



RED HOT RIGHT NOW: *CanopyStyle Fourth Anniversary Report*

image: © Paul Hilton

“CanopyStyle is currently one of the fastest moving environmental initiatives in our industry.”

– Cecilia Strömblad Brännsten, H&M



NEW TREND TAKES FASHION WORLD BY STORM

Four years ago Canopy brought a major environmental issue to light. Fashion was emerging as an aggressive and growing threat to forest ecosystems around the world, with millions of trees disappearing into rayon and viscose clothing every year. That fact was the catalyst that compelled us to launch the CanopyStyle initiative.

Fast-forward to 2018, and CanopyStyle is the fastest-moving environmental initiative in the fashion industry. Over 125 global brands and designers, worth 134 billion USD in revenues, have pledged to end the use of ancient and endangered forests in the fabric of their stylish creations. More brands are poised to join throughout 2018.

With impressive engagement by global giants such as H&M, ZARA and Levi's, and eco-fashion exemplars like Stella McCartney and EILEEN FISHER, CanopyStyle is generating incredible momentum for forest conservation, human rights and the transformation of an unsustainable supply chain.

CanopyStyle is surging, with 79 fashion brands joining the movement to save the world's forests and climate in the past two years. Among these companies are international fashion company, Esprit, UK supermarket chain Tesco, and Canadian department store Simons. Large American brands have also rallied to the cause with renowned retailer Gap Inc. – and its five iconic brands including Banana Republic, Old Navy and The Gap – and the US's largest apparel conglomerate, VF Corporation – including brands such as The North Face, Timberland and Vans – adding their weight to the conservation initiative.

At the start of 2017, brands from Europe led the charge and US apparel companies represented less than 5% of the overall revenues within CanopyStyle-aligned brands. Now, US brands represent more than 25% of the initiative's market power. And as we further deepen our work in the North American marketplace, Canopy has recently launched a partnership with the US Fashion Industry Association (USFIA), a trade association representing over 200 US apparel companies doing business globally.

Transformation is underway.

“When Canopy asked me to be part of the solution, I didn't hesitate for one moment to say yes.”

– Stella McCartney, Fashion Designer



DIRECTIONAL MOMENTUM BUILDING AMONGST VISCOSE PRODUCERS

The strong showing of global brands has been key to incentivizing their suppliers to take action.

The last two years have seen welcome additions of many of the world's largest viscose producers to the CanopyStyle fold. Rayon-viscose producers that manufacture more than 70% of global viscose supply now have forest policies in place that are complementary to many of their largest customers. These producers are working with Canopy to unpack their supply chains, eliminate any ancient and endangered fiber, and shift towards more sustainable sources of fiber.

CanopyStyle Audits, conducted by the third-party auditor Rainforest Alliance, have now verified that 25% of the global viscose and rayon supply chain is currently at low risk of

originating from ancient and endangered forests. Additional producers are entering the verification process. The audit results are being used by global fashion brands to inform their sustainable sourcing choices.

But Canopy's work with viscose suppliers doesn't stop at fiber verification. Producers are also beginning to partner with Canopy to advance conservation in priority forest landscapes and are taking steps toward next generation fiber solutions—such as viscose from recycled clothing and sustainable agricultural fibers.



OUR CAPSULE COLLECTION — THE CANOPYSTYLE TOOL BOX

A large part of Canopy's work on the CanopyStyle initiative involves supporting our partner brands to make the most informed and sustainable sourcing decisions possible. To that end we have developed the four tools (featured below) that any fashion brand or designer can use to help meet their environmental goals with flair.



1. Red Hot This Season: The Hot Button Ranking

Let's start with what's hot! Canopy's viscose producer ranking, the Hot Button Issue Report, has become a "go-to" resource for brands looking to make informed viscose sourcing choices. Hot Button has also become a powerful tool in motivating viscose producers to assess and improve their performance. The highly visual tool ranks producers across 24 sustainability criteria using color coding — 'green shirts' indicate top performers and those with the most room to improve are indicated by 'red shirt' rankings.



