

# Trustees' Annual report

1 April 2021 – 31 March 2022







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# 1. Introduction

2021 was a year when nature found its rightful place at the top table of political debate. President Biden hosted his first major summit as the new US President on Earth Day linking climate change and nature loss. At COP26 in Glasgow, postponed from the previous year, forests took centre stage as more than a hundred nations pledged to halt and reverse deforestation by 2030. Due diligence legislation for companies in forest risk supply chains came in the form of the UK Environment Act and the proposed EU Green Deal legislation.

Naturally, the political acknowledgement that there is no solution to the climate crisis without ending our destruction of nature, is welcome. But we're well past the stage when simple acknowledgement is enough. In Brazil, month after month records are broken as deforestation continues at a terrifying pace. In February, the world's leading scientists wrote "any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future."

Such stark warnings require urgent action. And that's been a theme of the work of Global Canopy over the past year. Focusing on forests, nature and people, we've expanded dramatically to increase the scope and scale of our work to drive real change.

In the space of a year we've not only helped launch the Taskforce on Nature-related Financial Disclosures (TNFD), but also its first beta framework. The initiative now involves over 400 different organisations and aims to give financial institutions and companies a complete picture of their environmental risks.

**"We the Indigenous peoples are the true spokespeople of Mother Earth. We are here to say now is the time to fight back. Mother Earth is summoning you. The fight for Mother Earth is the mother of all fights."**

**Sônia Guajajara**

Indigenous Leader and Executive Coordinator of the Brazilian Articulation of Indigenous Peoples (APIB)

Sônia speaking at our Raising the Roof event at COP26





At COP26 together with partners, we also launched our Deforestation-Free Finance roadmap, which offers step by step guidance for financial institutions to make their portfolios deforestation free by 2025. It was backed by the British government, alongside over 30 financial institutions with more than US\$ 8.7 trillion in assets under management. They have now vowed to come together to tackle agricultural commodity-driven deforestation.

But voluntary action isn't sufficient and we also need Governments to drive change. This year our teams have fed into the due diligence legislation in both the EU and the UK to help make it fit for purpose. And through our Trase programme, we've worked alongside the French government to launch a dashboard of deforestation risks in supply chains with the aim of achieving deforestation-free commodity imports in France by 2030.

But we also know, if it is to be a decade of real change - Indigenous peoples must be central to any solution. For millennia, Indigenous peoples have been the forest's best guardians, living and working within and alongside them. My COP26 highlight was our Raising the Roof event - which we convened to provide a platform for Amazon leaders, scientists and artists to come together with different stakeholders from business, government and finance sectors. Sônia Guajajara, Indigenous Leader and Executive Coordinator of the Brazilian Articulation of Indigenous Peoples (APIB) told us all: "We the Indigenous peoples are the true spokespeople of Mother Earth. We are here to say now is the time to fight back. Mother Earth is summoning you. The fight for Mother Earth is the mother of all fights."

In a world where pandemic, war and climate change have spent the year competing for the headlines, it can sometimes be difficult to find positive messages. Yet, there are some. The IPCC warning of a "brief and rapidly closing window" for action, means that there is still time.

For too long a lack of information means we have become disconnected from what we consume. Global Canopy's mission, through our data and tools, is to drive transparency - make the unseen seen. That work is as crucial as it has ever been.

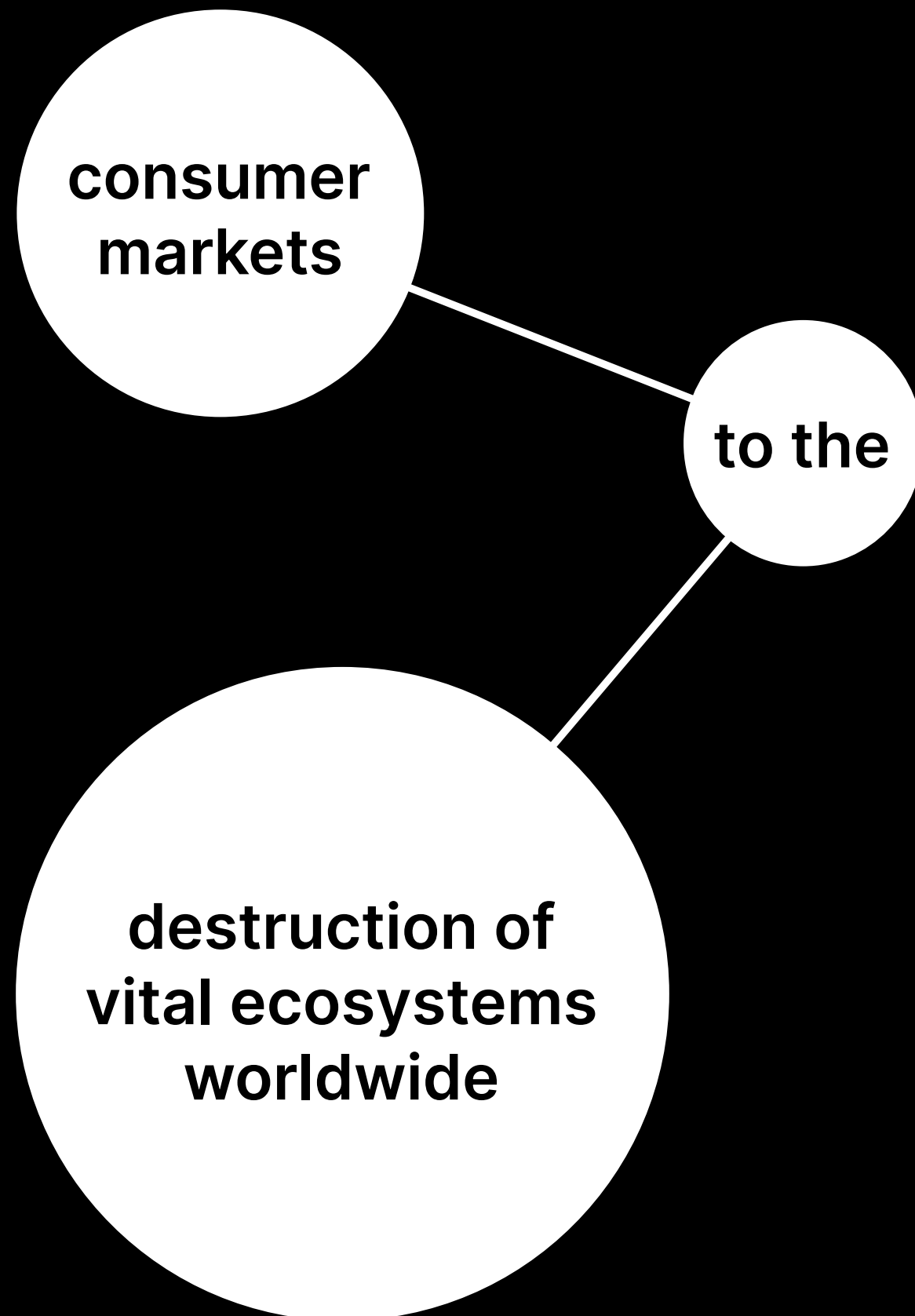


**Niki Mardas**  
Executive Director,  
Global Canopy





**Global Canopy gathers, curates and mobilises the data necessary to link**



## 2. Our Strategy & Impact

Global Canopy is a data-driven non-profit targeting the market forces destroying nature. We focus on the systematic destruction of tropical forests and other vital ecosystems by financial markets and companies. Halting this destruction is the only way to halt the climate and nature crises the world faces.

Our globalised economy is the big driver behind the problem. Tropical deforestation is a case in point, the majority caused by agricultural expansion for a handful of globally-traded commodities like soy, palm oil, beef and timber. 2020 saw deforestation in the Brazilian Amazon at its highest level in a decade.

But it doesn't have to be this way. The commodities causing the destruction could be produced sustainably.

At Global Canopy, deforestation-free supply chains and finance is our goal. But to make this happen we need systemic change. Commodities linked to deforestation are in more than half the packaged products in our supermarkets. They are in our food and our footwear, our investments and our pensions. But their origins remain hidden. Because of the complex and opaque nature of global supply chains and finance, companies lack the data to tackle the problem.

This is where Global Canopy comes in. We gather, curate and mobilise the data necessary to link consumer markets to the destruction of vital ecosystems worldwide. We provide this data to financial institutions, companies, governments and NGOs. All of our data is open access and downloadable, but we also convert that data into clear metrics and actionable insights for our target users.



Over the last five years we have partnered with leading research institutions worldwide to develop a portfolio of ground-breaking environmental data initiatives including Trase, Trase Finance, Forest 500, ENCORE and the Taskforce on Nature-Related Financial Disclosures (TNFD). These address key knowledge gaps in understanding supply chain impacts on the ground, how companies worldwide are managing their deforestation risks, and the role of global finance in both the problem and in possible solutions.

Our strategy focuses on the following five key areas:

1. **Improving data for nature** – addressing priority data gaps to make links between markets and impacts on nature and people more transparent and accountable. We focus on turning that data into clear metrics and insights that can be used by all key stakeholders.
2. **Transforming company environmental, social and governance (ESG) ratings on nature** – getting better data and metrics on market impacts on nature to investors by improving mainstream ESG metrics.
3. **Changing the rules of the game on nature** – enabling strong legislation and mandatory reporting frameworks worldwide on deforestation and related impacts on nature and people.
4. **Tackling China's global footprint** – providing new data, metrics and insights on trade and financing links of China (as the world's biggest importer of deforestation) with impacts on nature worldwide. We focus on enabling the Chinese government, and companies that trade with China, to improve their decision-making and reduce these impacts.
5. **Unlocking nature-positive investment** – leveraging our innovative data on environmental and social risk to identify opportunities for investment in positive impact. This will help investors, governments and others seeking to spur ecosystem regeneration to prioritise regions and sectors with the most potential.





