

**THE PATH
NOT YET
TRAVELLED:
*ONWARD TO
SOLUTIONS***

**2018-2019
ANNUAL
REPORT**



canopy

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BREAKING TRAIL: *MESSAGE FROM FOUNDER AND EXECUTIVE DIRECTOR*

WHEN I FIRST MOVED TO CANADA from my parched homeland of Australia, I made a pact with myself. If I was going to live somewhere that was so cold and rainy, I was going to embrace different sports. That led to me buying a warm wetsuit to enjoy cold ocean surfing and a pair of backcountry skis for the nearby mountains. As I was introduced to the beauty and tranquility of snow laden wilderness areas, I became familiar with what it takes to break trail through knee deep snow: you are a team that shares the leadership and you work hard no matter what position you are in the line.

Trail breaking is a backcountry tradition that I've drawn on this past year amidst the avalanche of scientific data about the climate crisis and global species collapse. Science that is unambiguously clear about the imperative to chart paths different to those con-

ventionally followed by our societies has spurred me on to ensure that Canopy's direction is on course, even if off-piste.

Sometimes you break trail in the wilderness because there's no obvious passage. Other times, it's because the existing trail is no longer the best or safest route due to changing conditions and hazards. And sometimes, it's to enable you – and your party – to get to the top faster so you can take in the vista before skiing down to your destination, and safety, before night falls.

The 2030 countdown set by the world's leading climate and conservation biology scientists is analogous to a fast approaching nightfall. A 60% drop in the planet's populations of animal species since the 1970s and our heating climate are indicators that we're moving through high-risk conditions and terrain.



Emerging from an 18-month exploration of the application of biomimicry to Canopy's work, we see that the natural world is crystal clear in its feedback; we need to change course. We need to fundamentally shift our societies' consumption – production systems to Next Generation Solutions that incorporate circular-economy in design and set policies that secure bolder conservation of the world's high carbon and species rich forests.

Forests form 30% of the climate solution and are home to the vast majority of the world's terrestrial species. With our launch of ForestMapper, a tool we originally developed to help brands identify their risk of sourcing from Ancient and Endangered Forests, we gained a vantage point that shows bold conservation and restoration is needed on every continent around the world. ForestMapper provides waypoint data now fundamental to our work towards 2030 goals.

This past year we've built momentum in our work to reform the conventional paper-packaging sector as well as in our game-changing CanopyStyle initiative. Dozens more and bigger brands and producers have shifted away from viscose fabrics and papers derived from the world's Ancient and Endangered Forests. They are increasingly searching for Next Generation Solutions. We are leveraging this to incentivize a shift in the practices of government and even the most entrenched forestry companies.

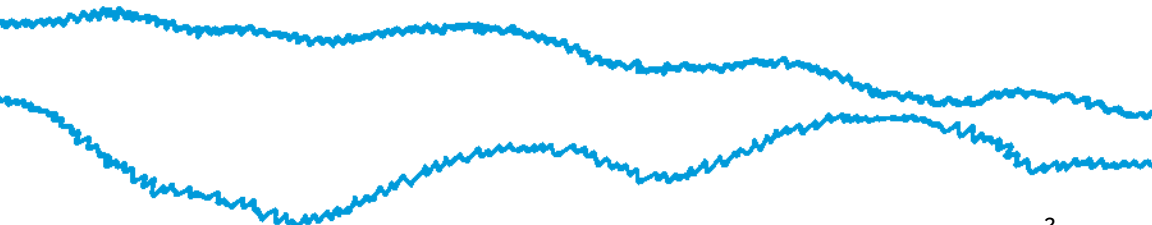
Canopy has gained important allies in our work to fast track the adoption of Next Generation Solutions through my inclusion in UBS's Global Visionaries program and the collaboration that is enabling with international financial institutions. We've also drawn on successful routes charted historically in the Great Bear Rainforest to inform the path towards conservation in parts of the Boreal and a green economy in Indonesia's Leuser Ecosystem.

Breaking a new trail requires determination and a spirit of cooperation that ensures reaching the desired destination. We're excited to be making strides along side of global business leaders, cultural shapers, investors, disruptive technology entrepreneurs, politicians and philanthropists. Integration of Next Generation Solutions into the mainstream and protection of forests at a scale commensurate to the challenge of our times is worthy our collective creativity, tenacity and intelligence.

We look forward to cutting this new path with you!



