaging, North America took a big step towards making next-generation solutions a commercial reality in 2017. Columbia Pulp, the first modern commercial mill to make pulp for paper and packaging out of wheat straw, is now under construction in Washington State. Canopy has worked closely with Columbia over the years and we were onsite as the initial shovels hit the ground. Production is slated to start in the first quarter of 2019 and we look forward to this being the first of many clean agricultural-residue pulp mills across North America and globally.



### **FINANCING THE UPCOMING BLUEPRINT**

Canopy recognizes the critical role of financing in enabling next-generation solutions to move from a good idea on paper to a solution in the marketplace. Consequently, we have increased our focus on investors, encouraging them to back next-generation solutions. From providing quantified market analysis for business plans, securing letters of intent from large brand partners, helping enterprises secure early-stage bridge financing, speaking at finance conferences, and highlighting the array of disruptive technology ventures to investors, we are working to build awareness of the investment opportunities inherent in this space.

## With Producers

Jointly with our brand partners and through direct bilateral dialogue, Canopy has been engaged with pulp, paper, packaging and viscose producers around the world throughout 2017. Our focus is squarely on finding a solutions space to advance conservation of the world's most sensitive forest ecosystems and help secure a stable supply of truly sustainable products.



### **NOW WORKING WITH US**

Canopy works with some of the world's largest forest products producers to transform wood fiber supply chains. As numerous producers updated their commitments, one new viscose producer developed an ancient and endangered forest policy in 2017.

**WELCOME:** ENKA //



### **CANOPYSTYLE AUDITS: ASSESSING RISK**

As part of building greater transparency in the viscose supply chain, Canopy introduced a third-party verification audit to its CanopyStyle initiative. This year, the world's two largest producers of viscose underwent the first CanopyStyle audits of their forest sourcing. Twenty-five percent of the global viscose supply chain has now been identified as low risk of sourcing from ancient and endangered forest. The CanopyStyle audit process is a major step towards transforming the environmental footprint of the rayon/viscose supply chain. The findings help fashion brands know what level of risk there is of their fabrics originating from ancient and endangered forests and where those risks are. Four additional viscose producers entered into the audit process during 2017—including new signatory ENKA.



### **MAINTAINING SOLUTIONS: SPACES IN ONTARIO'S BOREAL FOREST**

Viscose producer Aditya Birla continues to maintain its moratorium on logging and sourcing from 1.1 million hectares of intact caribou habitat within the vicinity of their mill in Canada's vast boreal forest. This creates the space to develop land-use plans that secure large-scale protection, with First Nations' free, prior and informed consent.



# One modern commercial- scale straw pulp mill

broke ground as part of  
Canopy's next-generation  
solutions work.

**#SecondHarvest**



# 25 percent of the world's viscose supply

has been verified at low risk  
of containing ancient and  
endangered forest fiber.

[#CanopyStyleAudits](#)



# DESIGNING TO MAINTAIN NATURAL FEATURES: CONSERVING LANDSCAPES OF HOPE

**Core to our 2030 planning, Canopy dreams of a world where all ancient and endangered forest landscapes can sustain indigenous and traditional communities, biological and animal life, free from the industrial degradation that has put so many of them at risk.**

Canopy works to support its partnering companies reduce their environmental impact by making informed procurement choices that reduce the risk of sourcing from ancient and endangered forests globally. Over the years, we have corralled brands' purchasing influence to help encourage change on the ground. Together we work to protect, maintain

or initiate conservation planning in special parts of the planet, as we did in the Great Bear Rainforest. We care deeply about the wellbeing of all high conservation value and high carbon forests and are committed to increasing the total area of formally protected and conserved forest ecosystems around the world.



**This past year we were focused on three remarkable forest ecosystems.**

# Broadback Forest, Québec, Canada

## Customers Take Action in Support of the Broadback Forest



**Located in the heart of Canada's boreal forest, the Broadback Forest is a thriving ecosystem of lakes, rivers and old-growth spruce and pine forests.** It is a key habitat for critically endangered Woodland Caribou and is a significant carbon storehouse. It covers more than 13,000 square kilometers (3.2 million acres), an area eight times the size of London, England. Two thirds of the Broadback was set aside for protection in 2015.

