

# Trustees' Annual Report

1 April 2022 – 31 March 2023





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# Introduction

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Big market players are at last showing a pulse when it comes to tackling their impacts on nature, but there is an urgent need for so much more. For over two decades Global Canopy has been at the forefront of this fight – to end market-driven deforestation and nature loss. And our work has never been more important.

Figures show that in 2022, the emissions from tropical forest loss were equivalent to the entire emissions from India. Just shocking. Reaching international net-zero goals will be impossible without getting serious about deforestation. At the same time, ending deforestation means we protect the biodiversity and ecosystem services on which all our economies depend.

Over the past 12 months we have seen progress. The Kunming-Montreal Global Biodiversity Framework was agreed and signed by 196 countries and encompasses 23 targets to protect and restore nature by 2030. The European Parliament and European Council agreed to the world's first due diligence laws to help ensure that products bought and sold in the EU market have not contributed to deforestation.

Positive steps, but it's not enough. Our global economic system is still disastrously weighted against nature. In 2022, record levels of deforestation were recorded month after month in a Brazil led by then President Jair Bolsonaro. Data from our Trase programme contributed to a study that found over 90 per cent of all deforestation in the tropics is driven directly or indirectly by agriculture. Even more perversely, up to half of the area that's cleared never becomes productive land.

This year, our ninth annual Forest 500 report showed that 40% of the companies and financial institutions with the most exposure to, and influence on tropical deforestation, still haven't set a single deforestation policy. Companies like the Bright Food Company - one of the largest in China - and the Deichmann group - Europe's largest shoe retailer - and financial powerhouses like Blackrock and Vanguard have spent nine years in the spotlight on deforestation – but still nothing. Further, analysis we conducted for the UN High Level Climate Action Champions, found that 90% of the Forest 500 companies with net-zero commitments are likely to miss their own targets because of a lack of action on deforestation.

Now the regulatory net is tightening. Together with partners, Global Canopy has been at the forefront of campaigns demanding – and providing the evidence base for – strong international laws on deforestation. With a landmark EU law on imported deforestation about to come into force, we will continue to make the case in other powerful jurisdictions, and to advocate for the same requirements to be extended to the finance sector given its powerful role in enabling deforestation.

We've also continued to be at the heart of efforts to galvanise business and finance sector action. Building on our Finance Sector Roadmap, we have created a suite of specific guidance for major asset owners, asset managers, and even family offices and philanthropies. With the launch of our Deforestation Action Tracker (DAT), we have quadrupled the number of financial institutions we assess - now monitoring the more than 550 banks and investors with significant climate commitments. Making good on those commitments means early action on deforestation, and our data will help hold them to public account. And as a founding partner of the Taskforce on Nature-related Financial Disclosures (TNFD), we've continued our efforts to hone the framework to ensure that the Final Recommendations and Guidance can really help change the way money moves around the planet.

Tackling associated human rights abuses is central to any strategy to eliminate deforestation. Our accountability work also ensures that human rights assessments are baked-in to our analysis and advocacy. We've also continued with our efforts to connect Indigenous peoples' and local community leadership more directly with representatives of the finance sector, corporates and consumer governments – to help ensure their voices are heard loud and clear in the decision-making processes that affect them, and us all.

The market has been in a long and dangerous sleep. There has been movement among the frontrunners, but we need so very much more: a pounding heartbeat across sectors and geographies, and the kind of strong and sustained leadership that can change the foundations and functioning of a fatally flawed economic system. For our part, we'll be there every step of the way. We hope you will be too.



**Niki Mardas**  
Executive Director,  
Global Canopy

**90%**

**of the Forest 500 companies  
with net-zero commitments  
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action on deforestation.**

# Our Strategy & Impact

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This financial year has seen considerable progress made towards the development of Global Canopy's 2023-2030 Strategy, which includes a clear vision and plan for how the organisation can best have impact in the years to 2030 and the organisational development needed to deliver on it.

The strategy builds on the three outcomes in our Theory of Change, which in turn align with our programmatic pillars:

1. open and data-driven transparency;
2. stronger market requirements;
3. action-oriented and more accountable market players.

Outcome 3 is specifically cross-programmatic and draws on all the work we do – on data, insights and leverage points – to holistically drive uptake and impact among shared target audiences.

Our strategy recognises the strengths of a federated working model for Global Canopy's large partnerships such as Trase and the TNFD, which will continue to grow and thrive as autonomous initiatives delivering their own impacts and bringing value to our central work.

Over the next financial year we expect to finalise our external communications products to support the roll-out of the strategy, including the narrative document and pitch deck, as well as establish Key Performance Indicators.



Global Canopy's work is focused in three programmatic areas: Supply Chain Transparency, Corporate Performance and Nature-related Finance. This year we have also further developed our cross-cutting streams of work that include a focus on human rights, Brazil and the Amazon, and education and training for the finance sector.

## 3.1 Supply Chain Transparency

Global Canopy promotes Supply Chain Transparency through Trase - a science-based initiative that brings transparency to the international supply chains of the agricultural commodities that drive tropical deforestation.

Trase is a joint initiative between Global Canopy and the Stockholm Environment Institute (SEI) and works with other global partners. Despite the complexity and opacity of supply chains, there is enough data for business, finance and governments to act effectively, but it is dispersed in different forms and locations - including satellite images, shipment data, asset ownership information and other data. Trase unites these disparate sources to bring clarity to the links between supply chains and deforestation.

Trase Finance, a partnership with SEI and Neural Alpha, builds on this supply chain data with information on company financing and ownership structures, bringing transparency to how commodity-driven deforestation is financed. It 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.

## 2022/23 objectives and achievements

Trase has mapped almost 70% of global trade in the forest risk commodities, including beef, soy, palm oil, timber and cocoa. It is now the world's most comprehensive open-access database on this trade.

### Offering expert insight on EU due diligence legislation

As the landmark EU law on deforestation-free imports took shape, Trase brought unique data and insights to the public debate and legislative process. In June 2022, [Trase analysis](#) commissioned by the Greens/EFA in the European Parliament revealed that the regulation would omit vital non-forest ecosystems, including much of the Cerrado in Brazil. This insight was widely cited by MEPs, NGOs and the media. Now the EU has committed to look at covering wooded savannahs by 2024, and grasslands and wetlands by 2025. Trase continues to inform this debate and in March 2023, Trase highlighted [how soy traders are linked](#) to the destruction of different ecosystems.

**“Trase produced significant new analysis showing – in unprecedented breadth and detail – how Germany’s import and consumption of agricultural commodities is linked to tropical deforestation.”**

Katja Albrecht  
GIZ

## Supporting governments in assessing imported deforestation

Trase is at the forefront of enabling governments to assess how imports are linked to deforestation, to inform policy and engagement with companies and trading partners. In 2022, Trase published assessments of the deforestation linked to imports into Germany and Belgium, commissioned by the German development agency GIZ and the Belgian government respectively. The report on Germany was launched via a webinar where Lisa Kirfel-Rühle of the Federal Ministry of Economic Cooperation and Development explained the significance of the study and the value of the data.

Trase also led the technical work for a major upgrade to France's risk information system for its National Strategy on Imported Deforestation (SNDI), supporting governments and downstream buyers to triage and prioritise risk assessments for soy imports - and helping to drive increased disclosure from the private sector.

At COP15 in Montreal, one approach developed by Trase (with SEI York, Joint Nature Conservation Committee, Defra and Trade Hub) - the Global Environmental Impacts of Consumption Indicator - was adopted as a component indicator for Target 16 of the Global Biodiversity Framework.

## Raising the game for the finance sector

Trase continues to be a valuable source of data for financial institutions looking to take action on deforestation. Over the last financial year, Trase participated in a packed calendar of outreach events to showcase these capabilities to the finance sector. This included a webinar on the Chaco, in Latin America, jointly organised with Planet Tracker as part of UKSIF's Good Money Week and data labs organised by the Taskforce on Nature-related Financial Disclosures (TNFD) in parallel to COP15 in Montreal.

In February 2023, in partnership with SEI and Neural Alpha, Trase held a series of events and published insights to highlight the role

that due diligence activities can play in addressing deforestation exposure in a financial institution's portfolio. It included work ranging from introducing due diligence, to highlighting its specific relevance to Asian financial institutions (in partnership with WWF-Singapore).

## New data and research released by Trase

In 2022, Trase continued to inform public, sectoral and policymaker understanding with cutting-edge data and analysis on supply chain deforestation. In August, new data on soy exports from Argentina uncovered the country's role as a hidden hub of the South American soy trade.

September brought new data on palm oil from Indonesia, including on the new Trase Data Explorer beta platform. Striking findings showed, for the first time, that company commitments and transparency are linked to improved performance on deforestation. This data permeated public discussion of the EU Regulation, with citations from industry, NGO campaigners, and media including the Financial Times and South China Morning Post.

For the first time, Trase also released detailed supply chain mapping data connecting exports of cocoa from Côte d'Ivoire to deforestation - shedding light on a relatively less well understood location of deforestation, and highlighting the urgent need for sectoral progress. Coming just ahead of COP27, these findings secured detailed coverage from Politico, Reuters, the New York Times and numerous trade publications.

At COP27, Trase also hosted a preview of new data on soy exports from Brazil and their links to emissions from land use change. The full data release in December 2022 saw a launch webinar jointly organised by Imaflora, and featuring speakers from the EU Delegation to Brazil, the Consumer Goods Forum and the Soft Commodities Forum.