# 3. Our Programmes

Global Canopy's work is focused in three programmatic areas: Supply Chain Transparency, Corporate Performance and Nature-related Finance.

## 3.1 Supply Chain Transparency

The Supply Chain Transparency programme is based on our Trase platform - a science-based transparency initiative that seeks to transform understanding and sustainability of commodity supply chains.

Trase is a joint initiative between Global Canopy and the Stockholm Environment Institute (SEI) and many other global partners, mapping global supply chains of the trade and financing of commodities driving tropical deforestation worldwide. It connects consumer markets to deforestation by combining self-disclosed data from companies with customs, shipping, tax, logistics and other data. This allows Trase to map, in unprecedented detail, the supply chains linking consumer countries and traders with places of production, as well as the patterns of ownership and investment in trading companies.

Trase Finance, a partnership with SEI and Neural Alpha, builds on Trase data to bring transparency to the hundreds of billions of dollars that directly and indirectly finance tropical deforestation each year. This enables financial institutions to investigate and improve the sustainability of their portfolios and allows civil society and governments to monitor progress and better hold to account those failing to act.

## 2021/22 objectives and achievements

Trase has mapped over 60% of global trade in forest risk commodities, making it the world's most comprehensive open-access database on this trade.

### Launch of 'do Pasto ao Prato' app ('From Pasture to Plate')

The Brazilian cattle sector is the leading driver of tropical deforestation worldwide, and is estimated to account for a fifth of all commodity-related deforestation across the tropics. But 80% of Brazilian beef is consumed domestically, so in September, Trase launched the beta version of a new smartphone app to inform supermarket customers in Brazil about the environmental and social performance of the meat products that they purchase.

While shopping, consumers can scan existing codes on meat products to access information about the deforestation, forced labour, and food safety and animal welfare breaches linked to the slaughterhouses supplying each product. In doing so, users contribute data to a citizen science effort which maps the flow of products within the domestic market, from slaughterhouses to the points of sale across the country. The information will become a key resource for civil society and businesses to engage around the challenge of sustainable procurement and retail.

To date, 1,376 user accounts for the app have been created.





## Risky Finance

Trase Finance data significantly informed the WWF's Risky Finance report in September showing that UK financiers provided over £40 billion to companies at risk of causing deforestation in Brazil and Indonesia. The analysis looked at more than 500 financial institutions and 2,800 funds in the UK with exposure to companies producing, trading, processing and financing Indonesian palm oil and Brazilian soy and beef through their lending and investment. The data also revealed deforestation-risk holdings in some UK-based ESG funds worth some £800 million, even though such funds are supposed to direct finance towards companies that meet environmental, social and governance (ESG) performance criteria.

Trase Finance also looked at the investor types with the most significant levels of deforestation risk exposure. It found that Governments, institutional investors, private corporations, and individuals/family members are all exposed through their holdings in commodity traders across the key forest-risk commodities of Brazilian beef and soy, and Indonesian palm oil.

The complexity of agricultural production and supply chains creates a barrier to more effective investor action but Trase Finance is the only platform enabling investors to understand and manage their quantitative exposure to deforestation for commodities such as soy, palm oil, beef, cocoa and coffee. This year, Trase Finance worked with Storebrand Asset Management who used Trase data to map its portfolio exposure to deforestation risk and to guide both its direct and collective engagement with companies, including calling for stronger commitments and disclosure.

## Work with governments

Trase worked with the French government to launch a new soy deforestation-risk dashboard as part of France's National Strategy to Combat Imported Deforestation. The platform allows companies to more easily determine which soy traders are contributing to illegal deforestation in Brazil. The dashboard shows that agriculture trader Bunge is responsible for 70% of cargoes where soybeans came from

**“Trase Finance breaks new ground with quantitative measures of deforestation risk for entire sectors, building on Trase’s pioneering supply chain maps. This is an exciting development for the financial sector.”**

Eugenie Mathieu  
Aviva ESG analyst





areas threatened by high risk of deforestation. It's the first time Trase data has been published on a national government website in this format.

In a year when due diligence legislation is being discussed both at a UK and at an EU level, Trase has been providing feedback and analysis to politicians and governments. In a policy briefing published in March, Trase highlighted opportunities to strengthen the implementation of the EU's proposed legislation by better targeting enforcement and information requirements based on areas of higher risk. Trase was also commissioned by the Greens/EFA in the European Parliament to investigate how the ecosystem coverage of the legislation will affect its impact.

### **New data released by Trase**

In June, Trase published new data on deforestation in Paraguay linked to trade in soy and beef. Trase analysis identified the main trading companies, regions of production, key consumer markets, and the deforestation risk associated with these commodities. The data is freely available on [Trase Supply Chains](#) and the key findings for [soy](#) and for [beef](#) are explained on [Trase Insights](#).

Trase also published new data and insights on the [cocoa trade in Côte d'Ivoire and Ghana](#). The key finding was the widespread lack of supply chain transparency which means that cocoa traders and chocolate manufacturers do not know where most of their cocoa comes from, or whether it is linked to deforestation.

By the end of March 2022, the Trase Supply Chains, Trase Finance and Trase Insights web platforms had a cumulative total of more than 78,000 unique visitors. From April 2021 to March 2022, Trase data was downloaded almost 900 times by stakeholders in business, governments and academia.

Trase continues to shape media reporting into commodity-driven deforestation. BBC News highlighted Trase Finance data on the ownership of beef traders JBS in an article titled ['Can investors save](#)

[the Amazon?' The Financial Times](#) reported on the soy deforestation monitoring tool created by Trase for the French government, and a [Bloomberg investigation](#) into beef and the Amazon drew on Trase data for visualisations of export flows.

## **By March 2022 the cumulative total across Trase web platforms reached**

A large yellow circle contains the text '78,000 unique visitors'. To the right of the circle, a trail of black dots of varying sizes leads from the bottom of the circle towards the bottom right corner of the page.

**78,000**  
unique visitors



## Future plans

Trase is focused on turning its data on commodity supply chains into actionable intelligence for key market actors in business, finance and government. In FY2022, Trase plans to launch a new product called Data Explorer which will improve access and usability of its deforestation risk data. The platform will allow users to generate a range of data visualisations that best meet their needs.

In FY2022, Trase will also release revised data for Indonesian palm oil and Brazil soy and beef – the top three deforestation-risk commodities, to provide users with the most up-to-date data possible.

Trase will continue to work with national governments looking at their risks and exposures to deforestation in their supply chains, and offering expert insight into the design of regulatory measures. Over the last year we have been working with the German development agency GIZ to map the nature and extent of Germany's imported deforestation risk in unprecedented detail.





**“Global Canopy’s annual Forest 500 report showed that trillions of dollars flows into the companies most exposed to deforestation risks, and the vast majority of financial institutions most exposed to deforestation still do not have a policy covering their investments and are lending to companies in key forest-risk commodity supply chains.”**

**Nigel Topping**

UN High Level Climate Champion

## 3.2 Corporate Performance

Global Canopy’s Corporate Performance work assesses the policies and performance of the companies and financial institutions most at risk of driving deforestation. It also provides data, frameworks and guidance to reduce those risks.

Our tracking and assessment work, primarily through the [Forest 500](#) project, holds companies and financial institutions to account for the commitments they have made on deforestation, conversion and related human rights abuses.

We also gather key data on deforestation and corporate performance to inform governments and policy makers on the deforestation footprints linked to company sourcing and financial investments, including working through the UK All Party Parliamentary Group on Deforestation, launched in early 2022.

Building on this expertise, we are also working with partners through our Aligned Accountability project to identify and provide a central database for the key data and metrics needed to guide more sustainable, deforestation and conversion-free investment.

### 2021/22 objectives and achievements

#### Forest 500

The eighth annual Forest 500 rankings and report launched in January 2022, drawing together information from some 180,000 data points gathered and analysed by our team in over 20 different languages. The report received global media attention resulting in more than 160 pieces of coverage in print, on television, on the radio and in podcasts. The launch webinar was our most successful to date and attracted interest from NGOs, business and the finance sector, with over 400 registrations and over 200 participants on the day. This year our Forest 500 data was downloaded more than 1,100 times.





## Deforestation-free finance

The climate and nature crises are driving change in the finance sector and we are working with partners to ensure that action to address deforestation in investment portfolios is part of that change. Working with partners, we launched our [Finance Sector Roadmap](#), setting out a pathway for eliminating deforestation, conversion and human rights abuses from portfolios by 2025.

Launched at the UN COP26 climate talks in Glasgow, with support from UN High Level Climate Action Champions and welcomed by the UK Minister Lord Goldsmith, the Roadmap provides timely guidance for the 33 financial institutions with over US\$ 8.7 trillion in assets under management, who had signed a letter, also launched at COP26, committing to tackle agricultural commodity-driven deforestation.

Between its launch in November and the end of March the online Roadmap was accessed 969 times.

As part of our deforestation-free finance work, we are also working with Make My Money Matter (MMMM) and SYSTEMIQ on a high profile campaign to highlight the exposure of UK pension funds to deforestation and associated human rights abuses. In February, we published [joint research](#) linking deforestation with UK pensions and pension holders. Following the publication of this research, we began engaging with pension funds to understand how the Roadmap applied to their context, and what additional guidance they needed.