2. Backstage at the Show: The CanopyStyle Audit

The CanopyStyle Audits are the first, third-party audits of global viscose and rayon producers to assess the risk of whether they source from endangered forests and/or from socially controversial fiber. Conducted by The Rainforest Alliance, the CanopyStyle Audits were developed by Canopy and approved by the CanopyStyle Leaders for Forest Conservation.

Audit findings help both fashion brands and viscose producers see the current level of risk of their materials originating from ancient and endangered forests, be it Indonesia's high-carbon peatland rainforests, the Amazon, or Canada's Boreal forests. This comprehensive verification process is a major step toward transforming the environmental footprint of the rayon-viscose supply chain.

“Lenzing is proud to be a proactive partner in the CanopyStyle initiative. The audit findings are of great value, offering us insights and confirming our path to continue innovating on closed-loop sourcing and offering our customers even more sustainable products.”

– Stefan Doboczky, CEO of the Lenzing Group

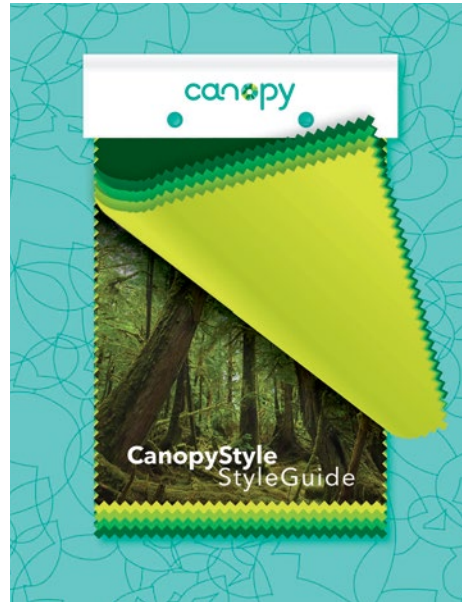


STELLA MCCARTNEY

3. Gearing Up for Next Season: Life Cycle Analysis of Man-made Cellulosic Fibers

Next-generation solutions are key as brands work to lighten their footprint on the natural world and be viable businesses over the long run. To enable informed prioritization of environmental fibers, Stella McCartney commissioned a cutting-edge LCA of Man-made Cellulosic Fiber that traced the fiber directly from the forest of origin.

Conducted by LCA specialists SCS Global, the study assessed ten different global sourcing scenarios – including eucalyptus plantations, bamboo, cotton-linters, flax fiber and recycled clothing. It evaluated these scenarios across a broad range of environmental impacts, including those related to terrestrial and freshwater ecosystems, global climate, chemical use, species stress and human health. In a sign of the heightened market interest in these innovative new fibers, a technical webinar to further contextualize the study's findings was attended by approximately 100 brands.



4. Look Book: The CanopyStyleGuide

The CanopyStyleGuide provides clarity and information on implementation requirements for brands, textile producers, and fiber manufacturers that have adopted CanopyStyle policies. Detailed within it is an environmental hierarchy of fibres, reinforcing procurement decisions consistent with the Life Cycle Analysis.

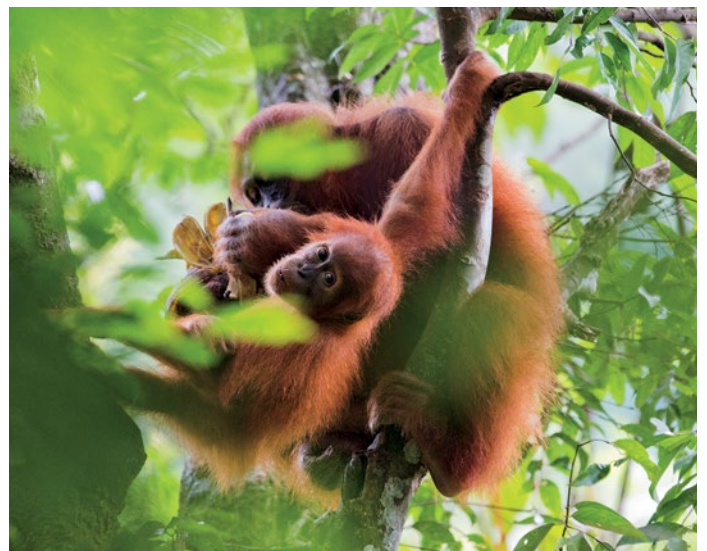
MAKING A SPLASH WHERE IT COUNTS

Translating brand traction into change on the ground is central to the CanopyStyle initiative. Over the past four years, brands and viscose producers have contributed their influence to critically important conversation and human rights efforts in far-flung corners of our planet. By engaging at key strategic junctures—be it with a letter or participating in customer roundtables—brands and producers have helped secure some exciting conservation and social justice gains. Here's a snapshot.