The Trase team also collaborated with leading researchers in the field on two landmark scientific publications published in 2022. The first paper, in *Science Advances*, provided the first comprehensive assessment of indirect sourcing and its implications. The second, in *Science*, confirmed the central role of agriculture to deforestation, linking it to 90-99% of tropical forest loss.

## Future plans

Trase continues to turn data expertise into actionable intelligence for business, finance and government. Over the next year, Trase will focus on offering expert insight into the design of regulatory measures, including providing independent analysis as the EU Regulation enters the critical stage of clarifying its implementation requirements.

The year will also see the launch of a new Trase website. Building on the experience of the Data Explorer beta, this will radically improve the user-friendliness of the Trase platform and showcase Trase's capabilities as an independent analyst and a source of trusted expertise on commodity trade.

Trase will also release revised data and insights on the links between beef from Brazil and deforestation. This includes both supply chain mapping and deforestation data on beef exports, as well as new insights into the domestic market for beef, obtained from the innovative 'Do Pasto Ao Prato' app. Other releases include supply chain mapping data for Bolivian soy exports; analysis on the extent to which soy exports from Brazil are affected by non-compliance with national laws; and data on the links between major agricultural commodities and emissions from land use change.

## 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 annual Forest 500 report identifies the 350 companies and 150 financial institutions with the greatest exposure to tropical deforestation risk, and annually assesses them on the strength and implementation of their deforestation and human rights commitments. This year we extended our assessments through our new Deforestation Action Tracker, which monitors financial institutions with significant climate commitments including those in Race to Zero, The Glasgow Financial Alliance for Net Zero (GFANZ), and the Finance Sector Deforestation Action (FSDA) initiative.

Our Deforestation-Free Finance programme has developed a suite of guidance for financial institutions showing them how to achieve deforestation-free portfolios - that's portfolios without deforestation, the conversion of natural habitats or associated human rights abuses.

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





## 2022/23 objectives and achievements

### Forest 500

2023 saw the biggest ever launch of the Forest 500 report. The launch secured over 200 press articles in 20 countries, including target markets of France, Germany, Italy, the UK and the US, with a combined reach of 29.6 million. Key outlets included AFP, The Financial Times, The Guardian, Responsible Investor and SG Voice. The report was downloaded 1,373 times after one week and had over 8,000 website visitors over the week following the launch.

The public launch webinar had almost 300 attendees, with representatives from finance making up almost a third (28%) of the audience. In addition, our team held a webinar specifically for companies and financial institutions to share experiences and learn about best practice. The webinar had 40 attendees, with the largest group being from the banking sector.

Since the launch, 25 companies and 27 financial institutions have directly engaged with Global Canopy. This includes some of the most influential players in the deforestation space, who have the power to transform global commodity supply chains. These include: Amaggi, Aviva, BNP Paribas, Federated Hermes, Fidelity, HSBC, JBS, LGIM, McDonalds, Minerva, Nestle, Schrodgers and Standard Chartered.

### Deforestation Action Tracker

In 2022, Global Canopy launched the Deforestation Action Tracker, a new ranking that monitors over 550 financial institutions, with significant climate commitments, to track their action on deforestation and associated human rights abuses.

Our baseline review was published in November 2022 and enables Global Canopy to fully track progress from 2023 onwards. The tracker revealed very few financial institutions are acting on the

deforestation, conversion and associated human rights abuses linked to their finances: just a fifth had set a single commodity-specific deforestation policy. Only one financial institution had a policy on all the key associated human rights abuses for all four commodities.

In the first month following launch, the briefing was downloaded 183 times and the data was downloaded 162 times. The webinar saw 123 attendees and following publication, 26 financial institutions engaged with Global Canopy to understand more about their review, with one financial institution asking Global Canopy to fully score them in 2023.

**“Since 2022 Aviva has voted against senior board directors at companies that perform poorly in the Forest 500. We value the depth and rigour of the methodology, which offers us unique insights into the firms that are leading and lagging in their management of these issues.”**

**Eugenie Mathieu**

Senior Impact Analyst and Earth Pillar Lead, Aviva Investors



**“Forest 500 is a crucial resource, helping us and other campaigning organisations to target the biggest companies and investors driving deforestation, and to inform policymakers legislating on this issue. The database is a vital tool in our accountability armoury.”**

Alex Reid,  
Senior Global Policy Adviser, Global Witness

## Deforestation Free Finance

### Finance and Deforestation Advisory Group and Finance Sector Deforestation Action (FSDA)

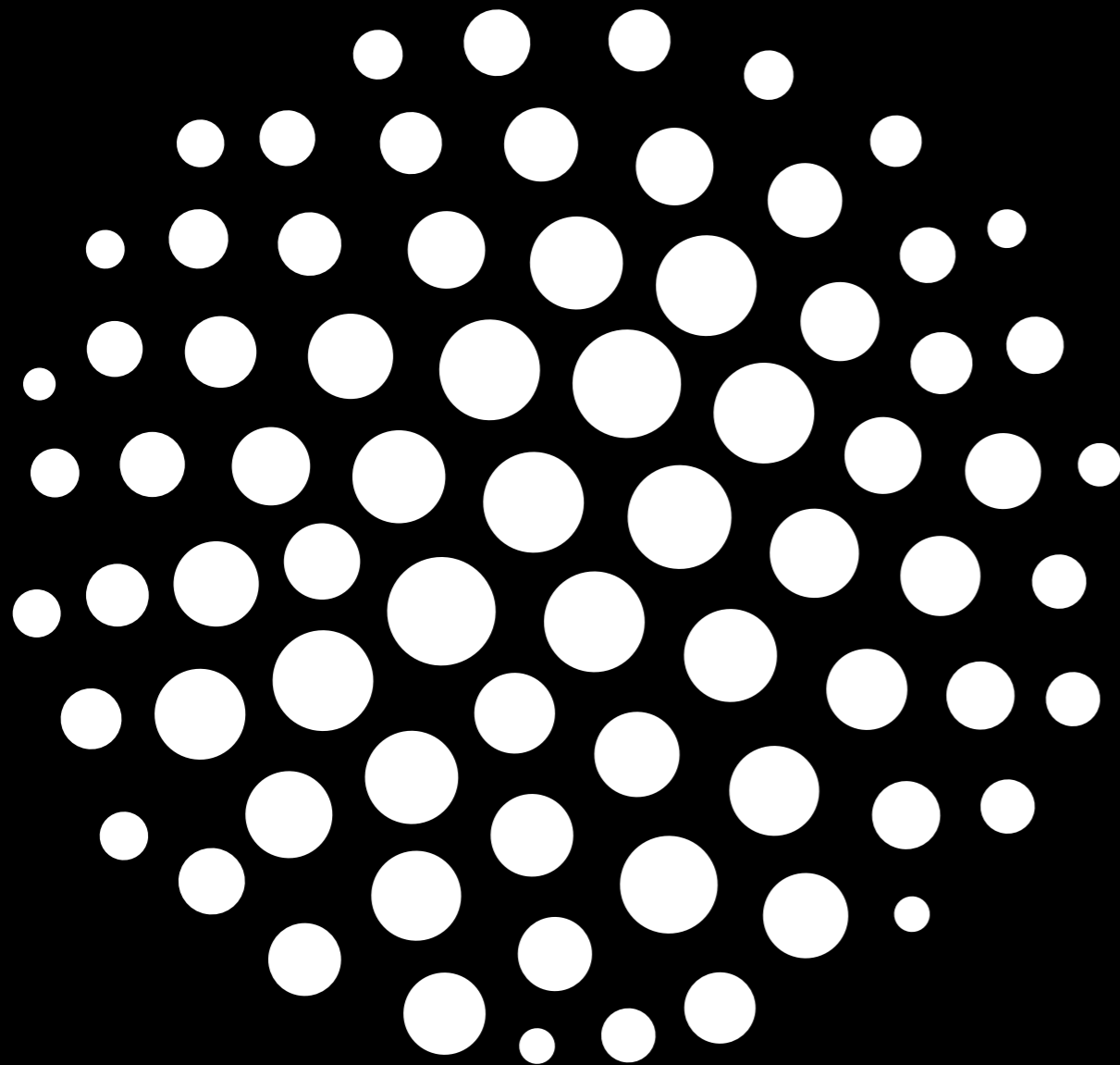
Global Canopy continues to be a member of the Advisory Group, which brings together experts in deforestation, nature-loss and sustainable finance. Members, including the Conservation International, Global Optimism, Nature4Climate and World Economic Forum, provide expertise and guidance to financial institutions as they seek to address their deforestation risks. The group supports the FSDA initiative, which has set a commitment to eliminate agricultural commodity-driven deforestation (for beef, palm oil, pulp and paper and soy) from their investment and lending portfolios by 2025.

### Roadmap

Throughout the year Global Canopy has continued to highlight the Finance Sector Roadmap, launched at COP26, as the overarching guidance that can help financial institutions achieve commodity-driven deforestation-free portfolios. Our Deforestation-Free Finance website had over 3,000 users over the financial year and the roadmap itself has been downloaded 329 times.

### Pension fund guidance

In July, Global Canopy launched specific Pensions Guidance at the Sustainable Investment Festival. Developed in partnership with Make My Money Matter (MMMM) and SYSTEMIQ, and shaped by a working group of 12 pension funds, the guidance details how pension schemes can integrate deforestation-free requirements into agreements with asset managers. It also provides guidance on how pension funds that directly finance companies and investments can identify, assess, and eliminate deforestation, conversion, and associated human rights abuses from their portfolios. Global Canopy’s Senior Research Associate, Pei Chi Wong and Executive Director, Niki Mardas, also spoke at a pension fund roundtable in late 2022.