## Aligned Accountability

To support financial institutions to understand their exposure to deforestation, conversion and human rights abuses, we are working in partnership with the Zoological Society of London (ZSL), SEI and Neural Alpha to develop a common database and key metrics for the finance sector. To inform this work, we have established a working group of 11 influential financial institutions, including Allianz, AXA, BlackRock, BNP Paribas, Credit Suisse, Fama Investimentos, Federated Hermes, HSBC, Lombard Odier Group, Grupo Santander, and Storebrand Asset Management.

**“Deforestation must be halted in order to achieve net zero emissions. We are proud to join with other leading financial institutions to tap the powerful potential of a joined-up approach toward catalysing sustainable production of key commodities — beef, soy, palm oil, pulp and paper — without deforestation impacts. We encourage other financial institutions to join us in sending a clarion signal that the financial sector is coming together to help drive the systemic shift needed to put an end to deforestation.”**

**José Maria Pugas Filho**

Partner & Head of ESG and Agribusiness,  
JGP Asset Management





**Partnership with CLUA to monitor company Twitter behaviour**

The Global Canopy communications team and the Climate and Land Use Alliance (CLUA) worked together to complete a new HITS - Twitter Environmental Pulse tool, an innovative online dashboard for monitoring and analysing Twitter trends. Focusing on key companies and influencers, the dashboard allows the discovery of key powerplayers and monitoring of important conversations and debates about climate, forests and related issues.

The portal provides quick access to the latest tweets from Forest 500 companies, financial institutions and environmental journalists through digestible data visualisations and a quick insights page. The network mapping tool also shows the way companies, financial institutions and journalists engage with each other and hashtags across Twitter, providing insight into influential accounts talking publicly about environmental issues.

Access to over 30 million real-time and historical tweets from Forest 500 companies and financial institutions has allowed the team to conduct in-depth analysis of Twitter behaviour for two longer written insights as well as quick social media content.

Future Plans

**Assessing and Accountability**

Global Canopy is planning to increase the ambition and coverage of our work to understand, support, and track how the finance sector is tackling deforestation.

**Aligned Accountability**

The Aligned Accountability Database will launch at the end of 2022, making it available to a wide range of financial institutions. We will engage with mainstream data providers and ratings agencies to have our data embedded into their ESG scores and offerings to mainstream uptake. We will continue to expand and improve the data captured in the database over the coming years.

**Deforestation-free Finance**

Building on our Finance Sector Roadmap, Global Canopy is publishing bespoke guidance for pension funds in a continuation of our campaign with Make My Money Matter and SYSTEMIQ.

We are also working with a group of family offices to develop an investment mandate that wealthy individuals and foundations can use to engage with their asset managers on deforestation. We will continue to build out our guidance for financial institutions with partners, adding more detail to the steps and actions in the Finance Sector Roadmap, starting with guidance on embedding deforestation and associated human rights abuses into financial due diligence processes.



**£2 in every £10 individuals save into their pensions in the UK is linked to companies and financial institutions at high risk of deforestation.**



## Twitter Environmental Pulse tool

The Forest 500 research team is looking to integrate the tool into this year's assessment process to monitor public announcements from companies and financial institutions on their environmental commitments or activity. The Global Canopy data team is working closely with CLUA to finalise migration of the portal to Global Canopy servers to allow for quick, in-house updates to the tool.

## 3.3 Nature Related Finance

Our nature-related finance work focuses on developing high-quality data to enable financial institutions and companies to tackle nature-related risks and opportunities. We enable investors, lenders, insurers, financial regulators and others in the sector to identify and mitigate their impacts and dependencies on nature – and to seize the opportunity of investing in nature-positive solutions. Our work is based on three collaborative flagship projects, the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#), [ENCORE](#) and [The Little Book of Investing in Nature](#).

### 2021/22 Objectives and Achievements

#### The Taskforce on Nature-Related Financial Disclosures (TNFD)

As a founding partner of the TNFD, Global Canopy has continued to actively support the development of this initiative leading up to its formal launch in June 2021, the announcement of the Taskforce (24 members representing companies, financial institutions and market service providers with over US\$18 trillion in assets under management) in September 2021, and beyond.

Global Canopy provided strategic direction, technical input and all communications support for the initiative, which is developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. The ultimate aim of

the project is to support a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

In September 2021, Global Canopy became a member of the TNFD Stewardship Council (represented by Niki Mardas, Executive Director), alongside other founders and funders of TNFD. Global Canopy founder, Andrew Mitchell was made Vice-Chair of the TNFD Stewardship Council and several Global Canopy employees took up roles within the TNFD Secretariat, either on a part-time basis or on full secondment, including TNFD Comms Lead, TNFD Content Lead and TNFD Knowledge Manager. Additionally, many other Global Canopy team members work on TNFD-related activities, in particular providing technical support to Taskforce Working Groups.

From September 2021 to March 2022, Global Canopy's contributions helped establish TNFD as a well-known, well-respected initiative across finance, business and civil society.

In January 2022, TNFD announced 13 knowledge partners to help ensure the framework would be science-based and build on existing guidance and standards, and in March 2022, released the [first beta version](#) of the TNFD framework. The framework prototype was well-received by the markets, and professionals from over 65 countries and territories had begun exploring the framework via TNFD's new online platform by end of March 2022.

Following the release, Global Canopy kicked off the first pilot test of the TNFD framework beta version 0.1, in the palm oil sector. Extensive pilot testing will help ensure the final framework, planned for release in Q3 2023, can be impactful and serve its intended purpose.

#### ENCORE

Over the last year we've continued to expand our ENCORE tool, which maps the impacts and dependencies of different economic sectors on nature, enabling financial institutions to identify and assess the nature-based risks to the businesses in their portfolios.



In May, Global Canopy, together with partners UNEP FI and UNEP WCMC, launched a new ENCORE biodiversity module. The module enables financial institutions to explore to what extent their financial portfolio indirectly drives species extinction risk and impacts ecological integrity. Focused on the mining and agriculture sectors, which are particularly exposed to biodiversity risks, the tool includes guidance for engagement, enabling financial institutions to take immediate action to transition these sectors towards a nature-positive future. Over 30 financial institutions were involved in the development and testing of the module.

Following the launch of the new ENCORE biodiversity module, Global Canopy, UNEP FI and UNEP WCMC released a guide in July 2021 to help financial institutions navigate the tool.

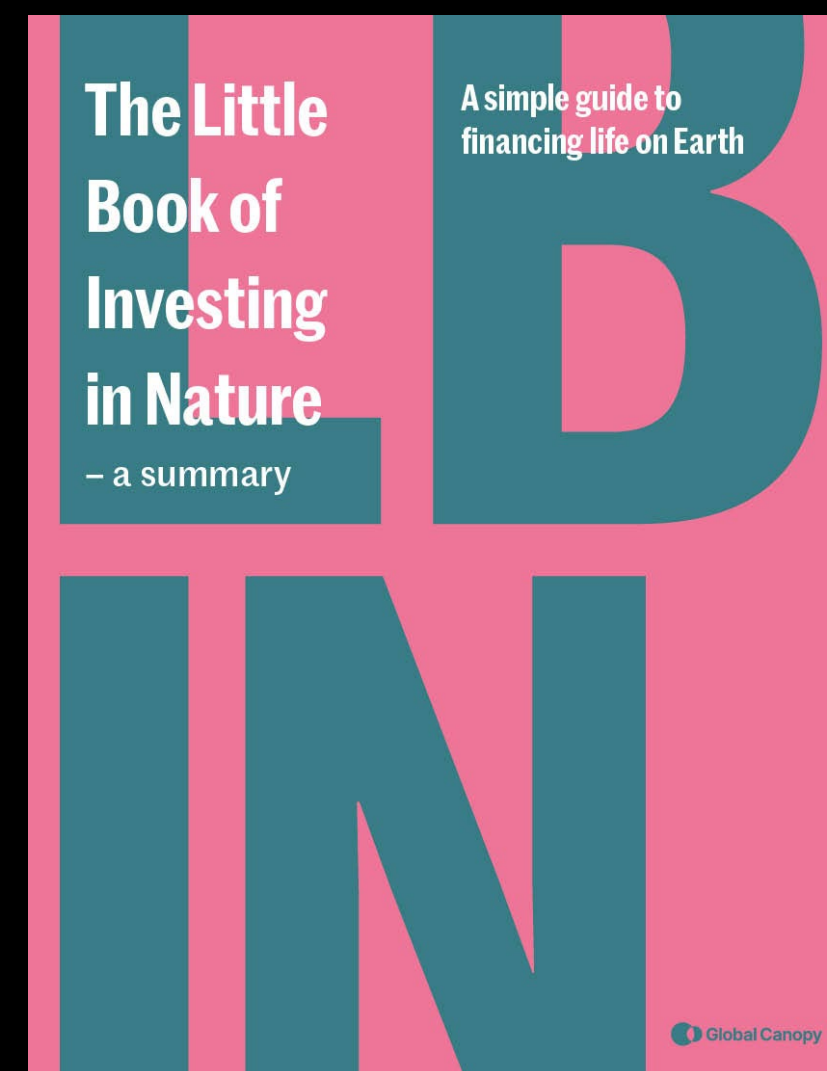
Throughout the year, we saw several high-profile financial institutions across the public sector use the ENCORE tool to assess systemic nature-related risks. Banque de France, the French central bank, and the World Bank, both used ENCORE to assess impacts and dependencies on nature for financial institutions at the country-level in France and Brazil respectively, and published their findings in September 2021.