INDONESIA'S STORYBOOK RAINFORESTS



- **Community Rights Back in Style**—At the start of 2017, the president of Indonesia excised 5,172 hectares of land from Toba Pulp Lestari's forest concession to return it to its traditional owners in the community of Panduma'an Sipituhuta. In addition to legal and government engagement efforts locally, securing the support of the mill's senior management was an important element in setting this community's long-standing land-conflict on a path toward resolution. 100% of this mill's product feeds into the global rayon supply chain. CanopyStyle brand's engagement was key in encouraging the mill to approach land conflict resolution in a different way. We anticipate that CanopyStyle will contribute to additional traditional-community land conflicts with pulp mills being resolved in the coming years.



- **Where the Wild Things Are**—Indonesia's Leuser Ecosystem is home to many of the animals that graced the pages of our childhood storybooks. Amazingly this rich rainforest landscape is the natural home to elephants, Sumatran tigers, rhinos, sun bears and orangutans. Unfortunately pressures from palm oil plantations, logging and energy projects are taking their toll on the Leuser Ecosystem. With effective support from clothing brands, Canopy coordinated with local NGO partners to halt two projects that would have irreparably damaged the Leuser, its people and its magical biodiversity:
 - Stopping a disastrous land-use plan from being enacted by the previous governor of Aceh. There are strong hopes that the new governor will adopt a greener vision.
 - Halting logging in 100,000 hectares of prime elephant and orangutan habitat. We are now supporting local NGO partners to secure these tenures as conservation licenses.

OH CANADA!



- **Keeping the Grrr in Great Bear Rainforest** – We still feel really good about the contribution Canopy's partner companies made in securing large-scale conservation in the Great Bear Rainforest on Canada's West Coast in 2016. The Great Bear Rainforest Framework legally sets 85% of the forest in this 6.4 million-hectare region off-limits to logging through a combination of protected areas and stringent logging rules. Concurrently the area's First Nations are now central in making land-use decisions in their territories and initiatives are underway to advance the wellbeing of indigenous communities.



- **Protecting The Planet's Green Shield** – Canopy-Style brands and viscose producers are bringing their influential voices to advancing conservation across Canada's carbon-rich Boreal forests. Participating brands are also engaging to make the finalization of the Broadback Forest protected area a reality. Additionally, leading viscose producer Aditya Birla has a moratorium maintaining 1.1 million hectares of intact caribou habitat in another part of Canada's vast Boreal Forest, creating the space for the development of land use plans that include large-scale protected areas and First Nations free, prior and informed consent.

INNOVATION IN VOGUE

Solutions and innovation are big priorities at Canopy.

Diversifying the fashion fiber basket is key to systemically alleviating the pressures on forests. As concluded by the cutting-edge LCA commissioned by Stella McCartney, recycled and alternative fibers have the fewest environmental impacts for viscose and rayon production.

With the foundation of this analysis, we are pleased to be working with six innovative fiber and textile producers on next-generation fabric solutions.

We are supporting these disruptive technology enterprises and brands to ensure that fabrics produced from post-consumer clothing, straw and other low-impact fibers are soon produced at a scale that will take significant pressure off the world's forests. Multiple Canopy brand partners are leading the charge on next-generation and circular- economy materials including the world's largest viscose producer.



illustration: © Julia Kingham;
photo: © Paul Hilton

On the Runway

According to the World Bank, 25% of the global population – 1.6 billion people – depends on forests for their survival and livelihood.¹

Forests are carbon-storing powerhouses, 45 percent of the carbon stored on land is tied up in forests.²

Canada's extensive Boreal Forest is sometimes called a "forest of blue," – its vast network of pristine lakes and rivers make it the largest source of unfrozen fresh water on Earth.³