## Deforestation, Conversion and Abuse-Free (DCAF) Mandate

In December, Global Canopy published a practical how-to guide to help private wealth tackle deforestation. The DCAF mandate was developed with input from a group of 20 key stakeholders, including family offices, foundations and asset managers, to ensure it was both practical and easy to use for asset owners but equally pragmatic and achievable for asset managers to implement. 35 people attended the launch event and the guidance has been downloaded 49 times.

## Forest IQ

In December, Global Canopy launched the beta version of its first commercial product, Forest IQ. The partnership with ZSL (Zoological Society of London) and the Stockholm Environment Institute (SEI) brings together market-leading corporate performance data on deforestation and related Environmental, Social and Corporate Governance (ESG) issues. For the first time in one place, Forest IQ will enable financial institutions to identify risks and opportunities to meet the growing demand for greener, more sustainable financial products. Neural Alpha were the technical partners for the beta development.

The beta version has three core metrics, mapped across almost 600 companies. Users could log in and access the data through a website. A scoping study, including risks and opportunities, which highlighted the opportunity to create benchmark methodology for the product, was also carried out.

## Future Plans

This year, Global Canopy will push ahead with its tracking programme. In November, Global Canopy will publish its first full Deforestation Action Tracker report, ahead of COP28 which builds on the baseline review published before COP27. Then in early 2024, we will publish our tenth annual Forest 500 report. We are also exploring the possibility of targeted assessments in Brazil and the automotive sector.

Now we have a ready-made suite of guidance for financial institutions, Global Canopy will continue to highlight these tools and push for increased uptake by leveraging events and moments such as London Climate Action Week, New York Climate Week and COP28 to engage with target audiences. We will also continue with direct engagement and our public-facing campaign on pensions with Make My Money Matter.

The official launch of the Forest IQ database is planned for late 2023. A working group of 10 financial institutions, as well as over 40 additional financial institutions, are currently testing the beta version and providing feedback. The coalition is aiming to have included 1,000 companies by July 2023 and 2,000 by October 2023, when the tool is expected to launch publicly. The commercial strategy is ongoing, with PA Consulting testing pricing and structure.

Building on our work with the FSDA and the Advisory Group, Global Canopy is exploring supporting a broad range of financial institutions and other stakeholders to develop and agree on a set of expectations (and pathways) for companies towards becoming deforestation-free, Forest IQ data will be central to tracking progress.

## 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 for 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.


### ENCORE

This financial year saw ENCORE's Phase II proposal approved by Swiss donor SECO. ENCORE II focuses specifically on capacity building and training in Colombia, Indonesia, Peru and South Africa. It will also cover technical improvements to the ENCORE tool, with a focus on enhancing national datasets for high-impact, high-dependency sectors, leveraging the knowledge from the TNFD Data and Analytics Working Group to make it fit for purpose for the finance sector. ENCORE has been cited as a key data source in the TNFD beta Framework.

The number of users on the ENCORE platform grew to more than 4,000 registered users over the last financial year, of which one-third are financial institutions.

A number of key updates were made to ENCORE's Biodiversity Module in 2022. Funded by the Swiss Ministry of Environment and with partners UNEP-WCMC and UNEP-FI, the updates focused on the expansion of sectors in the tool as well as enhanced communications to improve the uptake of the tool. Financial institutions participated in a series of workshops with the aim of shaping a concept for how asset-level outputs for mining could be displayed via the module.

ENCORE had a strong presence at COP15 in Montreal that included; a video and series of blogs to promote the updated Biodiversity Module; an event co-hosted with EY on aligning financial portfolios with global biodiversity targets and covered a number of use cases featuring HSBC and Robeco, and a Global Canopy hosted fireside chat with HSBC on their use of ENCORE for assessment of loan book exposure to nature-related risks. More broadly, ENCORE was featured as a key tool to enable first level impact and dependency screening at panels and events in the finance and business zone of COP15 and was positioned as a key tool for implementation of Target 15 of the Global Biodiversity Framework.



**Over the last financial year the ENCORE platform grew to more than 4,000 registered users.**

ENCORE also received additional support from the EU-funded **SUSTAIN project** to improve, update and validate the database incorporating the latest scientific and empirical research to build ENCORE's knowledge base and to make improvements to ENCORE's structure to enhance its usability. This funding will specifically enable the development of upstream impacts and dependencies into the ENCORE database.

Over the last financial year, the ENCORE tool has been applied in a number of key reports including WWF's Biodiversity Guide for Business, BNP Paribas Asset Management's Sustainable by Nature report, a European Central Bank report on nature, and the Why Biodiversity Matters report from ZSL and Caceis Investor Services. ENCORE was also used as a key assessment tool in a report from the Central Bank of Mexico.

The ENCORE team continues to work closely with the TNFD Secretariat to ensure future work and tool updates closely align with the TNFD framework. ENCORE is designed to be a useful entry point to nature-related assessment, guiding organisations through the early stages of their nature-positive journey, whatever their understanding or prior experience of managing nature-related risks, contributing to system change at scale through targeted engagement.

### **Taskforce on Nature-related Financial Disclosures**

As a founding partner and official piloting partner, Global Canopy has contributed directly into the TNFD Secretariat via communications and stakeholder engagement functions.

Over the financial year period covered by this report, the TNFD released three further beta versions of its framework (after the first was released at the end of the last financial year), has grown its Forum (a global multi-disciplinary consultative group of institutions) and is building awareness and momentum ahead of the full framework launch in September 2023.

Global Canopy has led specific areas of the TNFD's technical work, developing guidance for aquaculture, agriculture, fisheries and

forest sectors. This includes drafting the guidance and managing the consultation processes to ensure the guidance is tested with academic and market experts before release.

Global Canopy worked with the Monetary Authority of Singapore to pilot the v0.1 beta TNFD framework with ten organisations who either operated within, or provided finance to, palm oil supply chains. Global Canopy communicated insights during a TNFD forum webinar in July 2022, at COP27, and via a published report on the Global Canopy website. We also supported multiple external contractors to complete three key palm oil focused research reports, looking at human rights, identifying nature-related risks and opportunities, and understanding how current data reporting can be used in the context of the TNFD.

Outside of this technical work, Global Canopy is supporting the TNFD to focus on education and training as a key driver of uptake after the launch of v1.0 of the framework in September 2023. The team built out an ambitious plan of work to develop and curate content for the TNFD Knowledge Bank that will help advance training and capacity building on the TNFD framework itself and on wider nature-related risk space.

Global Canopy is developing an introductory course in collaboration with UNDP Learning for Nature on nature-related risks and opportunities, and the landscape the TNFD operates in. We have also started work on designing "TNFD in a box" - a series of PowerPoint-based modules akin to the Task Force on Climate-Related Financial Disclosures (TCFD) Workshops in a Box that provide a "quick start guide" for the TNFD and a basis for training modules run by others. In addition, we are developing a large bank of case studies that provide detailed examples of nature-related impacts, dependencies, risks, and opportunities as well as demonstrating how organisations have implemented the TNFD framework and risk assessment approach (LEAP) through their piloting journeys.

In February, the TNFD hosted its first ever open-to-all-comers webinar on the Global Biodiversity Framework and how TNFD fits into the finance-sector focussed Target 15. Our Nature-related Finance Director, Marianne Haahr spoke on how the TNFD's sector specific

guidance can support the market to act. Over 2,000 people attended the webinar, and it was covered in the trade press.

On the data side, one of our core consultants acts as the Technical Lead for Data & Analytics at TNFD, and is the Co-Chair of the Nature-related Data Catalyst, which convenes data providers from across the market to tackle the challenges presented by a lack of quality, consistent, nature-related data. During COP15, more than 500 people attended the eight Nature Data Lab sessions organised as part of the catalyst.

Our Nature-related Finance team was heavily involved in planning and delivering events at COP15. In addition to the ENCORE events mentioned above, we also held a breakfast on biodiversity credits, an event on nature-based solutions and an event on the Global Food system, as well as the launch of the Mandarin version of the Little Book of Investing in Nature.

## Future Plans

The next financial year will see ENCORE's six-month inception phase conclude, with a detailed report produced to guide our work over the lifetime of the five-year programme. The inception phase will include a market research element that will focus on conducting a detailed user needs assessment in the priority countries and globally, to better understand how ENCORE can become more decision-useful, particularly in light of global developments such as the TNFD and the Global Biodiversity Framework from COP15.

In addition, funding has been secured by SECO to do a macroeconomic analysis of nature-related risks in South Africa, similar to reports done by the Dutch Central Bank and Banque de France. ENCORE sits at the heart of the impacts and dependencies analysis, and the project has been endorsed by key stakeholders including the South African Prudential Authority and the South African Reserve Bank (SARB).

In our continued role as piloting partner for the TNFD, we will provide

onboarding to banking associations and supporting consultants for our larger cohort pilots across Latin America (e.g. Brazil, Colombia, Peru) with the aim of starting testing in September 2023 in line with the v1.0 release of the TNFD framework. We will continue to work closely with select organisations to conduct deep dives into the TNFD framework in order to better understand challenges and opportunities, applying learnings to education and training materials. Global Canopy has already identified six organisations to take forward for in-depth pilots, who will receive significant technical support throughout the process. We will also continue to refine sector guidance offerings and deliver education and training materials for the TNFD post-launch.