Private sector financial institutions are also using the ENCORE tool. Robeco, in collaboration with WWF, used ENCORE to assess their portfolio's impacts on nature, concluding in a report published in March 2022 that 'biodiversity is a highly material topic for investors and that action is needed across the financial industry'.

In March 2022, TNFD's first beta framework for nature-related risk management and disclosures highlighted that ENCORE can help organisations assess their nature-related risks and opportunities.

### **The Little Book of Investing in Nature**

The Little Book of Investing in Nature, launched in January 2021, provides an overview of biodiversity finance illustrating how governments, banks and NGOs are driving transformation.



**“The present volume of  
The Little Book of Investing  
in Nature provides a treasure  
trove of insightful information  
on how to make progress.”**

**Elizabeth Mrema**

TNFD Co-Chair and Executive Secretary of the  
United Nations Convention on Biological Diversity



Outreach to promote the Little Book has continued, with the book's lead author presenting in China and at the IUCN Congress in France. A short video promoting the book was also featured as part of the UNDP Nature for Life hub in October.

Thanks to support from partners, we were able to produce translations in Bahasa Indonesian and Spanish, with a Chinese translation in the pipeline. A short summary introducing the key themes of the book is also available in English, French, Spanish and Bahasa Indonesian. The English edition has been downloaded more than 1,200 times since launch.

In June 2021, the Little Book won the *Financial Times How We Teach This* recognition award for excellence in sustainable finance education for **teaching materials most informed by recent developments**.

## Lessons Learned

We are seeing a rapidly growing market appetite for data and tools that can make it practical for companies and financial institutions to integrate nature - beyond deforestation - into their decision-making processes. The momentum in the market behind TNFD is particularly strong. Demand for the ENCORE tool is also strong, but we can do more in the coming year to promote the tool, as well as the new biodiversity module, amongst financial institutions. Making the website for the ENCORE tool more appealing and intuitive would increase uptake, and impact, even further.

## Future plans

In the coming year, Global Canopy aims to better find synergies across our programmes and projects, including within nature-related finance. We will position forests as a case study for assessing, disclosing and managing risks and opportunities across the other realms of nature that TNFD covers.

## TNFD

Global Canopy will continue to provide communications and technical support to the TNFD Secretariat. Global Canopy will become an official piloting program partner to TNFD, and in this role, we will expand our piloting work to more sectors and geographies. We expect to publish findings of the first pilot test of the framework, in the palm oil sector, in July 2022.

## ENCORE

We will enter a new phase of work on ENCORE in the coming year. To increase uptake, we will focus on presenting ENCORE as a tool that can help organisations deliver against the TNFD's recommendations for risk management and disclosures. In particular, we are planning to run several TNFD-related pilot tests within the ENCORE project.

## The Little Book of Investing in Nature

At the long-awaited international biodiversity COP15, we will be working to ensure the practical solutions captured in The Little Book of Investing in Nature are kept on the agenda.





## 4. Financial Review

Global Canopy has grown significantly in the year to March 2022 and has continued to strengthen its financial position overall. The strong financial performance has enabled the Trustees to designate £200k of unrestricted funds for investment in impact and organisational growth over the coming years. Growth in 2021/22 was anticipated as Global Canopy entered its new strategic period and is expected to continue in the coming years.

### Income

Total income almost doubled from £2,361k last year to £4,489k in the year to March 2022, an increase of 90%.

Restricted income grew by 99% from £1,791k in 2020/21 to £3,566k in 2021/22. This was due to Global Canopy's success in growing programmatic income, most notably in the Corporate Performance and Nature Related Finance programmes, combined with significant unspent restricted funds received in advance at the end of March 2022 (£914k vs £180k as at 31 March 2021).

Income from contracts was £249k in 2021/22 which was at a similar level to the previous year (£252k). Global Canopy is planning to develop this income stream in the future, making an important contribution to how we deliver our work.

Voluntary unrestricted income increased by 115% to £668k in 2021/22, up from £310k in the previous year which is the result of strategically investing to grow this income stream. Global Canopy plans to invest further in its fundraising capacity in 2022/23 and expects voluntary unrestricted income to continue to grow.

The majority of Global Canopy's unrestricted income is from Trusts, Foundations and private individuals. During the financial year, Global Canopy ran one public-facing fundraising campaign as part of the Big Give. No complaints were received in relation to this campaign. A further campaign with the Big Give has taken place in the new financial year, again without complaints. There are no plans for more fundraising campaigns aimed at the general public this year.

£'000	2019-20	2020-21	2021-22
Restricted income	1,770	1,791	3,566
Contract income	68	252	249
Voluntary unrestricted income	391	310	668
Other income	11	8	6
<b>Total income</b>	<b>2,240</b>	<b>2,361</b>	<b>4,489</b>

### Expenditure

Global Canopy's expenditure increased by around 35% in the year to March 2022. This is the result of Global Canopy's success in securing new programmatic funding, most notably in the Corporate Performance and Nature Related Finance programmes.

The table on the next page shows the total expenditure on charitable activities by programme.



£'000	2019-20	2020-21	2021-22
Corporate Performance	768	616	1,158
Supply Chain Transparency	1,005	1,173	1,063
Nature Related Finance	266	602	928
Other activities		22	117
<b>Charitable expenditure by programme (including support costs)</b>	<b>2,039</b>	<b>2,413</b>	<b>3,266</b>

Charitable expenditure this year increased largely due to additional funding for the Corporate Performance Programme for aligned accountability and the Nature Related Finance programme with the launch and first pilot test of the TNFD framework. Further details are included in section 3 above.

## Reserves

Global Canopy's policy is to hold reserves for the following reasons:

- to provide working capital – for example when funding is received after expenditure
- to cover the costs related to any adverse events which may occur – for example an unexpected legal bill or gaps between funding
- to allow exploration of new areas or to exploit new opportunities

Having reviewed these different purposes, the trustees have set a target range for free reserves of 4 to 5 months of payroll costs. At the same time, the trustees recognise that at times reserves may be as high as 6 months and as low as 3 months due to the multi-annual funding cycle.

As at 31 March 2022, this results in a current target range of £624k to £780k.

Reserves over recent years have been:

£'000	2020	2021	2022
Unrestricted funds	525	628	792
Designated funds	0	0	200
Restricted funds	453	180	914
<b>Total funds at 31 March</b>	<b>978</b>	<b>808</b>	<b>1,906</b>

Restricted funds of £914k represents the unspent amount of grants received for specific purposes which are allocated to particular ongoing projects and are therefore not regarded as free reserves.

Designated funds of £200k have been set aside by the Trustees to fund investment in impact and organisational growth over the next 2 to 3 years.

Included within unrestricted funds is £38k relating to tangible fixed assets, which could only be realised by disposing of those assets and are therefore not regarded as free reserves. After deducting this amount from the unrestricted funds the free reserves held by the charity are £754k. This is equivalent to 4.8 months of salary costs and within the core target range set by the trustees. As Global Canopy recruits additional staff in 2022/23, the reserve target range will increase although reserves are expected to remain within the core target range.





# 5. Diversity & Inclusion

We all have a responsibility to change the structures that perpetuate discrimination and unfairness. As an organisation working to identify and address the market forces destroying nature and driving deforestation, Global Canopy can't just be 'good enough'.

We must play an active part in the change necessary to achieve a sustainable and just society, especially due to the continued connections between colonialism, social injustice, and the supply chains of commodities that drive deforestation; like soy, palm oil, cattle, and timber.

Agricultural expansion for these forest-risk commodities often has harmful impacts upon local populations. Indigenous peoples and local communities around the world face land invasions, violence and – in some cases – assassinations for defending their territory against deforestation. And women and people of colour often occupy the worst paid and least secure jobs in forest-risk supply chains.

Areas with extensive tropical forest cover are also, in their majority, located in countries that were colonised and continue to experience a legacy of injustice, underinvestment, and resource extraction for international commodity supply chains. We believe reducing deforestation must go hand-in-hand with reducing systemic injustice.

Systemic inequalities are also found within the UK charity sector. For example, representation of people from BIPOC (Black, Indigenous, and people of colour) backgrounds is unacceptably low and there are significant barriers preventing those from lower income backgrounds from entering into the sector. A lack of representation in NGOs not only reproduces structural inequality, but it leaves

NGOs poorly equipped to tackle society's most complex problems, including deforestation.

At Global Canopy, we believe a diverse mix of voices leads to better discussions, decisions and outcomes for everyone. We commit to tackling such inequalities and the ways in which they intersect, both within our team and our programmatic work. We will focus our actions on the following areas:

**1. Recruitment and progression** – we will ensure that our recruitment and progression processes remove systemic barriers wherever possible. Our job advertisements and packs are prepared with neutral language, and avoid use of phrases that could perpetuate bias to encourage applications from a diverse range of candidates.

All identifying factors, as far as reasonably practicable, are removed from applications prior to shortlisting and where suitable, multiple people are involved in the recruitment process to minimise opportunity for unconscious bias. Upon joining Global Canopy, all employees participate in the Annual Performance Review process, sharing their aspirations and working closely with their line manager to agree a plan for development, growth and learning.

**2. Programmatic work** – we will review our programmatic work and content to identify where a sharper focus on social justice and inclusion is required, and where we can amplify the voices of partners in the Global South.

