



GETTING AUDACIOUS

2023/
2024

ANNUAL
REPORT

EXECUTIVE DIRECTOR LETTER

Hello friends! 2023 was a remarkable year here at Canopy. We've always prided ourselves on being bold, perhaps even audacious. Now we can officially claim the title!



Last year, Canopy's work was featured with a TED Talk on one of the world's most coveted stages. We secured new strategic partnerships with global giants like adidas as well as in new priority markets like China. We deepened work with long-time brand partners and helped pioneer new terrain to support the world's first commercial-scale Next Gen mill for viscose textiles. It was a year that also saw our game-changing work to scale Next Gen Solutions chosen as one of 10 groups for The Audacious Project. The Audacious Project community will generously support our work between now and 2030. With their \$60 million pledge we are now working to unlock the infrastructure transition that will fully displace all critically important forests from the pulp, viscose, paper, and packaging supply chains within the decade. We are also working to secure the remaining funds to accomplish this audacious, but necessary, work.

Championing Next Gen alternatives has been a part of Canopy's work since day one. In the early years it was done off the side of our desks. Launching SURVIVAL: A Pulp Thriller — our "big idea" action plan for displacing forest fibre with Next Gen alternatives as a primary input for paper, paper-based packaging, and viscose set the stage in 2020. With the support of our brand and philanthropic partners in 2023, we are now able to seriously step up our work around the globe to deliver on this vision.

Translating this opportunity into maximal external impact and ensuring that we grow as healthily as we can have been priorities for me and the senior team. We've been fortunate to attract skilled new talent to our existing dedicated team. With this additional capacity

we have initiated work in India, China, Europe, and North America to build the foundations for Next Gen production hubs. We have also started several new streams of work, including a senior brand forum to super-charge market transformation and a novel strategy to mobilize the scale of investment needed for the tech and mill infrastructure that will underpin this bold transition. We've also expanded our team's bench-strength to work with brands and producers to increase recycled content in paper, and to design for less and lighter packaging — because reduce, reuse, and recycle still make really good sense!

There's no better time to be leaning in. Last year brought the effects of the climate crisis into ever sharper focus with widespread droughts, fires, and floods. Fifteen million hectares of forests burned in Canada alone during the past twelve months — not to mention Chile, Europe, and other forest regions that burned last year. It's a disaster for climate stability and biodiversity as well as supply chains reliant on forests for fibre. And yet, we continue to cut down 3.4 billion trees every year to make packaging and viscose textiles.

Take-make-waste supply chains are relics of the last century. Our times call for courage and a willingness to imagine a different future. At Canopy, we have the audacity to not only imagine it — but to work diligently and creatively to make it a reality.

We thank all of our partners for joining us to contribute to a legacy that is larger than any of us could accomplish individually.

Warmly

Nicole Rycroft.

Nicole Rycroft

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A MOST AUDACIOUS YEAR

Last year, Canopy's decades of collaborative changemaking and our ambitious plan to save the world's forests by transforming take-make-waste supply chains was given an Audacious boost.

In 2023, Canopy received 60 million USD in philanthropic support over 6.5 years through The Audacious Project. This incredible boost will help supercharge our goal to bring over 60 million tonnes of low-carbon, circular Next Gen Solutions to market by 2033. Such a scale-up would avoid over 1.3 billion tonnes of GHG emissions and displace all Ancient and Endangered Forests from the pulp, packaging and viscose supply chains — enabling them to be conserved.

This seed funding has us off to a flying start and we are now working to secure the remaining 30M USD that we need between now and 2030 to deliver on these ambitious targets. We're excited to be working with the Audacious community along with our brand, supply chain, innovator, and philanthropic partners, to catalyze solutions that are proportional to the ecological realities of our time.

LEARN MORE ABOUT OUR AUDACIOUS
PLANS AT [NEXTGENNOW.CA](https://nextgennow.ca)

PHOTO CREDIT – ANDREW WRIGHT

TAKING THE STAGE

Canopy took to one of the world's most iconic stages last year when our Founder and Executive Director, Nicole Rycroft, gave her first TED Talk.