## 3.4 Cross-cutting Work

Global Canopy's cross-cutting stream covers three main areas of work. The first encompasses our focus on Brazil, which aims to build partnerships with Indigenous peoples and local communities and ensure their voice is heard by governments, financial institutions and companies. The second is a focus on human rights work and highlighting the human rights abuses that are linked to deforestation and nature loss. Our third cross-cutting stream looks at education and training for the finance sector on nature-risk and deforestation. We aim to ensure we can provide well-targeted interactive content, via global and regional learning partners.

### The Brazil and Regional Partnerships Initiative

Global Canopy's Brazil Programme was launched to deepen our focus on increasing the understanding, visibility and engagement between Brazilian civil society and Indigenous and local communities and key private, financial sector and government actors around the world. As an international NGO with a long standing collaboration with Brazil, Global Canopy has been able to provide a platform for Indigenous voices and local communities through events and publications.

In April, Indigenous Leader and current Minister of Indigenous People Affairs, Sonia Guajajara, wrote the forward to our pensions work with

Make My Money Matter and SYSTEMIQ, Cutting Deforestation from our Pension - How Your Money Can Help to Protect the Planet.

The Brazil Programme also contributed to our first Forest 500 Human Rights briefing. Ana Valeria Araujo, the Executive Secretary of the Brazilian Fund on Human Rights, participated in the webinar to discuss its main findings.

As part of London Climate Action Week, Global Canopy hosted an event at Chatham House titled Brazil: from bad to worse since COP26 in partnership with Greenpeace UK, which put Indigenous voices on a platform with financial leaders. Coordinator of the Movement of Indigenous Youth of Rondônia State, Txai Suruí, was in conversation with Graham Stock from BlueBay Asset Management who is the co-chair of the Investor Policy Dialogue on Deforestation (IPDD).

This was followed at New York Climate Week in September, with a screening of the film *The Territory*, which was co-produced by Txai Suruí. Working alongside Think Film and Make My Money Matter the event featured contributions from film makers Richard Curtis and Darren Aronofsky and highlighted the importance of protecting Indigenous rights in global pledges to combat deforestation.

The election of President Luiz Inácio Lula da Silva in October allowed a change in focus for the programme. Our Amazon on the verge of a new future event held at COP27 in Egypt, also became Global Canopy's first podcast, with speakers including Joênia Wapixana, now the President of FUNAI in Brazil and Mauro O' de Almeida, the Environment Secretary of the State of Pará.

In March, we hosted Brazilian environmentalist Adriana Ramos in London. She spoke to members of the APPG on Global Deforestation in the UK Parliament. This was followed by Adriana speaking on the A new roadmap for Brazil and the Amazon panel, organised in partnership with the Transnational Law Institute at King's College.

**“I am not asking you to save us,  
we are saving you.”**

**Txai Suruí**

Brazilian Indigenous activist, June 2022



## Human Rights

### 2022/23 Objectives and Achievements

Over this last financial year, our work to mainstream human rights associated with deforestation across our programmes and organisation has progressed significantly. We hired a consultant to undertake a literature review and development of a roadmap to guide our next steps. The consultant also undertook a number of interviews with team members to build out her recommendations. Following this crucial piece of work, we adopted the consultant's recommendation to avoid developing a stand-alone human rights programme within Global Canopy – but rather approaching this work as a cross-cutting thematic area.

After discussion about the best way to deliver on the project plan, we took the decision to hire a long-term (minimum one year) member of staff, instead of a consultant, to lead on this work to help us embed human rights work across the organisation. We anticipate this role will become permanent in the future. A human rights lead for the organisation will allow for deeper engagement with the teams on content development and programme deliverables. It will also be vital for fundraising and international knowledge sharing and capacity building on this topic.

Our internal human rights working group, made up of a cross-section of staff members, has been growing in strength and has monthly meetings that are proving invaluable as opportunities for cross-programmatic exchange and learning. The group was originally established to help mainstream and guide a coordinated approach to human rights across the organisation. Given the progress this year, however, we are seeking to refine our Terms of Reference for this group.

As part of our internal knowledge sharing and capacity building, we organised sessions with the TNFD on their approach to human rights as part of their framework development, and separately with the Forest Peoples Programme (FPP) and the Rainforest Action Network

(RAN) who provided an overview of concerns that have been raised by civil society organisations about human rights and the TNFD framework.

Our Forest 500 team held a human-rights focussed webinar in July, and we also published a Forest 500 insight looking into why companies need to adopt a zero-tolerance approach to violence against forest, land and human rights defenders. This was in line with our Forest 500 indicators, which we updated and added to, in order to align them with evolving best practice.

As a result, in our ninth Forest 500 report released in February 2023, we saw scores across the board drop by an average of seven percentage points due to the companies and financial institutions being behind on their action on associated human rights abuses. Future Plans

**“We are rebuilding institutions, legal frameworks, and enforcement; but also securing funds at a time when Brazil is in a severe economic crisis – another legacy of the previous government. The political context is still unfavourable.”**

**Adriana Ramos**

Instituto Socioambiental (ISA), March 2023



The year ahead will see the finalised recruitment of the Human Rights Associate and the operationalisation of the project plan, including the developing and strengthening of key strategic partnerships, and internal capacity building. We will also be involved in key events in Brazil including arranging a Finance Sector Workshop at the Presidents' Summit in Belem, the Brazilian Amazon. With Brazil set to take up the G20 in December 2023, and set to host COP30, also in Belem, in 2025, we will further ramp up our work in the country with our Indigenous and local partners.

Our Forest 500 team will produce a briefing and webinar looking at the human rights landscape in Brazil, as well as the different types of human rights and the importance of having both a Free Prior and Informed Consent (FPIC) commitment and a commitment to respect customary rights to land, resources, and territory. With the UN deadline of eliminating deforestation by 2025 rapidly approaching, this briefing will provide an overview of the current picture, outline the consequences of failing to act and offer practical guidance on how to set and implement strong and comprehensive commitments.

## **Education and Learning Programme**

### 2022/23 Objectives and Achievements

Over the course of 2022, we undertook work to better understand the current nature-related Education and Learning (E&L) landscape, and how Global Canopy could contribute more effectively. Even those companies and financial institutions that have made public commitments still have very limited capabilities to identify and disclose their impacts and dependencies on nature, and ultimately develop and implement risk mitigation strategies.

To meet this growing need and opportunity, major players and new market entrants are developing nature-related offerings in what is becoming an increasingly busy space. This represents multiple opportunities for Global Canopy to partner as a content expert. We have started to plan a structure around our existing but informal E&T

offering; have had in-depth conversations with partner organisations; and moved, in the last quarter, towards hiring a Director of Education & Learning.

We have since begun a first implementation phase. Having taken on a key role in providing capacity-building for September 2023's launch of the TNFD framework, a major priority is to prepare a time-critical initial package of materials. The TNFD anticipates a high level of interest in uptake of the framework, and with it a need for accessible and scalable guidance and support in understanding and applying it. We are focusing on a bank of case studies, 'TNFD in a box' technical guidance and support for a UNDP introductory course on nature-related risk and opportunity.

Alongside the development of E&L materials for ENCORE and alignment with our Deforestation-Free Finance Guidance too, the team has been focusing on fundraising to fully fund this work and invest in additional roles in research and content creation.

### Future Plans

In 2023/24 we will continue to build on these foundations. We will work closely with the TNFD while also bringing a holistic approach to Global Canopy's E&L offering across our Programmes.

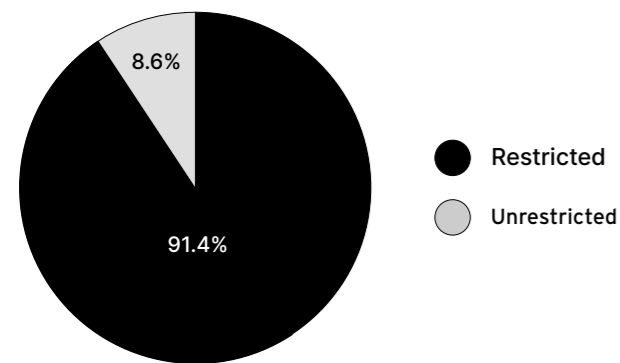
Fundraising will remain a key priority for the foreseeable future as we grow in-house capabilities in content creation and learning design to be able to support the delivery of educational content, modules and curricula. We will strengthen and formalise partnerships that can help us to reach a greater breadth of audiences, in particular ensuring E&L opportunities available to companies and financial institutions are also accessible for civil society and Indigenous peoples and local communities.

# Financial Review

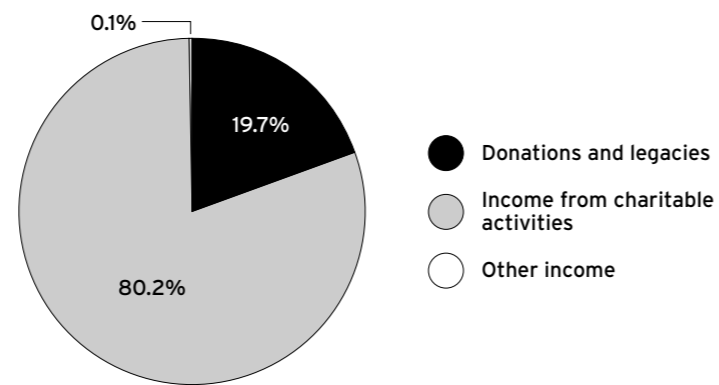
## 4

Global Canopy has continued to grow, with income doubling over the last four years. Despite challenges with recovery from the pandemic and other risk factors, our overall financial position is strong. This has enabled the Trustees to designate a further £100k of unrestricted funds for investment in impact and organisational growth as we embark on a new strategy in 2023.