Indonesia contains 12% of the world's mammal species, 17% of all bird species, and 11% of plant species.⁴

North America's Coastal Temperate Rainforests are unique and rare – home to the illusive white spirit bears, towering 1,000 year-old cedar trees, they cover less than 1% of the earth's land surface.⁵

Notes

1. World Bank. 2008. Forests Sourcebook. 373 p. Accessed online December 2017: <http://siteresources.worldbank.org/EXTFORSOUBOOK/Resources/completestorestssourcebookapril2008.pdf>
2. Accessed online December 2017: <https://earthobservatory.nasa.gov/Features/ForestCarbon/>
3. Wells, J., D. Roberts, P. Lee, R. Cheng and M. Darveau. 2010. *A Forest of Blue – Canada's Boreal Forest: the World's Waterkeeper*. International Boreal Conservation Campaign, Seattle. 74 p.
4. Convention on Biological Diversity. Accessed online December 2017. <https://www.cbd.int/countries/profile/default.shtml?country=id>
5. DellaSala, D.A., 2011. *Temperate and Boreal Rainforests of the World Ecology and Conservation*. Island Press: Washington, DC. 336 p.

CANOPISTYLE'S FASHION FORWARD NEXT PHASE

The momentum of the CanopyStyle campaign has been energizing and exciting, but we're only getting started.



With more than 150 million trees logged for the rayon supply chain every year, CanopyStyle 2.0 will:

- Ensure that rayon and viscose no longer contains fiber from ancient and endangered forests with greater transparency and traceability,
- Secure further formal and large-scale conservation in priority landscapes such as Indonesia's Leuser Ecosystem, Canada's Boreal Forest and the coastal temperate rainforests, and
- Catalyze commercial-scale production of fabrics made from straw and recycled clothing.

We're eagerly anticipating next season's styles for forests!