**3. Culture** – our flexible and agile approach to work supports the removal of traditional barriers and helps create an environment more conducive to an employee's individual needs, creating greater opportunity for success. We will embark on an ambitious project to review roles and responsibilities across the organisation in order to engage employees on how their work directly contributes to Global Canopy's success and to conduct an equity pay review, ensuring internal consistency and external competitiveness.



In addition, reviewing our policies and processes with diversity, inclusion, equity and wellbeing at the centre, we will continue to develop our culture that empowers our employees through engagement and sets an example of the standards expected to tackle prejudice, privilege and bias in the workplace.

We will continue to publicly report on our progress annually.





# 6. Reference & Administrative Details

**Registered name:** Global Canopy

**Charity registration number:** 1089110

**Company registration number:** 4293417

**Address of principal office:** 3 Frewin Chambers, Frewin Court, Oxford OX1 3HZ

**Trustees who served during the reporting period or when report approved:**

- Hylton Murray-Philipson, Chair
- Sara Beck
- Thomas Bible
- Rose Dale
- Laura Ipacs (retired August 2021)
- Fiona McKenzie (retired August 2021)
- Michael Meehan (appointed October 2021)
- Justin Mundy (appointed October 2021)
- Johanna von Braun (appointed October 2021)

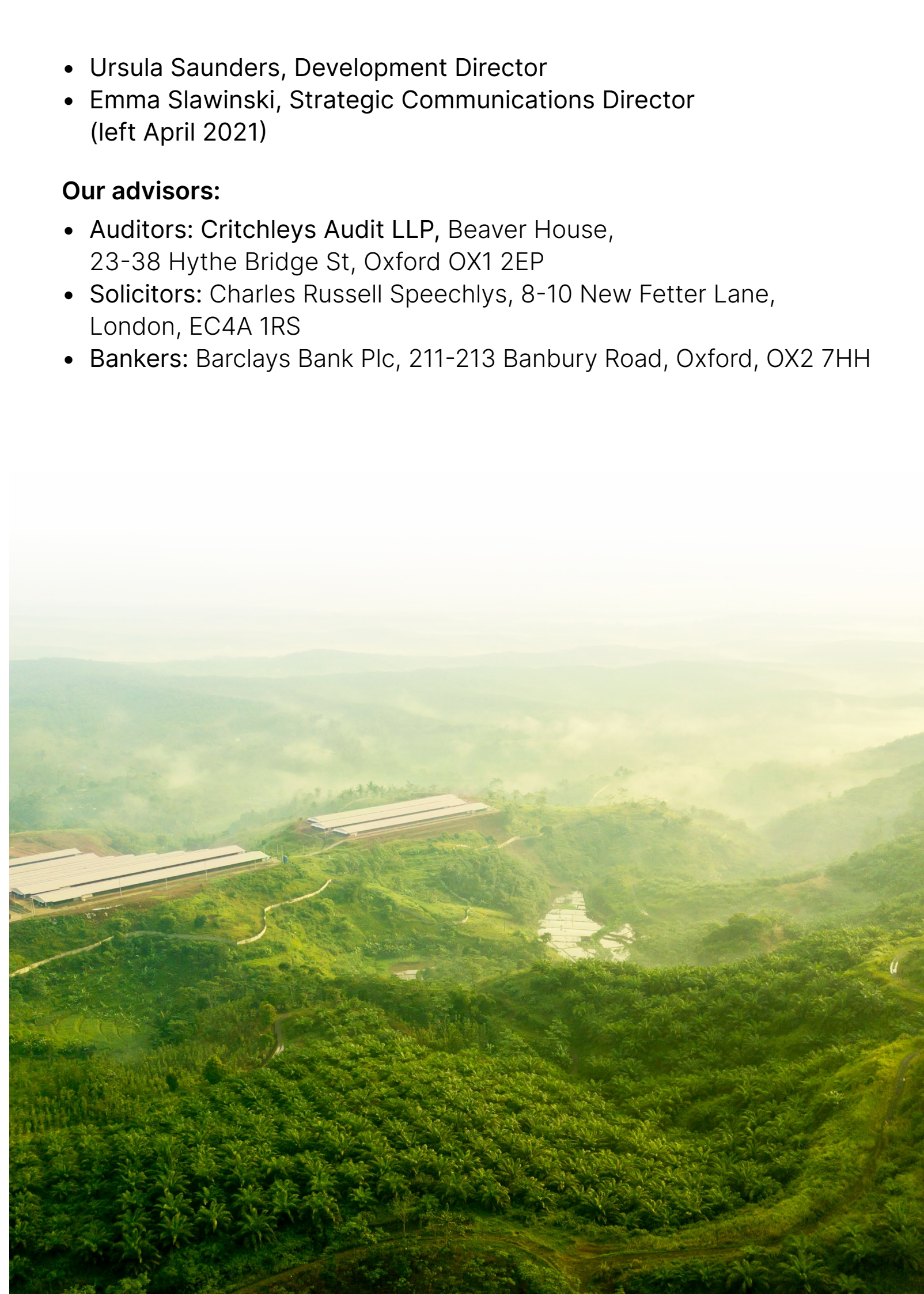
**Senior management staff:**

- Niki Mardas, Executive Director
- Helen Bellfield, Policy Director, Trase lead
- Nicky Chambers, Programme and Impact Director (left June 2021)
- Tom Espley, Finance Director (left March 2022)
- Amy Fairbairn, Strategic Communications Director (joined August 2021)
- Emma Gollub, Engagement Director
- Rachel Rank, Chief Operating Officer (joined December 2021)

- Ursula Saunders, Development Director
- Emma Slawinski, Strategic Communications Director (left April 2021)

**Our advisors:**

- Auditors: Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge St, Oxford OX1 2EP
- Solicitors: Charles Russell Speechlys, 8-10 New Fetter Lane, London, EC4A 1RS
- Bankers: Barclays Bank Plc, 211-213 Banbury Road, Oxford, OX2 7HH

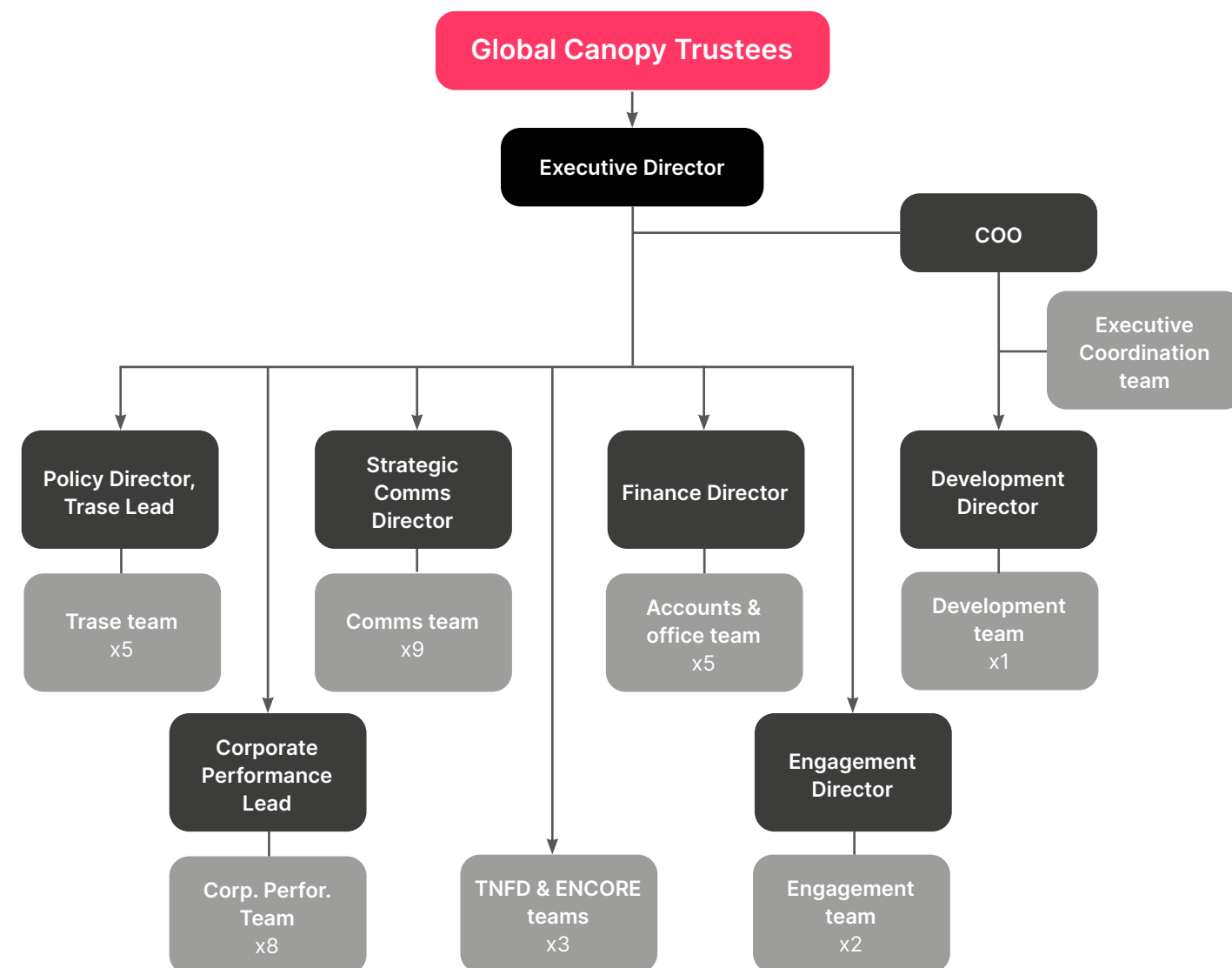




# 7. Structure, Governance & Management

Global Canopy was founded through, and is governed by, a memorandum and articles of association. The Board of Trustees approves the budget and accounts of the organisation. They offer guidance and set strategic direction in pursuit of Global Canopy's objectives. The day-to-day management of the organisation and staff is delegated to the Executive Director and the Leadership Team.