### EXPENDITURE



### INCOME



Building on a stable financial picture at the end of March 2023, overall funds being carried forward to 2023/24 are £2.48 million (£1.91 million in March 2022), split between unrestricted funds of £1.24 million and restricted funds of £1.24 million. This level of unrestricted funds provides us with stability and the ability to invest in future development.

## Income

Our income for the year ending 31 March 2023 increased by 15% to £5.16million (£4.49 million in 2022).

Restricted income grew by 27% from £3,566k in 2021/22 to £4,519k in 2022/23. This was due to continued success in growing programmatic income, most notably in the Nature-related Finance programme.

Income from contracts was £84k in 2022/23 which is lower than the previous year (£249k). Voluntary unrestricted income also reduced to £551k in 2022/23, down from £668k in the previous year. These two strands of income reduced as a result of changes and restructuring to fundraising and more focus on fundraising for programmes. With a new strategy, Global Canopy is planning to develop this income stream in the future, making an important contribution to how we deliver our work. Global Canopy also plans to invest further in its fundraising capacity in 2023/24 and expects voluntary unrestricted income to grow in future.

INCOME			
£'000	2020-21	2021-22	2022-23
Restricted income	1,791	3,566	4,519
Contract income	252	249	84
Voluntary unrestricted income	310	668	551
Other income	8	6	9
<b>Total Income</b>	<b>2,361</b>	<b>4,489</b>	<b>5,163</b>

## Expenditure

Global Canopy's expenditure increased by around 34% in the year to March 2023. 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 below shows the total expenditure on charitable activities by programme

<b>EXPENDITURE</b>			
<b>£'000</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Corporate Performance	616	1,158	1,775
Supply Chain Transparency	1,173	1,063	1,368
Nature Related Finance	602	928	1,128
Other activities	22	117	121
<b>Charitable expenditure by Programme (including support costs)</b>	<b>2,413</b>	<b>3,266</b>	<b>4,392</b>

The cost of raising funds increased by £69k to £186k in 2022/23 up from £117k in 2021/22. This was mainly due to investment in the fundraising team especially to support growth of our growing programmes and explore new funding opportunities.

## Cashflow

The cash flow statement shows that cash has decreased by £148k during the year to £1.6m at the end of March 2023. This mainly due to spending cash received in 2021/22 for activities related to 2022/23.

We are mindful of the uncertainties around future funding and continue to monitor the increased costs of operation. We therefore continue to look out for efficiencies in our operations and are looking

to invest some of our resources in the development of a new strategy that will improve our fundraising. We will also invest in our systems and structures to support anticipated growth.

## 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 that 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, in March 2023 the trustees approved a change to the reserves policy. A target range of General free reserves based on several scenarios where levels of risk that have a financial impact on GC materialise was set. We will take a view that all unrestricted funds are not renewed and we do not receive any other unrestricted funding. In the short term, we will consider keeping only some staff and unavoidable non-staff costs which will allow six to nine months to replenish or to take corrective action.

<b>£'000</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Unrestricted funds	628	792	944
Designated Funds		200	300
Restricted Funds	180	914	1,235
<b>Total funds at 31 March</b>	<b>808</b>	<b>1,906</b>	<b>2,479</b>

Restricted funds of £1,235k 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 £300k 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 £36k 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 £908k. This is equivalent to 8 months of core costs and within the target range set by the trustees.

# Diversity & Inclusion

As an organisation working to identify and address the market forces destroying nature and driving deforestation we recognise that there are historic and systemic barriers to social justice in achieving more sustainable and equitable production and consumption systems.

Agricultural expansion for the forest-risk commodities like beef and leather, palm oil and soy that we focus on – is often associated with human rights abuses. Indigenous peoples and local communities around the world face land invasions, land expropriation, violence and – in some cases – assassinations for defending their territory against deforestation. Workers rights abuses, including forced labour and child labour, are also issues in forest-risk supply chains.

Many groups, such as smallholder farmers and Indigenous peoples who participate in or are directly affected by forest-risk supply chains are also excluded and underrepresented in decision-making processes in global supply chains and international fora.

Systemic inequalities are also found within the UK charity sector. For example, representation of people from black, Indigenous and other people of colour (BIPOC) 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.

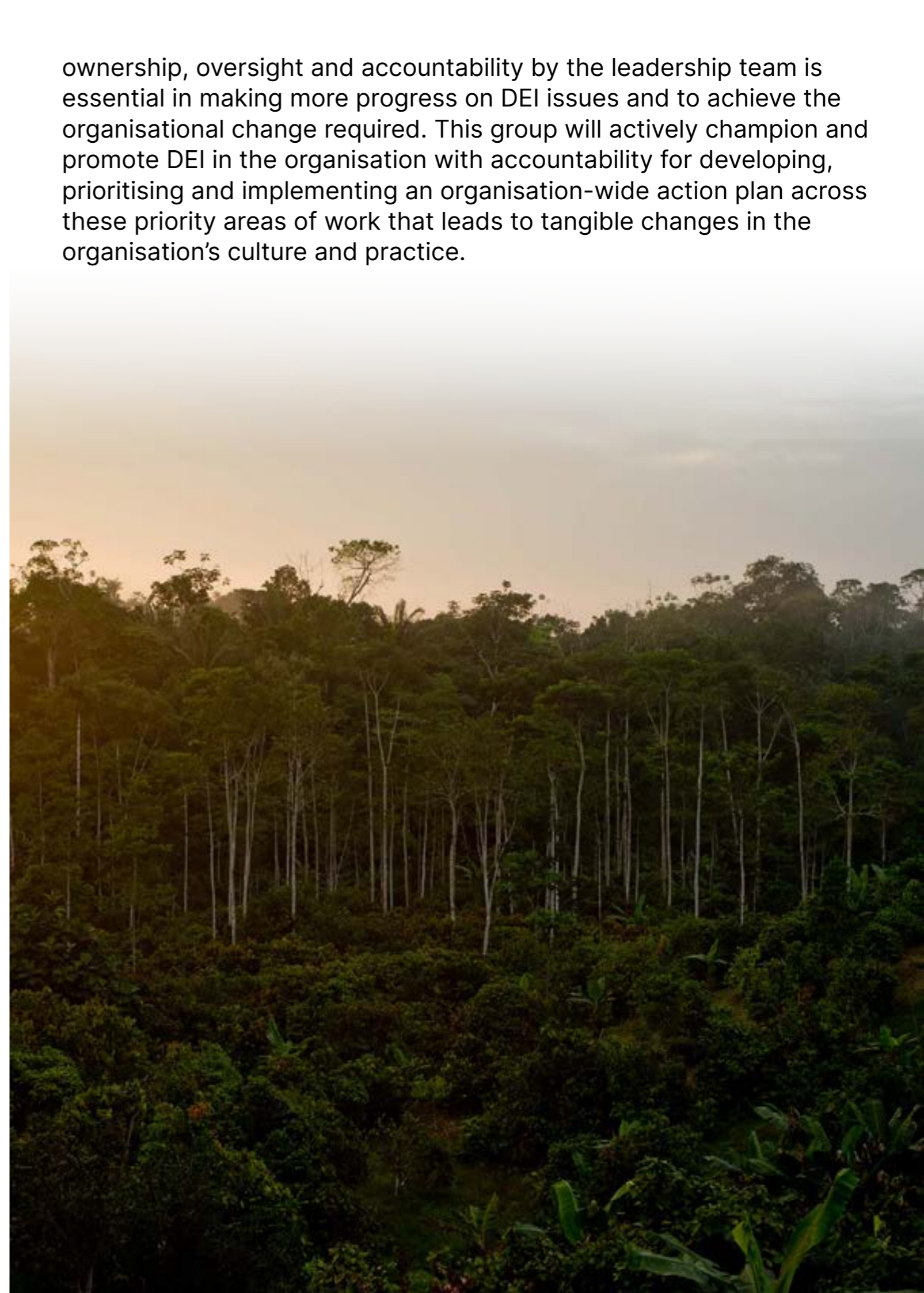
At Global Canopy, we believe a diversity of voices, lived experiences and backgrounds leads to better decisions and outcomes and is needed for us to deliver our mission and goals as an organisation. We commit to tackling such inequalities and the ways in which they

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 are inclusive. Our job advertisements 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. We will conduct an annual equity pay review, ensuring internal consistency and external competitiveness.
- 2. Programmatic work** – we will increase the visibility of social justice in our work and, where we can, amplify the voices of groups that are excluded from decision-making processes including smallholders, Indigenous peoples and local communities and civil society in tropical forest countries.
- 3. Culture and values** – 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. In addition, reviewing our policies and processes with diversity, equity, and inclusion 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 have a staff working group on diversity, equity and inclusion (DEI) that is focused on raising awareness and actively championing their importance across the organisation. We have also established a new Leadership Team working group on DEI in recognition that

ownership, oversight and accountability by the leadership team is essential in making more progress on DEI issues and to achieve the organisational change required. This group will actively champion and promote DEI in the organisation with accountability for developing, prioritising and implementing an organisation-wide action plan across these priority areas of work that leads to tangible changes in the organisation's culture and practice.