In her talk, viewed by a global audience of over 1.1 million people, Nicole illustrated the threats to the world's forests and the solutions Canopy is working, with our over 900 global brand partners and our pipeline of game-changing Next Gen innovators, to scale.

Now that's an idea worth spreading.

THE SIZE
OF OUR
TED TALK'S
AUDIENCE
GLOBALLY

1.1M



NEXTGEN NOW.CA

Canopy launched this bold, award-winning site to illustrate our global game plan to replace 60 million tonnes of forest fibre with low-impact Next Gen alternatives. The interactive map on the site highlights the region-by-region opportunities for Next Gen scale-up around the world.

It's time to scale solutions that are good for business and the planet.



CANOPYSTYLE FASHION DOESN'T HAVE TO COST THE EARTH.

Not only did our cornerstone initiative reach brands with a collective market value of over 1 trillion USD in annual revenue, the 2023 Hot Button Report revealed that 71% of the world's MMCF producers (or 54% of global production) achieved the coveted green shirt rating.

We also made exciting progress in our work with global sportswear brands, with new addition adidas adding additional heft to the influence provided by Canopy partners INTERSPORT Sweden, and Puma. Additionally, we ramped up engagement with fashion brands in China and India with exciting early results.

71%

THE PERCENTAGE OF MMCF PRODUCERS THAT HAVE ACHIEVED THE COVETED GREEN SHIRT RATING.

NEW KEY PARTNERS

adidas, The Children's Place, Ellassay

8

The number of China-based brands that joined CanopyStyle for Lunar New Year 2024, signaling a significant expansion of our work in this important market.



HOT BUTTON

Canopy's 2023 Hot Button Report saw a 29% uptick in low-carbon, circular Next Gen commercial lines. There are now nine established commercial lines of Next Gen made with discarded textiles, and almost all MMCF producers engaged with Canopy are now either investing in Next Gen R&D, starting Next Gen pilot projects, and/or launching commercial-scale Next Gen products.



54% OF GLOBAL
VISCOSE
PRODUCTION
ATTRIBUTED
A GREEN SHIRT

29% THE UPTICK IN
LOW-CARBON,
CIRCULAR NEXT
GEN COMMERCIAL
LINES



PACK 4GOOD

This year our fast-growing packaging campaign expanded to over 440 brands representing over 240 billion USD in annual revenue. The Pack4Good team took part in high-profile panels and delivered keynote talks at numerous strategic forums throughout the year about the importance of shifting the enormous paper packaging supply chain away from Ancient and Endangered Forests and into low-impact, low-carbon Next Gen Solutions.

That's thinking
outside the box.

NEW KEY PARTNERS

adidas,
Herschel Supply
Co., Cheekbone
Beauty

HUGO BOSS

OUR FIRST-EVER PACK4GOOD CASE
STUDY FASHION PARTNER

NEXT GEN IS NOW GOING GLOBAL

Canopy has identified six key regions for Next Gen scale-up, beginning with India, North America, and Europe. India is poised to be an early Next Gen production leader. They are the world's leading textile recycler, and second-largest textile producer. They also have bountiful agricultural residues that are normally burned, leading to significant air pollution and climate pressures.

We've forged new and exciting partnerships with a variety of regional allies, including co-founding the Re-START Alliance in India — a group consisting of Canopy, IDH, Fashion for Good, and the Laudes Foundation — with the shared goal of scaling one million tonnes of recycled fibre production in India by 2030.

NEXT GEN WITH BENEFITS

Life Cycle Analyses shows that, compared to virgin tree fibre, each tonne of Next Gen pulp avoids an average of four tonnes of GHG emissions and has five-times less impact on land use and biodiversity. Canopy is building on these findings with leading academic and technical institutions that are conducting new, best-in-class research to assess Next Gen performance and impact. Stay tuned for some exciting new insights in 2024!