To elevate the Broadback Forest onto the international stage, Canopy's executive director attended the Skoll World Forum in the United Kingdom in early 2017 with Mandy Gull, then deputy chief of the Waswanipi Cree. On a panel together, they shared the impact of forestry on the Waswanipi Cree's traditional lands and the community's aspiration to see conservation of the Broadback Forest, where thousands of additional square kilometers awaits formal protection. Mandy inspired many corporate customers to take action.

Close to 20 companies with head offices in Québec, Canada, the United States, Europe and Asia, representing annual revenues of 74 billion USD, have written to the Québec government to indicate their support for protection of the whole Broadback Forest.

These companies are committed to going beyond the avoidance of risk in their supply chain. They are acting proactively to support the creation of long-term forest legacies around the world. Their action has been particularly meaningful in reminding Québec's premier of his government's commitment to resolve this outstanding increment of protection in the Broadback Forest with the Grand Council of the Crees (Eeyou Istchee)/Cree Nation Government and Waswanipi regarding additional protection of the Broadback Forest. The Waswanipi Cree First Nation, with support from Canopy and dozens of forest-product purchasing companies, are advocating for the final conservation increment of an additional 3403 square kilometers to be legislated in 2018.



Listen to the following podcast interview for Events in Sound, in which Cree leader Mandy Gull speaks of the movement to protect her home, Québec's Broadback Forest.

image: © Greying\_Geezer;  
video: © Events in Sound

## The Leuser Ecosystem, Sumatra, Indonesia

*Let the World Love the Leuser*



**The Leuser Ecosystem, located in northern Sumatra, Indonesia, is the only place on Earth where the Sumatran tiger, rhinoceros, elephant, orang-utan and sun bear still co-exist in the wild.** It is an intact forest of 259 000 square kilometers (6.4 million acres), a carbon storage powerhouse, and the source of drinking water and agricultural livelihood for millions. The orang-utan, who call this place home, could be the first great ape to go extinct if the Leuser Ecosystem forests keep falling. Canopy is part of the Love the Leuser Alliance, a global movement to save a stunningly rich expanse of tropical forest.

In April 2017, Canopy, through the Love the Leuser Alliance, participated in a three-week campaign to raise awareness about the importance of this ecosystem.

On International Day of Forests, Canopy released CanopyStyle Follows the Thread, a video that shows stunning images of the Leuser Ecosystem. It was profiled on social media by fashion brands whose reach was over 11.5 million followers. In coming years, we will continue to create content to garner attention for this Landscape of Hope. We will actively support global brands and producers to engage in support of large-scale conservation in this remarkable region.



Learn more! <https://vimeo.com/257174067>

image: © Andrew S. Wright;  
video: © Crossover Productions



# Vancouver Island, British Columbia, Canada

## *A New Provincial Government, A New Chance to Save the Last Old-Growth Rainforest*



**British Columbia has a new provincial government.** Inherent with this change in administration is the opportunity to advance a new government-to-government relationship with Vancouver Island’s First Nations and to amend the out-of-date Vancouver Island Land Use Plan with a post-script that helps safeguard the remaining ancient stands in this rare rainforest. Using best available conservation science, traditional knowledge and community input, 15 remaining pockets of ancient rainforest can be protected—and with them, the immense economic value to tourism businesses and local communities. Canopy is working with its brand partners and allies to put conservation steps into action for Vancouver Island’s last stands.

### **AUTHORS TAKE A STAND FOR THE LAST OLD-GROWTH ON VANCOUVER ISLAND**

To raise awareness of the conservation opportunity at hand, Canopy enlisted ambassadors from Canada’s literary community. Exquisite corpse is an old parlour game of words. In the fall of 2017, some of Canada’s most beloved writers—Margaret Atwood, Terry Fallis, Suzanne Buffam, Laura Trunkey, John Vaillant, Madeleine Thien, Karen Solie, Emma Donoghue, Andrew Pyper, and Ann-Marie MacDonald—came together to create a story by playing the game on behalf of the ancient and endangered forests of Vancouver Island. Haida artist Michael Nichol Yahgulanaas donated the illustration. The piece, called *The Refugium*, was published in the Saturday edition of Canada’s national daily, *The Globe and Mail*, on September 2, 2017.