# Reference & Administrative Details

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**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:**

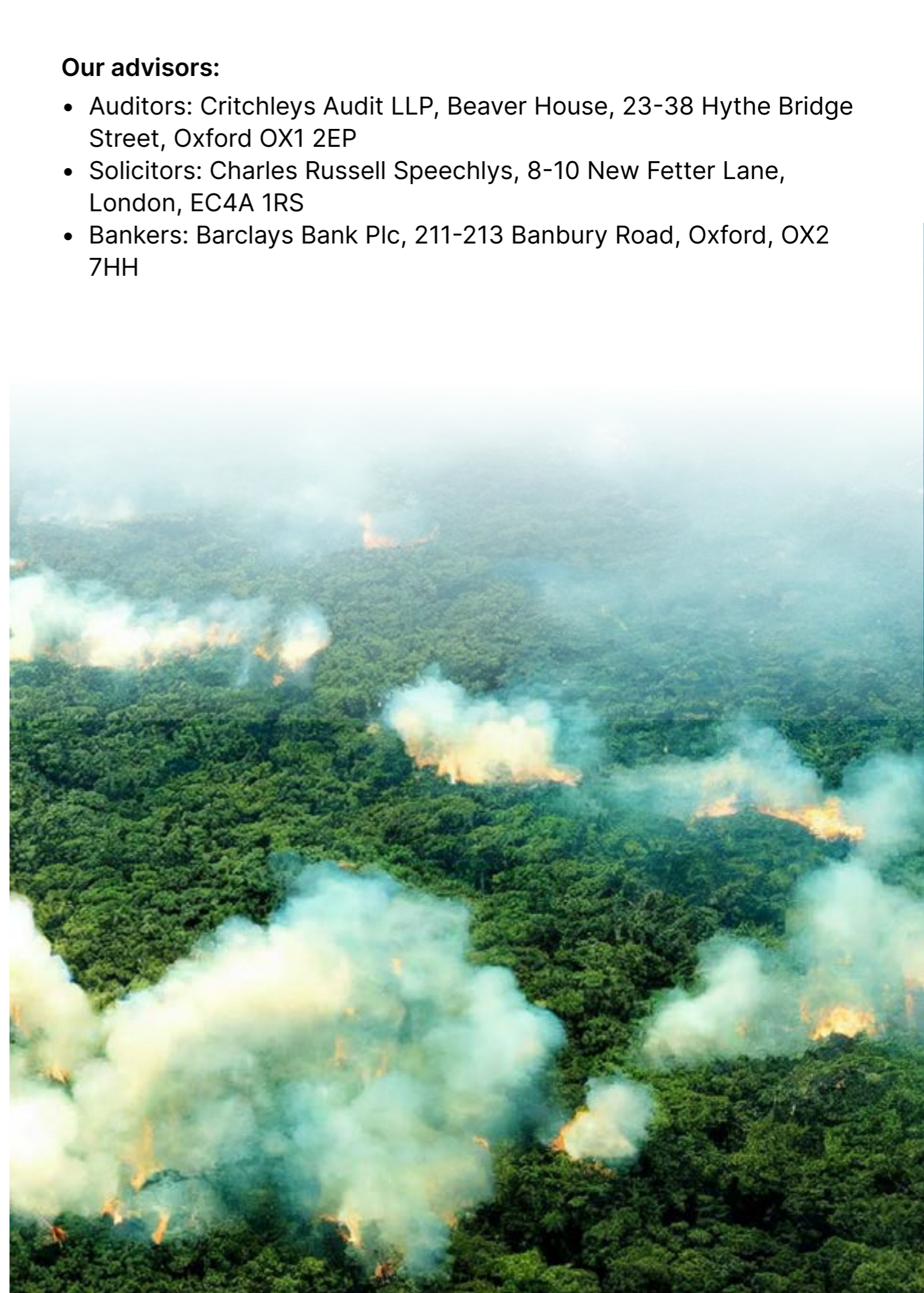
- Hylton Murray-Philipson, Chair
- Sara Beck
- Thomas Bible
- Rose Dale
- Dougal Freeman (joined July 2022)
- Talia Goldman (joined January 2023)
- Michael Meehan (resigned July 2022)
- Justin Mundy
- Gabriel Quijandria (joined January 2023)
- Johanna von Braun

**Senior management staff:**

- Niki Mardas, Executive Director
- Helen Bellfield, Policy Director, Trase lead
- Amy Fairbairn, Strategic Communications Director
- Emma Gollub, Strategic Engagement Director
- Marie Hounslow, Development Director
- Ronald Bwanika Kansere, Finance Director
- Rachel Rank, Chief Operating Officer

**Our advisors:**

- Auditors: Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, 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



# Structure, Governance & Management 7

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.

Following a governance review in the first half of 2022, two board committees have been established. One focuses on Finance, Audit and Risk; the other focuses on People and Organisational Development. Committee members include a minimum of two trustees. Up to two external members can be appointed to a committee by the trustees. The committees meet between 2-4 times each year, offering additional time to discuss priority topics such as the annual budget, audited accounts, organisational development and structure.

Global Canopy has several strategic partnerships central to delivering its work. Some of the most significant include:

- Stockholm Environment Institute (SEI), the joint founder of the Trase initiative with Global Canopy, and who are also partners on the Forest IQ initiative
- Zoological Society of London (ZSL) who are joint partners on Forest IQ.
- Neural Alpha, who we work with alongside SEI to develop Trase Finance
- UNEP Finance Initiative and UNEP World Conservation Monitoring Center (WCMC) partners on our ENCORE work.

## 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 had a registered branch in Norway in order to employ a member of staff based there. The company did not conduct business activities in Norway. The branch was deregistered on 27 February 2023 after the member of staff resigned from their role and all final salary, taxation, social security and pension payments were finalised.

## 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 process and ongoing training, they meet with members of the Leadership Team.

## Reward & Remuneration

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. The Executive Director is, in turn, responsible for setting the pay of the other senior management team members.

The organisation set salary bands following an external benchmarking exercise against market comparators within a similar sector and geography, with a view to being competitive in attracting and retaining talent by paying in the 70th percentile. In setting pay within those bands, the know-how, problem solving and accountability 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, equity adjustments or to recognise increased accountability / 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 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. During the year we also introduced a Finance and Risk committee of the board which undertakes a quarterly in depth review of our risk profile.

The table below shows the major risks that were identified by the trustees in 2022/23 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 being developed in 2023 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 including expanding the team with further internal capacity and specialist external support</li> </ul>
Commercialisation of our data	We have only started developing this area of our programming	<ul style="list-style-type: none"> <li>• Developing a clear strategy on how to manage our social enterprise work</li> <li>• Brought in external capacity to support with the development and growth of this programme</li> <li>• Reviewing our finance and operations systems to effectively support social enterprise work</li> </ul>
Delivery through partners	Lack of clear strategy for partnerships, engagement leads to ineffective work and poor result	<ul style="list-style-type: none"> <li>• Assessing before work with partners to highlight key areas of support</li> <li>• Continuous review and support on capacity building in countries where we work</li> <li>• Strong links and partnerships with Indigenous people's organisations</li> </ul>
Information Technology and Data Security	Financial and reputation implications from ransomware and hacking	<ul style="list-style-type: none"> <li>• Review data security processes and service providers</li> <li>• All laptops are managed centrally and updated with anti virus software</li> <li>• Increase capacity to manage Information Technology systems</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, 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 conduct is signed 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: Hylton Murray-Philipson

Date: 17<sup>th</sup> October 2023

Signature: 

## 31 March 2023

## Statement of Financial Activities

### for the year ended 31 March 2023

	Note	Unrestricted funds	Restricted funds	Total funds year to March 23	Total funds year to March 22
		£000s	£000s	£000s	£000s
<b>Income and endowments</b>					
Donations and legacies	3	551	464	1,015	728
Income from charitable activities	4	84	4,055	4,139	3,755
Other trading activities		8	-	8	6
Other income		1	-	1	-
<b>Total income and endowments</b>		<b>644</b>	<b>4,519</b>	<b>5,163</b>	<b>4,489</b>
<b>Expenditure</b>					
Expenditure on raising funds	5	161	25	186	117
Expenditure on charitable activities	6	219	4,173	4,392	3,266
Other expenditure		12	-	12	8
<b>Total expenditure</b>		<b>392</b>	<b>4,198</b>	<b>4,590</b>	<b>3,391</b>
<b>Net movement in funds</b>		<b>252</b>	<b>321</b>	<b>573</b>	<b>1,098</b>
<b>Reconciliation of funds</b>					
Funds brought forward		992	914	1,906	808
Funds carried forward		1,244	1,235	2,479	1,906

	Note	At 31 March 2023	At 31 March 2022
		£000s	£000s
<b>Fixed assets</b>			
Tangible assets	11	36	38
Investments	12	-	-
		<b>36</b>	<b>38</b>
<b>Current assets</b>			
Debtors	13	1,084	509
Cash at bank		1,595	1,743
		<b>2,679</b>	<b>2,252</b>
<b>Creditors: amounts falling due within one year</b>			
	14	236	384
<b>Net current assets</b>		<b>2,443</b>	<b>1,868</b>
<b>Net assets</b>		<b>2,479</b>	<b>1,906</b>
<b>Funds:</b>			
Unrestricted funds	16	944	792
Designated funds	17	300	200
Restricted funds	18	1,235	914
		<b>2,479</b>	<b>1,906</b>

The notes on pages 55 to 67 form part of these accounts. The accounts on pages 52 to 67 were approved by the board on 17 October 2023 and signed on its behalf by Hylton Murray-Philipson.