Our organisational structure



The Chief Operating Officer role was newly appointed during the financial year.

Global Canopy has several strategic partnerships central to delivering its work. Some of the most significant include standing and consequential are with:

- Stockholm Environment Institute (SEI), the joint founder of the Trase initiative with Global Canopy.
- Neural Alpha, who we work with alongside SEI to develop Trase Finance
- UNEP Finance Initiative, the joint lead of the Natural Capital Finance Alliance (NCFA).

## Subsidiaries

Canopy World Ltd was established in May 2005, as a wholly owned subsidiary of the charity through which it ran canopy training activities. It is currently dormant.

Global Canopy also has a registered branch in Norway in order to employ staff based there. The company does not conduct business activities in Norway.

## Appointment of trustees

Global Canopy has a recruitment pack for trustees, which is shared with interested persons. Following applications, screening and meetings with the Chair, selected trustees and the Executive Director, new trustees are appointed by the board.

New trustees receive an induction pack containing information about the organisation, guidance for trustees and other relevant documents. As part of their induction processes and ongoing training, they meet with members of the Leadership Team.



## Pay policy for senior staff

The pay for the Executive Director is set by the board and a pay review is carried out and agreed by the Chair of the board alongside a yearly appraisal meeting. The Executive Director is, in turn, responsible for setting the pay of the other senior management team members.

The organisation sets salary brackets following a benchmarking exercise to understand market minimums, maximums and averages for similar organisations with a similar geography. In setting pay within those brackets, the skills and experience required for each of the roles as well as affordability are taken into account. Annual cost of living adjustments for all employees are awarded based on affordability and inflation rates. Other pay increases are awarded based on individual performance, or increased accountability or responsibility.

## Risk management

We have robust procedures in place to identify, mitigate and manage risk. The trustees have overall responsibility for ensuring that the organisation has an appropriate system of controls in place. On a quarterly basis, the trustees review the risk register where major risks and uncertainties to which the organisation is exposed to are presented. An in depth review of the risk profile is done on an annual basis, and the trustees believe that systems and procedures are in place to mitigate the major risks identified and potential changes to the risk profile.

The following table shows the major risks that were identified by the trustees in 2021/22 and the plans and strategies for managing those risks:

Category	Risk	Plans and strategies for managing risks
Financial sustainability	Ability to raise sufficient funding to cover staff costs and core organisational costs.	<ul style="list-style-type: none"><li>• Strategy process for 2020-2025 to give clarity to future programme direction and enable a pipeline of projects/funding to be developed</li><li>• Explore potential for earned income revenue streams</li><li>• Continue investment in unrestricted fundraising</li></ul>
People	Unable to recruit and retain key staff and trustees	<ul style="list-style-type: none"><li>• Improve management and leadership capacity</li><li>• Implementation of an ongoing People Plan to improve Human Resource management and practices</li><li>• Investment in internal Human Resources function</li></ul>

## Combat of Financial Irregularities

Global Canopy has a variety of measures in place to combat financial irregularities, including:

### A) Clear procedures and processes

Global Canopy has strong written procedures and processes across all areas of risk to do with financial operations. Specific examples include the following:

- That all payments are subject to dual authorisation
- A clear schedule of delegated authority from the board.
- Third party evidence is collated to account for all expenditure
- Agreements in place with sub-grantees and contractors
- Assessments of any sub-grantees before we enter into a contract.



## **B) Regular outside scrutiny**

As an organisation in receipt of significant amounts of public funds, and operating within the UK charity regulatory framework, we are subject to regular scrutiny from outside of the way our funds are managed. Specific examples include the following:

- Our annual financial statements are subject to audit by an independent statutory auditor, who follow international auditing standards.
- We are fully transparent with our donors in accordance with the expectations they place on us. For example, regular reporting against budgets, submission of transaction lists and individual project/grant audits – in accordance with their requirements.
- Our governance board, which has full control and oversight of our operations is independent and unpaid. The members are legally prohibited from benefiting from Global Canopy's activities.

## **C) Safeguards, policies and codes of practice**

We have various high level safeguards in place, such as clear whistleblowing policies and procedures, into which all staff are inducted when joining the organisation. Our code of practice is signed up to by staff, subcontractors and partners and sets clear expectations for ethically dealing with any irregularities.

The above items and our way of working combine to create a strong control environment. We seek to create an open culture within the organisation where everyone is comfortable raising concerns and sees it as their role to address something which is inadequate and to improve the way that we work.

There have been no identified cases of financial irregularities in the past year within Global Canopy's operations.

This statement is produced in accordance with the requirements of Global Canopy's funding from the Norwegian Government.

## **Public benefit**

All of Global Canopy's activities are directed towards the vital public benefit of a transition to a nature-positive global economy. These activities focus on three areas:

1. Holding companies to account through greater transparency
2. Providing the data and tools that enable leaders to act
3. Supporting forest jurisdictions to transition to sustainable land use.

The information and insights we provide help increase the effectiveness, efficiency and equity of global efforts to tackle tropical deforestation and other market impacts on nature.

Forests are vital in the fight against climate change. Ending tropical deforestation and restoring forests can provide up to a third of the emissions reductions envisaged in the Paris Agreement to keep temperature rises under 2 degrees.

Tropical forests contain more than half of all remaining species on Earth. They are vital for regional water security, and over 1.6 billion of the world's people depend on them for their livelihoods.

Protecting tropical forests is an urgent global priority for all life on earth.

The trustees have complied with the duty in Section 17 (5) of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission.

## **Statement of trustee's responsibilities**

The trustees are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations. Company law requires the trustees to prepare accounts for each financial year. Under that law, the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted



Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity’s transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees are aware, there is no relevant audit information (information needed by the company’s auditors in connection with preparing their report) of which the company’s auditors are unaware; and each trustee has taken all steps that s/he ought to have taken as a director in order to make herself or himself aware of relevant audit information and to establish that the company’s auditors are aware of that information.

ON BEHALF OF THE TRUSTEES

Name: HR Murray-Philipson

Date: 21/09/2022

Signature:

*HR Murray-Philipson*

signed on 21/09/2022, 17:22:30 BST



# 8. Audit Report & Accounts

## Year ended 31/03/22

### Independent auditor's report to the members of Global Canopy

#### Opinion

We have audited the accounts of Global Canopy (the "Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing



so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether there is a material mis-statement in the accounts or a material mis-statement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material mis-statements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the accounts are not in agreement with the accounting records and returns;





- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 48, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company/charity, including the Charities Act 2011 and the terms of grant agreements;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and



- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing the terms of grant agreements.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

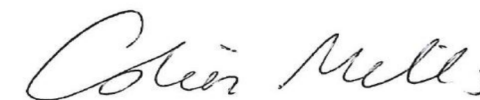
A further description of our responsibilities is available on the Financial Reporting Council's website at:  
**[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)**.

This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:



signed on 22/09/2022, 10:53:09 BST

Name:

Colin Mills (Senior Statutory Auditor)

For and on behalf of Critchleys Audit LLP (Statutory Auditor)  
Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP

Date:

22/09/2022



# Statement of Financial Activities

	Note	Unrestricted funds	Restricted funds	Total funds year to March 22	Total funds year to March 21
		£000s	£000s	£000s	£000s
<b>Income and endowments</b>					
Donations and legacies	3	668	60	728	414
Income from charitable activities	4	249	3,506	3,755	1,939
Other trading activities		6	–	6	8
Other income		–	–	–	–
<b>Total income and endowments</b>		923	3,566	4,489	2,361
<b>Expenditure</b>					
Expenditure on raising funds		115	2	117	110
Expenditure on charitable activities		436	2,830	3,266	2,413
Other expenditure		8	–	8	8
<b>Total Expenditure</b>		559	2,832	3,391	2,531
<b>Net movement in funds</b>		364	734	1,098	(170)
<b>Reconciliation of funds</b>					
Funds brought forward		628	180	808	978
Funds carried forward		992	914	1,906	808

# Balance sheet

31 March 2022

	Note	At 31 March 2022 £000s	At 31 March 2021 £000s
<b>Fixed assets</b>			
Tangible assets	11	38	33
Investments	12	–	–
		38	33
<b>Current assets</b>			
Debtors	13	509	173
Cash at bank		1,743	796
		2,252	969
<b>Creditors: amounts falling due within one year</b>	14	384	194
		1,868	775
<b>Net current assets</b>			
		1,906	808
<b>Net assets</b>			
<b>Funds:</b>			
Unrestricted funds		792	628
Designated funds		200	–
Restricted funds		914	180
		1,906	808

The notes on pages 61 to 73 form part of these accounts. The accounts on pages 58 to 73 were approved by the board on 20/09/2022 and signed on its behalf by Hylton Murray-Philipson.