IN 2023 WE ADDED THREE INGENIOUS
INNOVATION PARTNERS TO OUR ROSTER
OF NEXT GEN SOLUTIONS PROVIDERS

INNOVATION GALORE

Next Gen Solutions
utilize inputs that would
otherwise be disposed
of as waste rather than
requiring carbon-rich
forests to be cut down.

Last year, innovation partners Iroony, Restalk, Craste, Nafici Environmental Research, and Releaf all showcased their latest low-impact products as part of Canopy's video 'Solutions Are Sexy, Packaging Edition.' Using everything from barley, wheat, or rice straw, to hemp, or even fallen leaves, these innovators are showing that solutions are not only sexy, but endless as well.

RUBI

WHO MAKE CELLULOSE
FROM CO2 EMISSIONS.

PURE VISION

A COMPANY THAT MAKE PULP
FROM NON-WOOD BIOMASS.

HEIQ

A LEADER IN TEXTILE AND
MATERIALS INNOVATION.

BUILDING CONSERVATION

Canopy began work alongside local NGO partners and government decision makers to build a three-stage Ecotourism Master Plan for the Leuser Ecosystem in Sumatra, Indonesia. This plan will help build a conservation-based economy in this remarkable region, which is the last place on earth where elephants, orangutans, rhinos, and tigers all still coexist in the world. Viable rainforest-compatible businesses that help advance the well-being and livelihoods of local communities are essential to durable conservation.

BOREAL ADVANCES

In Canada's Boreal forests, Canopy was able to maintain a long-term moratorium on 1.1 million hectares of intact carbon- and caribou-rich Boreal forests in Ontario through our work with viscose giant Aditya Birla.

Further east, Canopy continued its work to support Indigenous-led conservation in the Boreal. Canopy held a Tree Talk with Grand Chief Mandy Gull-Masty, the first woman to be elected Grand Chief of the Cree Nation. The session highlighted the importance of Cree-led conservation across Quebec's Boreal forests to protect both Cree land and wildlife through distinctive traditional practices, laws, values, and knowledge.

1.1M

HECTARES OF INTACT
CARBON AND CARIBOU-
RICH ONTARIO BOREAL
FORESTS REMAIN IN
MORATORIUM.

2023 MEDIA
PLACEMENT
PARTNERS

The Guardian
BBC
Reuters
Vogue
The Times
of India

GROWING THE SPOTLIGHT

Last year, Canopy garnered more than 1,100 media stories featuring Canopy, including in key outlets like The Guardian, BBC, Reuters, Vogue, and The Times of India, which reaches an important new audience for our hub work. Canopy was featured by Global Citizen in September at their annual festival in New York City and partnered with Vogue and eBay on a series of auctions of pre-loved fashion items. Both partnerships promoted Canopy's work to millions of people globally.



1,100

CANOPY'S
TOTAL 2023
MEDIA
PLACEMENTS.

MOBILIZING AND LOOKING FORWARD



OUR TEAM
GREW BY
MORE THAN

55%

Canopy is going through a period of tremendous growth as an organization. In our last fiscal year, our team grew by 55%, and we now have Canopy staff (Canopals) based in four continents. This surge in capacity is enabling us to make our work truly global, bring new skills and experience into our team, and ensure that we have the bench strength to meet our ambitious targets.



CANOPY BY
THE NUMBERS

71% Of global viscose producers earned green shirts – representing 54% in global viscose production