17<sup>th</sup> Oct 2023 H.M. Philipson  
17

# Statement of cashflows

## for the year ended 31st March 2023

	At 31 March 2023	At 31 March 2022
	£000s	£000s
Net movement in funds for the reporting period (as per the statement of financial activities)	573	1,098
<b>Adjustments for:</b>		
Depreciation charges	23	18
Loss on disposal of investment in subsidiary	-	-
(Increase) / decrease in debtors	(575)	(336)
Increase/(decrease) in creditors	(148)	190
Net cash provided by (used in) operating activities	(127)	970
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(21)	(23)
Net cash provided by (used in) investing activities	(21)	(23)
Change in cash and cash equivalents in the reporting period	(148)	947
Cash and cash equivalents at the beginning of the reporting period	1,743	796
Cash and cash equivalents at end of the reporting period	1,595	1,743
<b>Analysis of cash and cash equivalents:</b>		
Cash in hand	1,595	1,743
Total cash and cash equivalents	1,595	1,743

# Notes to the accounts

## Statutory accounts – year to March 2023

### 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

The 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 2023 the balance of unrestricted funds is £944k. After adjusting for the carry value of fixed

assets, free reserves are £908k. This is within the trustees target reserves range of £749k to £936k. 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 2022

	Unrestricted funds £000s	Restricted funds £000s	Total Year to March 2022 £000s
<b>Income and endowments</b>			
Donations and legacies	668	60	728
Income from charitable activities	249	3,506	3,755
Other trading activities	6	-	6
Other income	-	-	-
<b>Total income and endowments</b>	<b>923</b>	<b>3,566</b>	<b>4,489</b>
<b>Expenditure</b>			
Expenditure on raising funds	115	2	117
Expenditure on charitable activities	436	2,830	3,266
Other expenditure	8	-	8
<b>Total expenditure</b>	<b>559</b>	<b>2,832</b>	<b>3,391</b>
<b>Net movement in funds</b>	<b>364</b>	<b>734</b>	<b>1,098</b>
<b>Reconciliation of funds</b>			
Funds brought forward	628	180	808
Funds carried forward	992	914	1,906

## 3. DONATIONS AND LEGACIES

	2023 £000s	2022 £000s
<b>Unrestricted donations</b>		
Constance Travis Charitable Trust	50	50
Schroders Foundation	45	30
Waterloo Foundation	-	40
Ernest Kleinwort Charitable Trust	45	45
CHK Charities Limited	-	50
Tedworth Charitable Trust	20	20
Millichope Foundation	10	20
B and J Lloyd Family Charitable Trust	33	30
The Big Give Trust	10	10
Global Returns Project	22	32
The J R Asprey Family Charitable Foundation	1	10
Ardevora Charitable Trust	50	50
Effektiv Spenden Switzerland	-	201
Garfield Weston Foundation	30	-
Golden Bottle Trust	3	-
Material World Foundation	10	-
J. Leon & Company Limited	25	-
UNISEA Shipping Ltd	25	-
Samworth Foundation	100	-
The Bowie Children's Trust	3	-
Aurelia Foundation	5	-
Individuals	64	80
	<b>551</b>	<b>668</b>
<b>Restricted donations</b>		
Arcadia	250	-
Still Water Foundation	164	-
John Ellerman Foundation	50	50
B and J Lloyd Family Charitable Trust	-	10
	<b>1,015</b>	<b>728</b>

## 4. INCOME FROM CHARITABLE ACTIVITIES

	2023 £000s	2022 £000s
Nature Related Finance	1,398	892
Corporate Performance	1,506	1,484
Supply Chain Transparency	1,189	1,294
Other	46	85
	<b>4,139</b>	<b>3,755</b>

## 5. EXPENDITURE ON RAISING FUNDS

	2023 £000s	2022 £000s
	116	76
Salaries	16	11
Direct costs	54	30
Support costs	186	117

## 6. EXPENDITURE ON CHARITABLE ACTIVITIES

In year to March 2023:	Grant funding £000s	Activities undertaken directly £000s	Support Costs (note 7) £000s	Total 2023 £000s
Corporate Performance	393	1,080	302	1,775
Supply Chain Transparency	67	913	388	1,368
Nature Related Finance	2	877	249	1,128
Other	-	107	14	121
	462	2,977	953	4,392

In year to March 2022:	Grant funding £000s	Activities undertaken directly £000s	Support Costs (note 7) £000s	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

Grant funding of activities was via the following organisations:

	2023 £000s	2022 £000s
CDP Worldwide	2	25
Zoological Society of London	393	198
Forest Peoples Programme	-	29
Auriga (Yayasan Auriga Nusantara)	-	16
University of California (UCSB)	67	33
	462	301

## 7. SUPPORT COSTS

	2023 £000s	2022 £000s
Office costs	159	109
HR function	190	137
Central Accounting function	187	80
Management and leadership	137	154
Central Communications function	195	143
IT Costs	73	61
Programme Development	64	7
Other operational costs	-	4
Governance	2	-
	1,007	695

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:

	2023 £000s	2022 £000s
Charitable activities (note 6)	953	665
Fundraising (note 5)	54	30
Other trading activities	-	-
	1,007	695

	2023	2022
Support function costs for each day worked on programme activities is	£120/day	£99/day
Support function costs as a % of direct charitable expenditure	32%	29%

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

	2023	2022
	£000s	£000s
Wages & salary costs	1,849	1,273
Social security costs	206	179
Pension contributions	191	126
	2,246	1,578

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:

	2023	2022
Directors	7	6
Programmes & Support	38	31
The number of full-time equivalent employees, during the year was	42.5	33.4

The number of employees who's total emoluments exceeded £60k in the year was:

£60k - £70k	2	1
£70k - £80k	1	1
For these higher paid employees, the annual pension contributions were	£29,281	£14,344

In 2023, one trustee received reimbursement of expenses totaling £20. No trustee received any other remuneration or reimbursement of expenses during 2023 or 2022.

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 2023, namely the Executive Director, Chief Operating Officer, Policy Director, Strategic Communications Director, Strategic Engagement Director, Development Director and Finance Director. The total employee benefits including employer pension costs of the key management personnel of the charity were:

	2023	2022
	£000s	£000s
Senior management benefits, including employer pension costs	534	409

## 9. RELATED PARTY TRANSACTIONS

	2023	2022
	£000s	£000s
Donations and grants received from trustees & other related parties	21	31

## 10. NET INCOME/EXPENDITURE

	2023	2022
	£000s	£000s
<b>Is stated after charging</b>		
Depreciation	23	18
Auditor's remuneration for the organisational audit	6	5
Auditor's remuneration for grant audits	9	2
Auditor's remuneration for payroll and HR services	4	3
Auditor's remuneration for Tax advice	-	1
Rent payable	72	72

## 11. TANGIBLE FIXED ASSETS

	F&F £000s	Computer & office equipment £000s	Leasehold improvements £000s	Total £000s
<b>Cost</b>				
At 1 April 2022	5	63	40	108
Additions	-	21	-	21
At 31 Mar 2023	5	84	40	129
<b>Depreciation</b>				
At 1 April 2022	4	44	22	70
Charge	-	19	4	23
At 31 Mar 2023	4	63	26	93
NBV – at 31 March 2023	1	21	14	36
NBV – at 31 March 2022	1	19	18	38

## 12. FIXED ASSET INVESTMENTS

	2023	2022
	£	£
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:

	2023	2022
	£	£
<b>Balance sheet</b>		
Net assets	-	-
Share capital	1	1
Profit & loss	(1)	(1)
Shareholders' 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

	2023	2022
	£000s	£000s
Trade debtors	15	38
Grants receivable	546	372
Prepayments	13	11
Accrued income	510	88
	1,084	509

## 14. CREDITORS

	2023	2022
	£000s	£000s
Trade creditors	97	177
Other taxes & social security	68	77
Accruals	71	130
	236	384

## 15. COMMITMENTS

The charity had the following commitments at 31 March 2023.

Operating leases

As at 31 March 2023 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£000s	£000s
<b>Land and buildings</b>		
Amounts payable within one year	72	72
Amounts payable between one and five years	162	234
Amounts payable after more than five years	-	-

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.

	2023	2022
	£000s	£000s
Grants which expire within one year	613	418
Grants which expire between one and five years	452	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 2023.

## 16. UNRESTRICTED FUNDS

	2023	2022
	£000s	£000s
At 1 April	792	627
Transfers from Unrestricted to Designated funds	(100)	(200)
Net income / (expenditure) for the year	252	365
At 31 March	944	792

## 17. DESIGNATED FUNDS

	2023	2022
	£000s	£000s
At 1 April	200	-
Transfers from Unrestricted to Designated funds	100	200
Net income / (expenditure) for the year	-	-
At 31 March	300	200

Designated funds represent £200k reserved by the board in 2021-22 to fund investment impact and organisational growth. An additional £100k was allocated in 2022-23 for the same purpose, bringing the new total to £300k.