*HR Murray-Philipson*







# Statement of cashflows

## for the year ended 31st March 2022

	At 31 March 2022	At 31 March 2021
	£000s	£000s
Net movement in funds for the reporting period (as per the statement of financial activities)	1,098	(171)
<b>Adjustments for:</b>		
Depreciation charges	18	12
Loss on disposal of investment in subsidiary	–	–
(Increase) / decrease in debtors	(336)	35
Increase / (decrease) in creditors	190	(48)
Net cash provided by (used in) operating activities	970	(172)
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(23)	(10)
Net cash provided by (used in) investing activities	(23)	(10)
Change in cash and cash equivalents in the reporting period	947	(182)
Cash and cash equivalents at the beginning of the reporting period	796	978
Cash and cash equivalents at end of the reporting period	1,743	796
<b>Analysis of cash and cash equivalents:</b>		
Cash in hand	1,743	796
Total cash and cash equivalents	1,743	796

# Notes to the accounts

## Statutory accounts – year to March 2022

### 1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

#### a) Basis of accounting

Global Canopy, the charity is a public benefit entity. The financial statements are prepared under the historical cost convention and in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (for FRS 102), and FRS 102, The Financial Reporting Standard, applicable in the UK and Republic of Ireland.

#### b) Income

Income is recognised in the period in which Global Canopy is entitled to receipt, it is probable that the income will be received and the amount can be measured reliably. Donated services and facilities are included at their estimated value to the charity when received. Income received in the year is deferred where it relates to services that will be provided after the year-end.

#### c) Expenditure

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Wherever possible, costs are allocated to specific charitable activities or costs of generating funds. Support costs are allocated in proportion to the days worked on each programme area, function or activity. Grants payable are recognised as expenditure when payment is due to the partner organisation in accordance with the terms of the agreement.

#### d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Items costing less than £1,000 are not capitalised. Depreciation for all fixed assets is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives as follows:

- Leasehold property improvements: Lease period remaining
- Office furniture and fixtures: 10 years
- Computer and office equipment: 3 years

#### e) Pensions – defined contribution scheme

Contributions are charged to the profit and loss account as they become payable under the scheme rules.

#### f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SOFA.

#### g) Funds

Income which is restricted to a particular purpose is treated as restricted income in the Statement of Financial Activities. Any unspent balance will be carried forward as a restricted fund. Unrestricted funds are available for use at the trustees' discretion in furtherance of the general objects of the charity.

#### h) Legal status of the charity

Global Canopy is a charitable company limited by guarantee incorporated in the UK. Its registered office is 3 Frewin Chambers, Frewin Court, Oxford, OX1 3HZ.

#### i) Group accounts

These accounts do not consolidate the results of the charitable company's subsidiaries Canopy World Limited as the effect of consolidating these results would be immaterial.



j) Preparation of the accounts on a going concern basis

As at 31 March 2022 the balance of unrestricted funds is £792k. After adjusting for the carry value of fixed assets, free reserves are £754k. This is within the trustees target reserves range of £624k to £780k. On this basis and given that there are no material uncertainties about the charity’s ability to continue, the trustees are of the view that the charity is a going concern.

2. SOFA FOR THE YEAR ENDED MARCH 2021

	Unrestricted funds	Restricted funds	Total
	£000s	£000s	Year to March 2021 £000s
Income and endowments			
Donations and legacies	310	104	414
Income from charitable activities	252	1,687	1,939
Other trading activities	8	–	8
Other income	–	–	–
Total income and endowments	570	1,791	2,361
Expenditure			
Expenditure on raising funds	106	4	110
Expenditure on charitable activities	353	2,060	2,413
Other expenditure	8	–	8
Total expenditure	467	2,064	2,531
Net movement in funds	103	(273)	(170)
Reconciliation of funds			
Funds brought forward	525	453	978
Funds carried forward	628	180	808

3. DONATIONS AND LEGACIES

	2022 £000s	2021 £000s
Unrestricted donations		
Constance Travis Charitable Trust	50	50
Schroders Foundation	30	45
Waterloo Foundation	40	40
Ernest Kleinwort Charitable Trust	45	40
CHK Charities Limited	50	25
Tedworth Charitable Trust	20	20
Millichope Foundation	20	10
B and J Lloyd Family Charitable Trust	30	20
Other Foundations	10	1
Climate Crisis Foundation – Global Returns Project	32	–
The J R Asprey Family Charitable Foundation	10	–
Ardevora Asset Management Foundation	50	–
Effektiv Spenden Switzerland	201	–
Individuals	80	59
	668	310
Restricted donations		
Individual donations	–	24
John Ellerman Foundation	50	50
B and J Lloyd Family Charitable Trust	10	30
	728	414

4. INCOME FROM CHARITABLE ACTIVITIES

	2022 £000s	2021 £000s
Nature Related Finance	892	511
Corporate Performance	1,484	512
Supply Chain Transparency	1,294	916
Other	85	–
	3,755	1,939



5. EXPENDITURE ON RAISING FUNDS

	2022	2021
	£000s	£000s
Salaries	76	68
Direct costs	11	11
Support costs	30	31
	117	110

6. EXPENDITURE ON CHARITABLE ACTIVITIES

In year to March 2022:	Grant funding £000s	Activities undertaken directly £000s	Support Costs £000s (note 7)	Total 2022 £000s
Corporate Performance	199	711	248	1,158
Supply Chain Transparency	49	772	242	1,063
Nature Related Finance	53	716	159	928
Other	–	101	16	117
	301	2,300	665	3,266
In year to March 2021:	Grant funding £000s	Activities undertaken directly £000s	Support Costs £000s (note 7)	Total 2022 £000s
Corporate Performance	11	435	170	616
Supply Chain Transparency	180	759	234	1,173
Nature Related Finance	–	492	110	602
Other	–	22	–	22
	191	1,708	514	2,413

Grant funding of activities was via the following organisations:

	2022 £000s	2021 £000s
Stockholm Environment Institute (SEI)	–	74
CDP Worldwide	25	52
Zoological Society of London	198	–
Forest Peoples Programme	29	–
Auriga (Yayasan Auriga Nusantara)	16	19
Instituto Centro de Vida (ICV)	–	36
University of California (UCSB)	33	10
	301	191

7. SUPPORT COSTS

	2022 £000s	2021 £000s
Office costs	109	103
HR function	137	105
Central Accounting function	80	72
Management and leadership	154	61
Central Communications function	143	119
IT Costs	61	34
Programme Development	7	39
Other operational costs	4	5
Governance	–	7
	695	545

Support costs include costs as described in the table above. Support costs are allocated in proportion to staff days worked on each programme area, activity or function.

Support costs have been allocated to the following activities and functions:

	2022 £000s	2021 £000s
Charitable activities (note 6)	665	514
Fundraising (note 5)	30	31
Other trading activities	–	–
	695	545

	2022	2021
Support function costs for each day worked on programme activities is	£99/day	£104/day
Support function costs as a % of direct charitable expenditure	29%	30%

## 8. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022 £000s	2021 £000s
Wages & salary costs	1,273	968
Social security costs	179	155
Pension contributions	126	95
	1,578	1,218

Redundancy payments are accounted for in the period they fall due and charged to the activity to which they relate

The average monthly number of employees, during the year was made up as follows:

	2022	2021
Directors	6	5
Programmes & Support	31	26
The number of full-time equivalent employees, during the year was	33.4	26.0

The number of employees whose total emoluments exceeded £60k in the year was:

£60k – £70k	1	1
£70 – £80k	1	–

For these higher paid employees, the annual pension contributions were £14,344 £6,458

No trustee received any remuneration or reimbursement of expenses during 2022 or 2021.

The directors consider the board of directors, who are the charity's trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The senior management team comprises 7 posts at 31 March 2022, namely the Executive Director, Chief Operating Officer, Policy Director, Communications Director, Engagement Director, Development Director and Finance Director. The Programme Director left and the Chief Operating Officer and Development Director joined the management team during the year. The total employee benefits including employer pension costs of the key management personnel of the charity were:

	2022 £000s	2021 £000s
Senior management benefits, including employer pension costs	409	370

## 9. RELATED PARTY TRANSACTIONS

	2022 £000s	2021 £000s
Donations and grants received from trustees & other related parties	31	34

## 10. NET INCOME/EXPENDITURE

	2022 £000s	2021 £000s
<b>Is stated after charging</b>		
Depreciation	18	12
Auditor's remuneration for the organisational audit	5	4
Auditor's remuneration for grant audits	2	5
Auditor's remuneration for payroll and HR services	3	3
Auditor's remuneration for Tax advice	1	1
Rent payable	72	63

## 11. TANGIBLE FIXED ASSETS

	F&F £000s	Computer & office equipment £000s	Leasehold improvements £000s	Total £000s
<b>Cost</b>				
At 1 April 2021	5	40	40	85
Additions	–	23	–	23
At 31 Mar 2022	5	63	40	108
<b>Depreciation</b>				
At 1 April 2021	3	31	18	52
Charge	1	13	4	18
At 31 Mar 2022	4	44	22	70
NBV – at 31 March 2022	1	19	18	38
NBV – at 31 March 2021	2	9	22	33



12. FIXED ASSET INVESTMENTS

	2022	2021
	£	£
Investments in subsidiary companies bf and cf	–	–

The Charity owns 100% of the issued share capital of Canopy World Limited, a company incorporated in England and Wales. The company is now dormant. A summary of the results is shown below:

	2022	2021
	£	£
<b>Balance sheet</b>		
Net assets	–	–
Share capital	1	1
Profit & loss	(1)	(1)
Share holders’ funds	–	–

These accounts do not consolidate the results of the charitable company’s subsidiaries Canopy World Limited as the effect of consolidating would be immaterial.