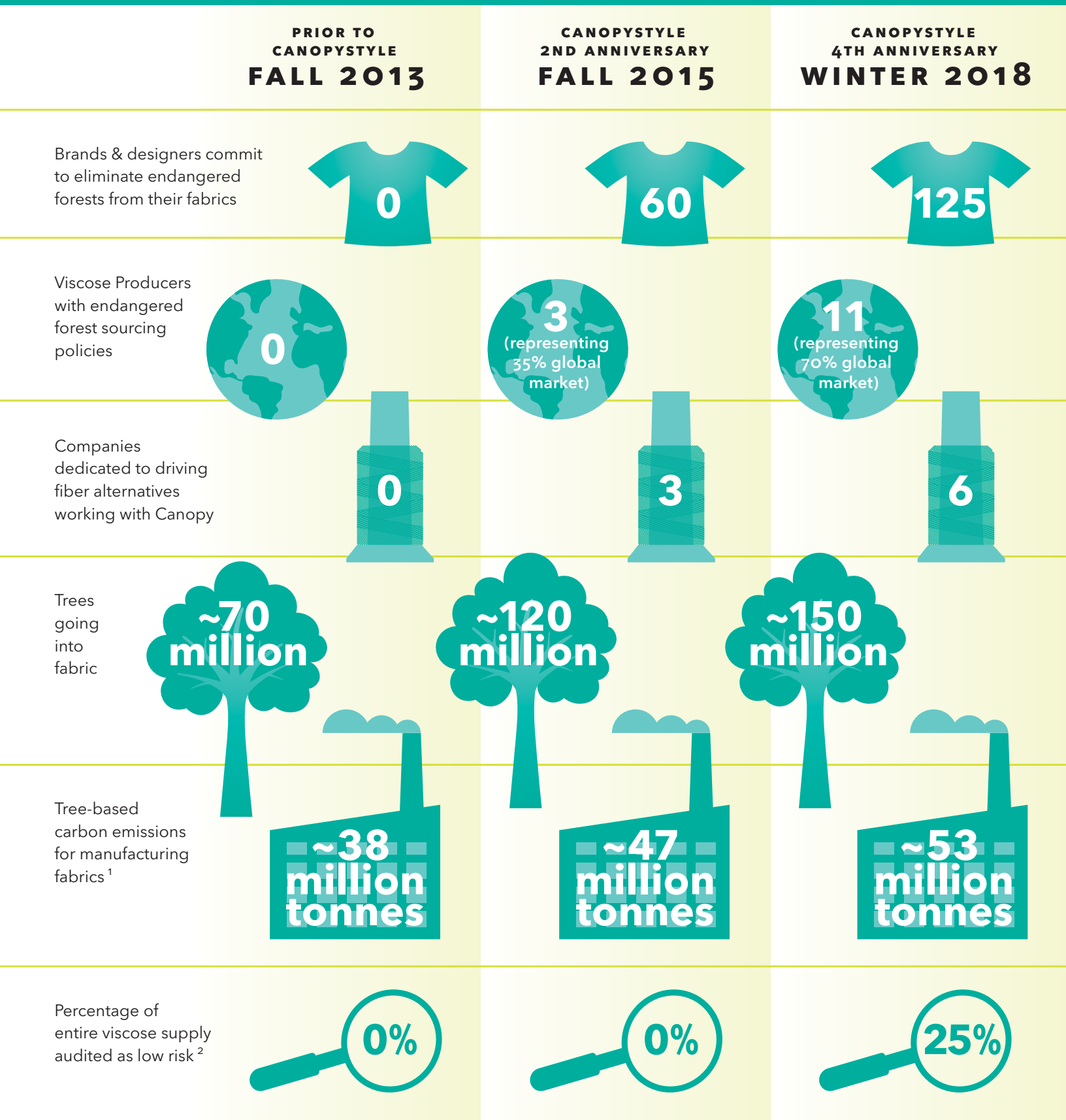


Stepping Out in Style

Five years ago, the link between endangered forests and clothing was little known. CanopyStyle's profile has grown significantly over the past four years, with Canopy speaking at:

- **UN DPI Sustainable Fashion Briefing**
— NYC 2017
- **Skoll World Forum**
— Oxford 2017
- **American Footwear and Apparel Association Conference**
— DC 2017
- **US Fashion Industry Association Conference**
— NYC 2017
- **China Chemical Fibre Cellulose Fibre Forum**
— Shanghai 2016, 2017
- **UN First Ladies – Fashion 4 Development Luncheon**
— NYC 2016
- **UN Global Compact**
— NYC 2016
- **CanopyStyle Brand Summit**
— Shanghai 2015 and NYC 2016
- **Innovation Forum on Deforestation**
— London 2013, 2015, and 2017

CANOPISTYLE IMPACT: ZERO TO ONE-TWENTY-FIVE FOR OUR FORESTS AND CLIMATE



1. Carlson, M., Wells, J., Roberts, D. 2009. The Carbon the World Forgot: Conserving the Capacity of Canada's Boreal Forest Region to Mitigate and Adapt to Climate Change. Boreal songbird initiative and Canadian Boreal initiative, Seattle, WA, and Ottawa, p. 7. (Note: World's emissions as measured in 2006).

2. According to independent third party audits conducted by Rainforest Alliance. The audits were developed by Canopy.

CANOPISTYLE COUNTS

A photograph of an orangutan in a lush green forest, looking towards the camera with its arms outstretched.

12,700 acres

the area of land traditionally owned by the people of Pandumaan-Sipituhuta that is being repatriated to the community by the president of Indonesia.

A close-up photograph of an elephant's head and trunk, with the trunk curled and holding a piece of green leaf.

25 million acres

of the world's carbon- and species-rich forests have been formally protected or placed under moratoria from logging as a result of CanopyStyle engagement.



“CanopyStyle will render the use of ancient and endangered forests in clothing a thing of the past. Next generation solutions, such as fabrics spun from straw fibres or from recycled clothing, are the future.”

– Nicole Rycroft, Executive Director and Founder of Canopy

image: © Paul Hilton



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Canopy is a not-for-profit environmental organization dedicated to protecting forests, species and climate. Canopy collaborates with more than 750 companies to develop innovative solutions, make their supply chains more sustainable and help protect our world's remaining ancient and endangered forests. Canopy's partners include H&M, Sprint, Penguin – Random House, Zara / Inditex, TC Transcontinental, The Globe and Mail and Scholastic. Canopy's work relies on the support of individual donors who share our passion for the planet.