Nicole Rycroft
Founder and Executive Director



TRAIL BLAZERS

FOUNDER AND EXECUTIVE DIRECTOR



Nicole Rycroft

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IDENTIFYING OUR CAMPAIGNS



CanopyStyle



Second
Harvest



Paper
Futures



Communications



Temperate
Rainforests



Boreal




Indonesia

SETTING OUR COMPASS BEARING: PROTECTING FORESTS

MORATORIA IN BOREAL GEM MAINTAINS CONSERVATION OPPORTUNITY

A logging moratorium is still in place in key areas of the Broadback Forest that need protection. That's thanks in part to the dozens of messages sent by brands to both Cree and Québec government decision makers noting its ecological-cultural importance and asking them to finalize protection of this unique landscape. Our "missing piece" puzzle was distributed and reproduced in advertisements to mobilize key stakeholders to protect the Broadback Forest.



**CANADA'S GREAT BEAR
RAINFOREST OFFERS
BLUEPRINT TO THE
LEUSER ECOSYSTEM**

An Aceh-Indonesian Government delegation committed to work towards establishing a conservation-based economy in order to protect the Leuser Ecosystem in Indonesia. The political decision makers were motivated by a five-day learning tour hosted by Canopy, that unpacked green finance successes and human well-being advances in Canada's irreplaceable Great Bear Rainforest.

SETTING OUR COMPASS BEARING: PROTECTING FORESTS

PROTECTING THE LAST STANDS OF OLD-GROWTH ON VANCOUVER ISLAND

Canopy worked closely with allied organizations to secure an increase in protection of Vancouver Island's last stands of ancient rainforests. Concurrent with work to secure regulations that better address the urgent needs of First Nations and these rare forest ecosystems, Canopy started engaging global customers and local producers to expedite the transition to second growth forests and secure a moratoria on the most endangered remaining ancient forest stands.



**CANOPY CREATES FIRST
GLOBAL MAP OF ANCIENT
AND ENDANGERED FORESTS**

Even from space, we can detect the massive scale of deforestation and forest degradation. To help Canopy identify where to prioritize its long-term efforts as well as assist brand partners identify potential sourcing risks, Canopy released ForestMapper, the first-ever interactive global map of Ancient and Endangered Forests. ForestMapper is a key tool in the global push by brands, governments and conservationists to halt deforestation, protect key forest landscapes and combat climate change.

FASHIONABLE ON THE TRAIL: FORGING THE PATH FOR A NEW VISCOSE SUPPLY CHAIN

EXPEDITION MEMBERS

In 2018-2019, we continued to build strong momentum in our CanopyStyle initiative, with more than 170 brand partners committed to eliminating Ancient and Endangered Forests from viscose and rayon clothing and kick-starting commercial scale production of alternative fabrics. Canopy welcomed the following clothing brands, designers, retailers and viscose producers to CanopyStyle during the past year.

AllBirds | Abercrombie & Fitch Co |
ELK | Reformation | Selfridges |
Target | Yibin Grace

GLOBAL VISCOSE PRODUCTION ON ITS WAY TO BEING FREE OF ANCIENT AND ENDANGERED FORESTS

Canopy's 2018 Hot Button Issue confirmed that almost a third of global viscose supply is now verified as low risk of coming from Ancient and Endangered Forests.

Viscose producers Zhejiang Fulida, ENKA, Tangshan Sanyou and Sateri completed their first CanopyStyle Audits this year, bringing the share of global viscose supply now verified to 54%. With the campaign only launched five years ago, viscose manufacturing is transforming in real time!

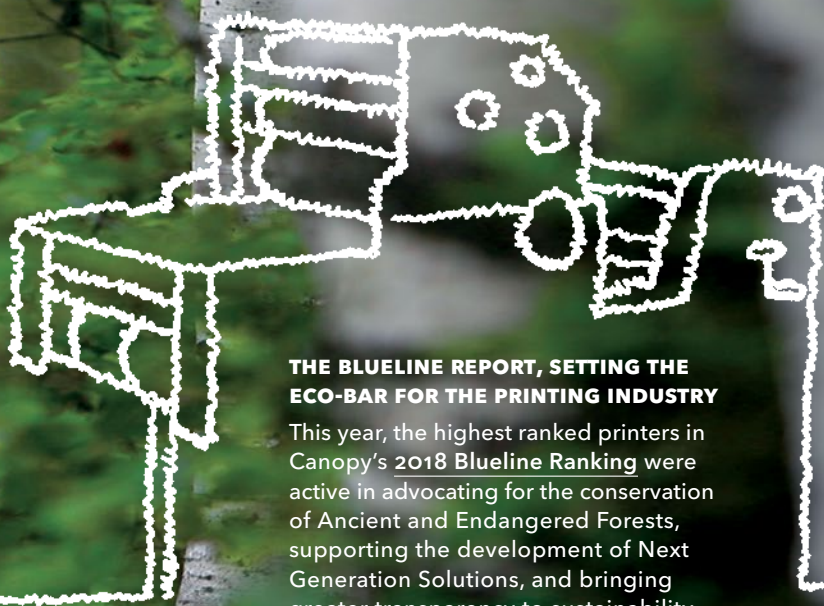
TAKING THE PATH: A BRIGHTER PAPER FUTURE



EXCURSION PARTICIPANTS

In 2018 - 2019, Canopy redesigned its work with heavy paper consuming industries. Canopy welcomed the following global printers, brands and marketing execution agencies during the past year;

Friesens | Freedom Graphic Systems |
HH Global | Mitchell Press | SnowBall



THE BLUELINE REPORT, SETTING THE ECO-BAR FOR THE PRINTING INDUSTRY

This year, the highest ranked printers in Canopy's 2018 Blueline Ranking were active in advocating for the conservation of Ancient and Endangered Forests, supporting the development of Next Generation Solutions, and bringing greater transparency to sustainability reporting.