19 New Canopals

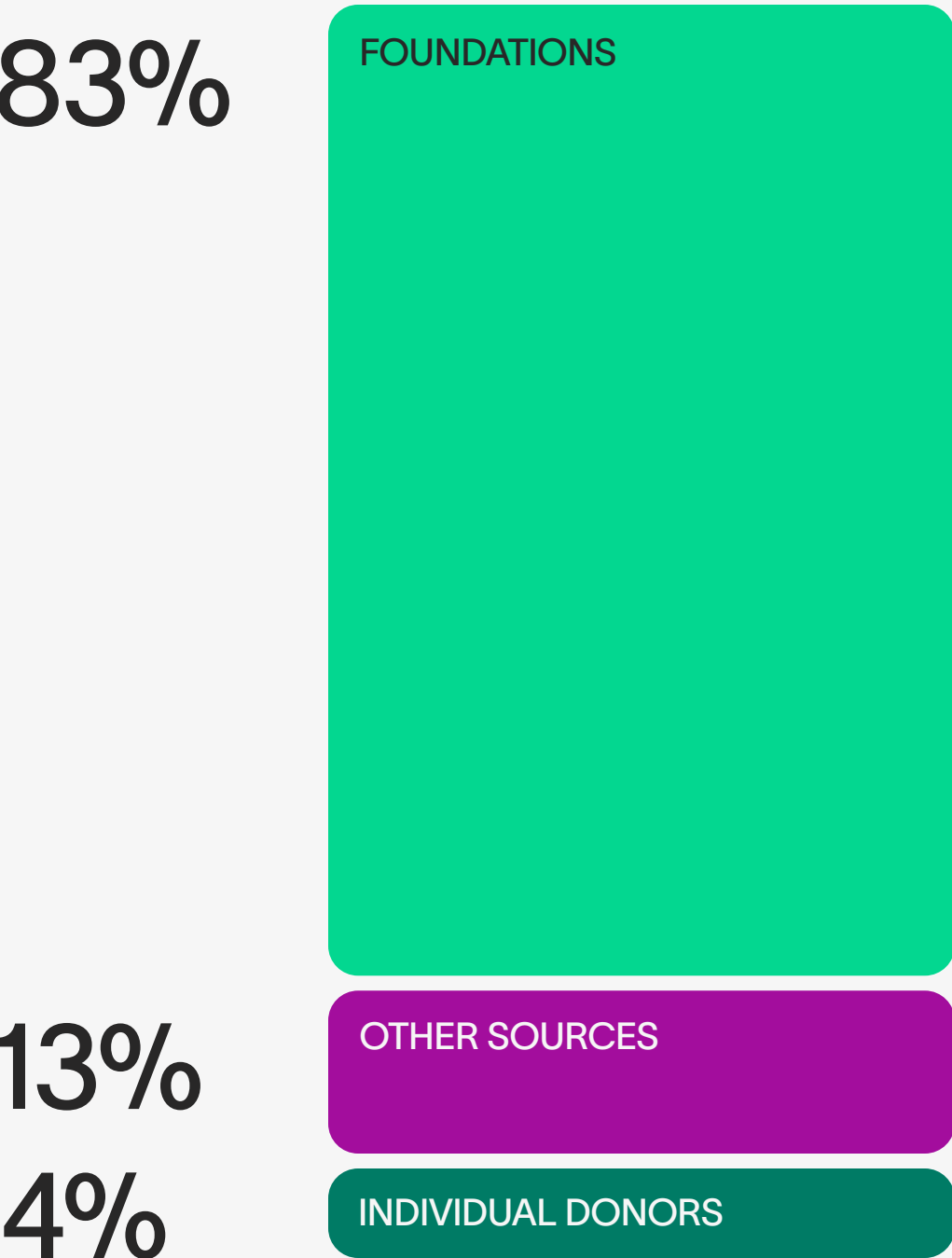
9 Commercially Available Next Gen Lines

3 New Next Gen Innovators



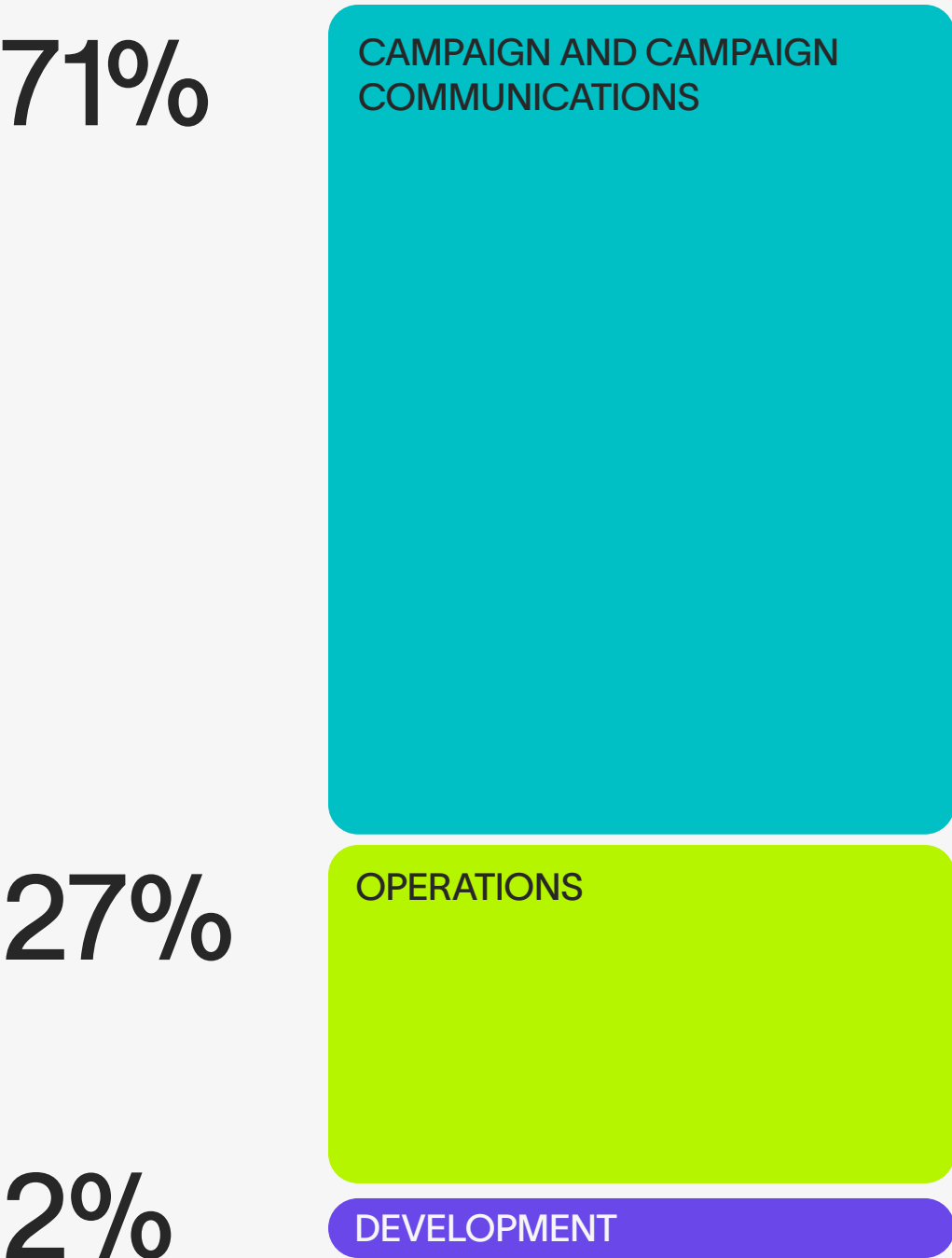
FINANCES 23/24
Revenues

\$10.4M



Expenses

\$10.4M





1726 COMMERCIAL DRIVE
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FOREVER

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Ancient
Forest
Friendly™

ENVIRONMENTAL BENEFITS STATEMENT

By using paper made with 100% post-consumer recycled content,
the following resources have been saved.

TREES	WATER	ENERGY	SOLID WASTE	GREENHOUSE GASES
0.5 Fully Grown	163.6 L	0.2 Million BTU	0.7 KG	88.9 KG

Environmental impact estimates were made using the Environmental Paper Network Paper Calculator Version 4.0. For more information visit www.papercalculator.org