Investments in subsidiaries have zero value in these accounts, as no funds are expected to be recovered.

13. DEBTORS

	2022	2021
	£000s	£000s
Trade debtors	38	13
Grants receivable	372	50
Prepayments	11	34
Accrued income	88	76
	509	173

14. CREDITORS

	2022	2021
	£000s	£000s
Trade creditors	177	75
Other taxes & social security	77	43
Accruals	130	76
	384	194

15. COMMITMENTS

The charity had the following commitments at 31 March 2022.

Operating leases

As at 31 March 2022 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000s	£000s
<b>Land and buildings</b>		
Amounts payable within one year	72	72
Amounts payable between one and five years	234	288
Amounts payable after more than five years	–	18

The charity had committed the following amount in grants to international projects which will form part of the grants allocated in future years. The current grants from the Norwegian Government & UK Government will provide the income to cover these costs when they are payable.

	2022	2021
	£000s	£000s
Grants which expire within one year	418	49
Grants which expire between one and five years	1,071	–

Grants to international projects contain certain performance related conditions, which determine when expenditure is recognised in the SOFA. Performance conditions under commitments noted above had not been fulfilled at 31 March 2022.

16. UNRESTRICTED FUNDS

	2022	2021
	£000s	£000s
At 1 April	627	524
Transfers from Unrestricted to Designated funds	(200)	–
Net income / (expenditure) for the year	365	103
	792	627

17. DESIGNATED FUNDS

	2022	2021
	£000s	£000s
At 1 April	–	–
Transfers from Unrestricted to Designated funds	200	–
Net income / (expenditure) for the year	–	–
	200	–

Designated funds represent £200k reserved by the board to fund investment impact and organisational growth.

## 18. RESTRICTED FUNDS

	Balance at 1 April 21 £000s	Incoming resources £000s	Expenditure £000s	Balance at 31 March 22 £000s
1. Norwegian Government, NORAD	–	1,086	653	433
2. UK Government, FCDO, FGMC	–	767	767	–
3. The Gordon & Betty Moore Foundation (via SEI)	2	634	203	433
4. Norwegian Government, NORAD (via SEI)	–	239	239	–
5. UK Government, FCDO, TNFD Pilots	–	182	182	–
6. Quadrature Climate Foundation (via SEI)	–	143	111	32
7. German Government, GIZ	–	91	86	5
8. Swedish Government (SIDA) via UNDP	–	86	86	–
9. United Nations Development Programme (via UNEP-FI)	–	79	79	–
10. Global Environment Fund (via WWF)	11	64	74	1
11. Swiss Government (via WCMC)	4	50	53	1
12. John Ellerman Foundation	–	50	50	–
13. The Foundation for the Promotion of Well-being	–	35	35	–
14. The Ashden Trust	–	30	30	–
15. The Rainforest Foundation Norway, Amazon Voices	–	21	21	–
16. B and J Lloyd Family Charitable Trust	–	10	3	7
17. The Packard Foundation, US	128	1	129	–
18. Norwegian Government, NICFI (via SEI)	4	–	3	1
19. Global Environment Fund (via SEI)	(1)	–	(1)	–
20. Protect and restore the Amazon	2	–	2	–
21. Climate & Land Use Alliance, CLUA – Media Analysis	23	–	23	–
22. Little Book for Financing Biodiversity	10	(1)	7	2
23. Swiss Government (via UNEP-FI)	(3)	(1)	(3)	(1)
	180	3,566	2,832	914

## 18. RESTRICTED FUNDS (CONTINUED)

Movement in the year to March 2021

	Balance at 1 April 21 £000s	Incoming resources £000s	Expenditure £000s	Balance at 31 March 22 £000s
2. UK Government, FCDO, FGMC	87	687	774	–
18. Norwegian Government, NICFI (via SEI)	56	287	339	4
11. Swiss Government (via WCMC)	–	178	174	4
3. The Gordon & Betty Moore Foundation (via SEI)	163	146	307	2
17. The Packard Foundation, US	75	146	93	128
22. Little Book for Financing Biodiversity	30	69	89	10
12. John Ellerman Foundation	–	50	50	–
23. Swiss Government (via UNEP-FI)	24	41	68	(3)
19. Global Environment Fund (via SEI)	–	41	42	(1)
24. Norwegian Government, NORAD (via CDP)	4	38	42	–
16. B and J Lloyd Family Charitable Trust	–	30	30	–
21. Climate & Land Use Alliance, CLUA – Media Analysis	–	29	6	23
20. Protect and restore the Amazon	–	24	22	2
8. Swedish Government (SIDA) via UNDP	–	20	20	–
1. Norwegian Government, NORAD	–	3	3	–
25. The Rainforest Foundation Norway, Leather Supply Chains	–	3	3	–
26. European Union	2	–	2	–
10. Global Environment Fund (via WWF)	12	(1)	–	11
	453	1,791	2,064	180

1. A grant from Norad, the Norwegian Government Development agency, for the Aligned Accountability project to fund a common database to drive accountability and action on deforestation
2. A grant from the UK Government Foreign Commonwealth and Development Office's Forest Governance, Markets and Climate programme, to support Global Canopy's Forest 500 work and its Trase work. This also supported CDP's forest disclosure project in 2020-21.
3. Funds from the Gordon and Betty Moore foundation to support the development of the Trase platform, a joint initiative with SEI.
4. Funds from Norad, the Norwegian Government Development agency to support the development of the Trase platform, a joint initiative with SEI.
5. A grant from the UK Government Foreign Commonwealth and Development Office funding ASEAN TNFD Pilot Project
6. Funds from Quadrature Climate Foundation to support the development of the Trase platform, a joint initiative with SEI.
7. Funds from GIZ, the German Government Development agency to support our Trase work on Programme Sustainability and Standards in global Agriculture Value Chains



## 18. RESTRICTED FUNDS (CONTINUED)

8. A grant from the United Nations Development Programme to fund inception activities of the Task Force for Nature Related Financial Disclosure. This project is funded by the Swedish Government
9. A grant from the United Nations Environment Programme (UNEP) to fund inception activities of the Task Force for Nature Related Financial Disclosure. This project is funded by UNDP.
10. A grant from the Global Environment Fund (via WWF-US), to support learning activities and exchange in Indonesia in connection with the development of the Trase platform in the context of Indonesian Palm Oil.
11. Funds from the United Nations Programme World Conservation Monitoring Centre for implementation to align the ENCORE Tool (Exploring Natural Capital Opportunities, Risks and Exposure) with biodiversity targets as part of the Natural Capital Finance Alliance, a joint initiative of Global Canopy and the UNEP Finance Initiative.
12. A grant from the John Ellerman Foundation towards Global Canopy's core costs, including senior staff salaries.
13. A donation from the Foundation for the Promotion of Well-being to support our work bringing the Voices of the Amazon to the Glasgow COP
14. Funds from the Ashden Trust to support our Voices for the Amazon event at the New York Times Climate Hub at COP26, as well as for developing Global Canopy's Indigenous Peoples and Human Rights Strategy
15. Funds from the Rainforest Foundation Norway to support our Voices for the Amazon event at the New York Times Climate Hub at COP26
16. Donations from the B and J Lloyd Family Charitable Trust, to support our work on family office nature positive investments in year ending 2022 and a relaunch of Global Canopy's brand, website and public profile in year ending 2021.
17. A grant from the David and Lucille Packard Foundation to support the development of the Trase Platform in the context of Indonesian palm oil.
18. A grant from the Norwegian Government International climate fund (NICFI) to support the development of the Trase platform, a joint initiative with SEI.
19. A grant from the Global Environment Fund (via WWF-US and SEI), to develop the Trase platform and associated stakeholder engagement and decision-relevant analyses in the context of Brazilian soy and Paraguayan beef.
20. A donation to support research and communications activity within Brazil promoting the importance of protecting and restoring the Amazon.
21. A grant from the Climate and Land Use Alliance to support the inclusion of media-data into corporate performance information.
22. Various grants to support the preparation and re-issue of a new edition of Global Canopy's Little Book for Financing Biodiversity - looking at funding mechanisms for ecosystem services
23. Funds from the United Nations Environment Programme Finance Initiative for implementation and development of the ENCORE Tool (Exploring Natural Capital Opportunities, Risks and Exposure) as part of the Natural Capital Finance Alliance, a joint initiative of Global Canopy and the UNEP Finance Initiative. This project is funded by the Swiss Government
24. A grant from NORAD, the Norwegian Government development agency, for a project led by CDP that aims to catalyse action by companies on deforestation risk in commodity supply chains from Latin America to China and Europe.
25. Funds from the Rainforest Foundation Norway to support investigation of Leather supply chains and their links to deforestation
26. A grant from the European Union to support development of the Trase Platform to include a beta supply chain mapping of material flows of Indonesian palm oil exports from districts to consumer countries.

## 19. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds	Restricted funds	Total funds
	£000s	£000s	£000s
<b>2022</b>			
Fixed assets	38	–	38
Net current assets	954	914	1,868
	992	914	1,906
<b>2021</b>			
Fixed assets	33	–	33
Net current assets	595	180	775
	628	180	808







**globalcanopy.org**  
**forest500.org**  
**naturalcapital.finance**  
**tnfd.info**  
**trase.earth**  
**trase.finance**