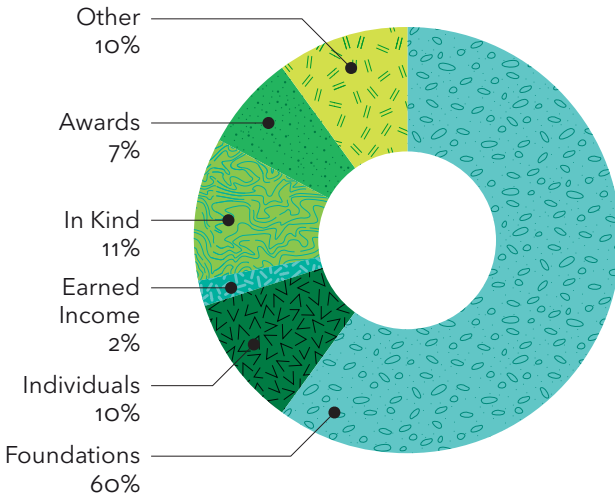


Watch the authors talk about what drew them to the project and what it was like to collaborate on the story they created.

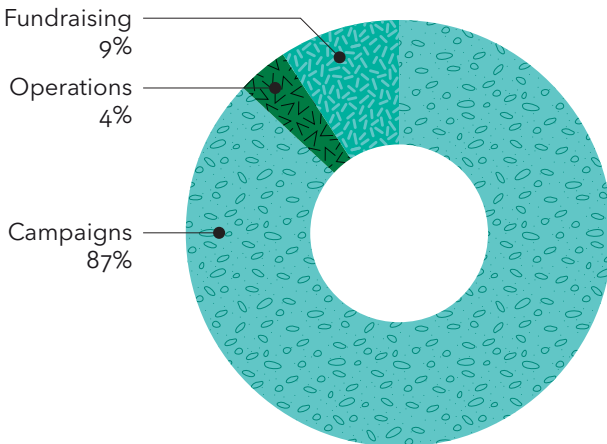
image: © Samuel M Beebe;  
video: © Riley Parks

# FINANCIAL STATEMENT: BUILDING COSTS

## 2017 Revenue Total \$ 1,472,880.85



## 2017 Expenses Total \$ 1,462,091.51

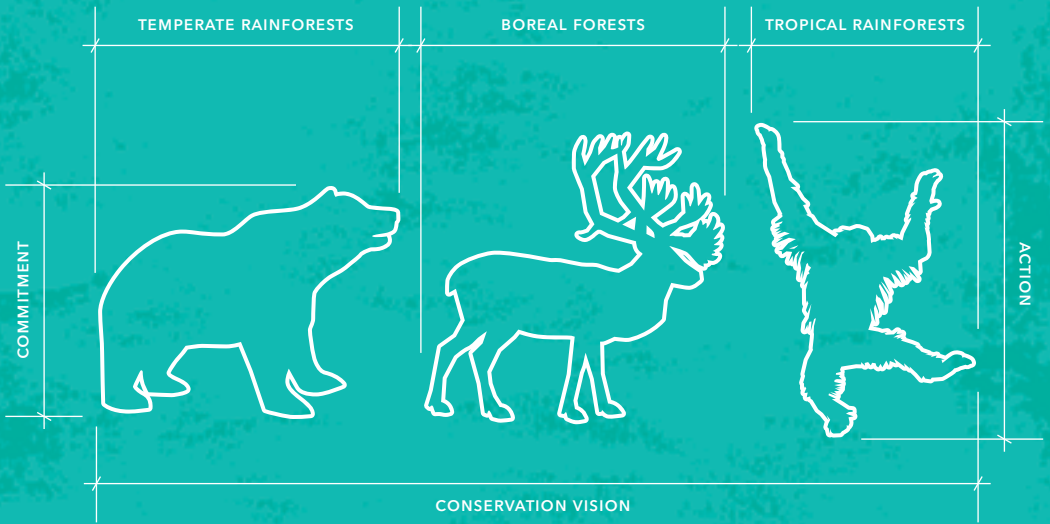


Canopy does not accept donations from or charge a fee to the companies with which we work. This maintains our independence and clarity on the nature of the partnerships. It also ensures that company budget limitations do not prohibit brands from engaging in our campaigns.

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

●● In the past year, we have seen brands from Europe, North America and Asia galvanize to tackle forest conservation and bring audacious solutions to the market place and fashion lovers. ●●

– Nicole Rycroft, Founder and Executive Director, Canopy



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

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