## 18. RESTRICTED FUNDS

		Balance at 1 April 22 £000s	Incoming resources £000s	Expenditure £000s	Balance at 31 March 23 £000s
1	Norwegian Government, NORAD, Aligned Accountability	433	1,177	1,314	296
2	UK Government, FCDO, FGMC	-	683	683	-
3	Norwegian Government, NORAD, TNFD	-	327	146	181
4	Norwegian Government, NORAD (via SEI)	-	307	307	-
5	The Gordon & Betty Moore Foundation (via SEI)	433	287	267	453
6	The Arcadia Philanthropic Trust	-	250	250	-
7	Swiss Government (SECO) via WCMC	-	222	9	213
8	Quadrature Climate Foundation (via SEI)	32	200	231	1
9	Swedish Government (SIDA-MPTF) & US Government (USAID) via UNDP	-	195	193	2
10	Still Water Foundation (via PBAF)	-	164	164	-
11	Global Environment Facility (via UNEP Finance Initiative)	-	163	146	17
12	The Packard Foundation, US	-	131	131	-
13	Finance for Biodiversity Foundation	-	125	125	-
14	John Ellerman Foundation	-	50	50	-
15	Unisea Shipping Ltd	-	41	18	23
16	Swiss Government (FOEN) via WCMC	-	40	40	-
17	CHK Foundation	-	40	-	40
18	The Foundation for the Promotion of Well-being	-	35	35	-
19	WWF (US), Trase Bolivia	-	33	24	9
20	Synchronicity Earth	-	25	25	-
21	German Government, GIZ	5	11	16	-
22	The Rainforest Foundation Norway, Brazil Programme	-	10	10	-
23	Brazil Programme	-	1	1	-
24	Swiss Government (via WCMC)	1	-	1	-
25	Swedish Government (SIDA) via UNDP	-	1	1	-
26	Little Book for Financing Biodiversity	2	-	2	-
27	B and J Lloyd Family Charitable Trust	7	-	7	-
28	Global Environment Fund (via WWF)	1	-	1	-
29	Norwegian Government, NICFI (via SEI)	1	-	1	-
30	Swiss Government (via UNEP-FI)	(1)	1	-	-
		914	4,519	4,198	1,235

## 18. RESTRICTED FUNDS (CONTINUED)

Movement in the year to March 2022

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

## 18. RESTRICTED FUNDS (CONTINUED)

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 Norad, the Norwegian Government Development agency to support the Task Force for Nature Related Financial Disclosure (TNFD).
4. Funds from Norad, the Norwegian Government Development agency to support the development of the Trase platform, a joint initiative with SEI.
5. Funds from the Gordon and Betty Moore foundation to support the development of the Trase platform, a joint initiative with SEI.
6. A grant from the Arcadia Philanthropic Trust for core support to Global Canopy
7. Funds from SECO, the Swiss Government's State Secretariat for Economic Affairs, via United Nations Programme World Conservation Monitoring Centre (WCMC) to support the second phase of the ENCORE project
8. Funds from Quadrature Climate Foundation to support the development of the Trase platform, a joint initiative with SEI.
9. A grant from the United Nations Development Programme to provide coordination, engagement, communications, and technical support for the Taskforce on Nature Related Financial Disclosure (TNFD) Project. This project is funded by the Swedish & US Governments.
10. Funds from Still Water Foundation, via the Permian Basin Area Foundation, to be used for general operating support
11. Funds from the Global Environment Facility (GEF), via the United Nations Environment Programme Finance Initiative, to support the establishment of a Taskforce on Nature-related Financial Disclosures (TNFD) to develop and disseminate a global framework for corporates and financial institutions to assess, manage and report on their dependencies and impacts on nature
12. A grant from the David and Lucille Packard Foundation to support the development of the Trase Platform in the context of Indonesian palm oil.
13. A grant from the Finance for Biodiversity Foundation to collaborate on the project "Risk Management for Deforestation Free Finance (TRASE)"
14. A grant from the John Ellerman Foundation towards Global Canopy's core costs, including senior staff salaries.
15. Funds from UNISEA Shipping Ltd, to support the Deforestation, conversion and abuse free (DCAF) investment mandate targeted at family offices and foundations
16. Funds from FOEN (Swiss Federal Office for the Environment), via United Nations Programme World Conservation Monitoring Centre (WCMC) to further enhance ENCORE, building on the success of the biodiversity module to date, to enable alignment of financial institutions' portfolios with biodiversity goals
17. A grant from CHK Foundation for our Brazil programme, allowing us to invest in the long-term sustainability of this programme, including the development of a Brazil-focused version of the Forest 500, and a media strategy and launch event.
18. A donation from the Foundation for the Promotion of Well-being to support our Brazil Programme work
19. A grant from the World Wildlife Fund (US) for Trase - Mapping soy supply chains in Bolivia
20. A grant from Synchronicity Earth to support the Deforestation-free finance Common Investment Mandate
21. Funds from GIZ, the German Government Development agency to support our Trase work on Programme Sustainability and Standards in global Agriculture Value Chains
22. Funds from the Rainforest Foundation Norway to support our Brazil Programme work
23. Funds for our Brazil Programme work

24. 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.
25. 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
26. 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
27. 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.
28. 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.
29. A grant from the Norwegian Government International climate fund (NICFI) to support the development of the Trase platform, a joint initiative with SEI.
30. 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
31. A grant from the UK Government Foreign Commonwealth and Development Office funding ASEAN TNFD Pilot Project
32. 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.
33. 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
34. 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.
35. A donation to support research and communications activity within Brazil promoting the importance of protecting and restoring the Amazon.
36. A grant from the Climate and Land Use Alliance to support the inclusion of media-data into corporate performance information.

## 19. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
<b>2023</b>			
Fixed assets	36	-	36
Net current assets	1,208	1,235	2,443
	1,244	1,235	2,479
<b>2022</b>			
Fixed assets	38	-	38
Net current assets	954	914	1,868
	992	914	1,906

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 2023 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 2023 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 pages 50 to 51, 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: [frc.org.uk/auditorsresponsibilities](http://frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

### Use of our report

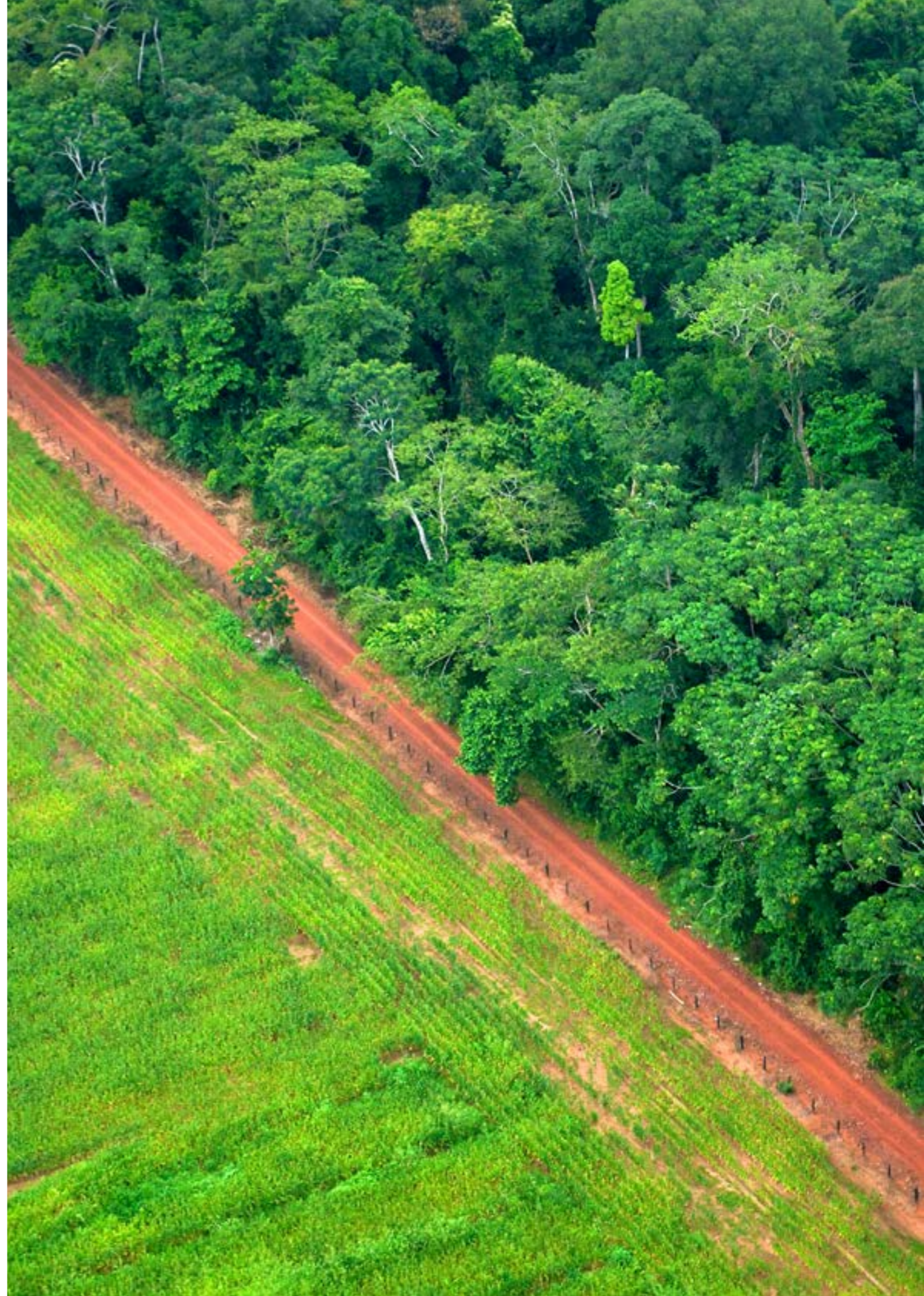
This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other 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: *Colin Mills*

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: 19 OCTOBER 2023



**globalcanopy.org**  
**forest500.org**  
**forest-iq.com**  
**encorenature.org**  
**tnfd.info**  
**trase.earth**