The Blueline is the only comprehensive assessment of the environmental performance of North America's printers.

CHARTING NEXT GENERATION SOLUTIONS



PACESETTERS

Disruptive technologies that diversify the fabric, paper and packaging fibre baskets away from Ancient and Endangered Forests are key to systemically addressing climate change and biodiversity decline. In 2018 - 2019, we welcomed a new innovator, Nanollose. We also brokered introductions between our 17 innovator **partners**, that use recycled clothing, agricultural residues and microbial cellulose as their feedstock, with conventional producers of viscose, paper and packaging.



CREATING FINANCE VEHICLES FOR FASTER ADOPTION

Canopy started working with a global financial institution to create a finance vehicle that will eliminate investment challenges encountered by promising “shovel ready” next-gen ventures. Our aim is to enable these solutions to go to scale on a faster timeline. Canopy is now partnering to develop two pooled equity funds of \$300 million: one focused on enabling construction of commercial facilities for paper and packaging made from alternative fibres such as agricultural residues; the other focused on next-gen viscose fabrics with inputs such as straw, microbial cellulose and recycled clothing.

SHIFTING VALUES

CELEBRITY AMBASSADORS SHINE GLOBAL SPOTLIGHT ON THE LEUSER ECOSYSTEM

The beauty and importance of protecting the Leuser Ecosystem was brought to 165 million people through Stella McCartney's #ThereSheGrows campaign, which was developed in coordination with Canopy. A-listers from Hollywood and the fashion world, including Gwyneth Paltrow, Pink, Justin Timberlake, Naomi Watts and Oprah dedicated a tree to someone they love, capturing the imagination and social media attention of millions around the world.



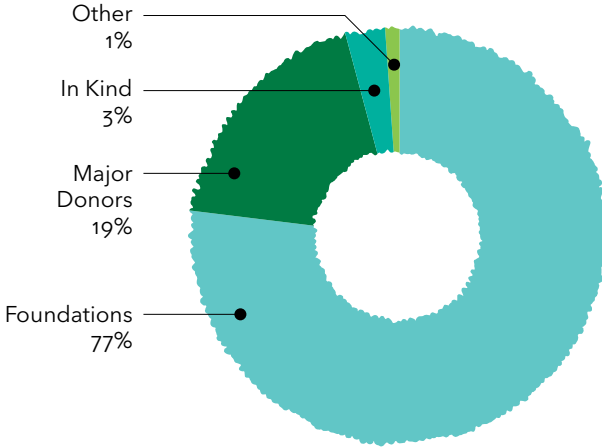
**ANCIENT AND ENDANGERED
FORESTS ARE #IRREPLACEABLE**

Canopy launched [#irreplaceable](#), a public awareness campaign which aims to:

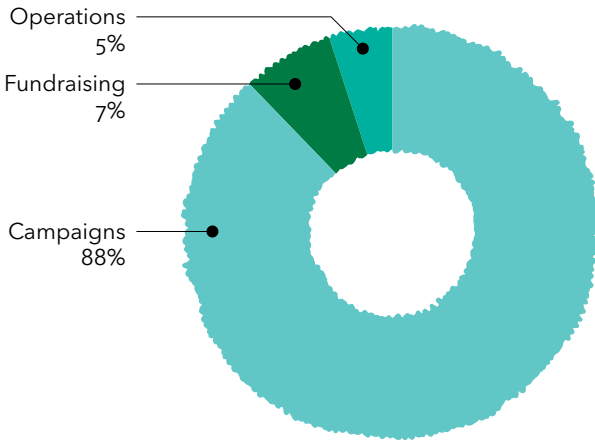
- De-bunk myths being promoted by industry as they try to increase the consumption of wood products; and
- Build a sensibility about what makes Ancient and Endangered Forests [#irreplaceable](#) and why they are magical in so many ways.

EXPEDITION COSTS

2018 Revenue
Total \$1,777,060.39



2018 Expenses
Total \$1,769,782.30



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/>



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NOW ENTERING
CANOPY**

CLIMATE: STABLE

SPECIES: VIBRANT

HUMANITY: HAPPY



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