



**GREEN  
CANOPY**

# **Regenerating Communities & Environments**

**2019 IMPACT REPORT**

---

Between the pandemic of COVID-19 and the civil unrest following the murder of George Floyd, the world as we know it has changed dramatically. There has been a grand unveiling of the massive inequities and planetary injustices hidden in plain sight.

Green Canopy was born out of a deep desire to address climate change. Yet, over the last decade, our theory of change has evolved to embrace a systems approach to change; we understand everything is connected. As urban infill developers, we recognize the critical role we play in shaping the urban environment. Our work is focused on making a positive impact by reducing urban sprawl, decreasing vehicle miles traveled, increasing neighborhood resilience and inclusivity, creating healthy and affordable living spaces, and protecting our surrounding wildlands. The evolution of Green Canopy is captured best within our mission statement, **we build homes, relationships, and businesses that help regenerate communities and environments.**



**SUSAN FAIRCHILD**

The built environment is currently responsible for 40% of our global carbon emissions. With the understanding that the global population living in cities and towns will likely grow from 54% to 66% by 2050, we must be thoughtful about **what** we build and **where** we build to address climate change. For example, we build highly sustainable, all-electric, healthy homes, and we build in urban, walkable communities with the intent to open up neighborhoods of opportunity with access to parks, grocery stores, and quality schools to more families.

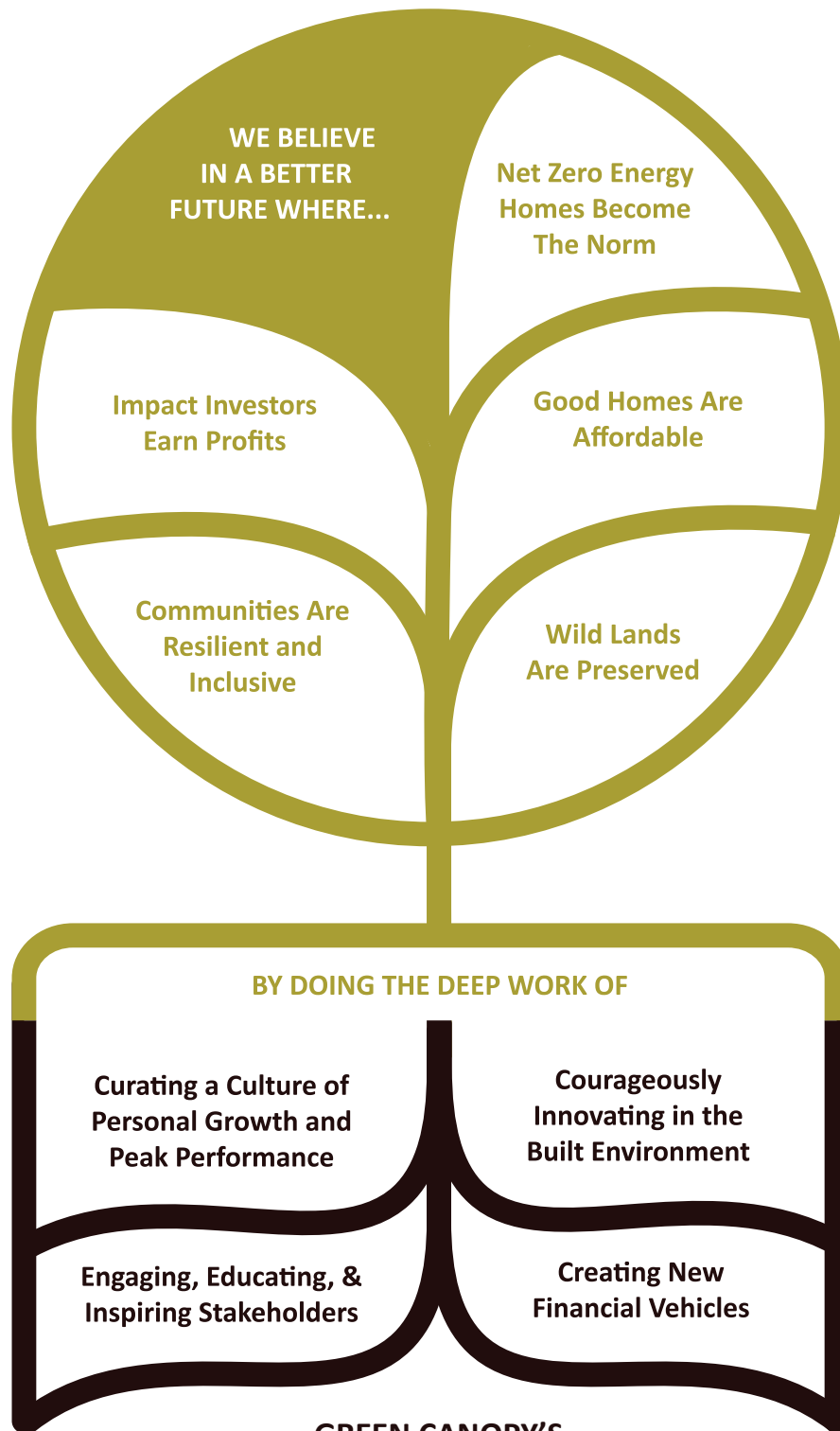
Yet, it is clear that only addressing the [what and where](#) we build will not address the climate and housing crises before us. As evidenced by [recent findings](#) that Opportunity Zones have perpetuated wealth disparities, we must also consider **how** we work.

**How** we do our work is centered on a deep commitment to our many stakeholders and is built on a foundation of authenticity, transparency, respect, and trust. With too many forces pushing against change, we simply don't believe we can expect to solve for the climate and housing crises without addressing how we work with others. We want to bring as many along on the journey as possible, which is why we invest in building and strengthening relationships within our network of 70+ shareholders in our company, 60+ investors in our funds, board members, project equity investors, real estate agents, subcontractors, home buyers, neighbors, nonprofit partners, community members, and government officials.

We believe in a brighter, more resilient, healthy, and equitable future and you are integral to helping us achieve this vision. We appreciate your role in this journey! We hope that by sharing our work in this report that we can create further inspiration and market transformation.

*Sincerely,*  
Susan Fairchild  
*Director, Investor Relations & Impact*

A handwritten signature in cursive script that reads "Susan Fairchild".



**GREEN CANOPY'S**

# **Theory of Change**

**We Will Not Stop Until We Solve For This Because  
We Can Only Live For Something Worth Living For**



# NET ZERO ENERGY BECOMES THE NORM

In September 2019, Greta Thunberg addressed the United Nations by calling out the assembled world leaders for their lack of action in addressing the climate crisis, "How dare you pretend that this can be solved with just 'business as usual' and some technical solutions?"

The building sector accounts for 40% of annual global GHG emissions and our emissions are expected to double by 2050. The optimistic news is that research from the International Energy Agency has found that we can cut [87% of greenhouse gas emissions](#) from buildings by 2050 by using energy efficiency and clean electricity technologies already in existence. Yet, only 1% of buildings are Net Zero Energy and we already know the building industry is the last industry to undergo a [productivity revolution](#).

Fortunately, there are leaders willing to lead toward a clean energy transition. In July 2019, the City of Berkeley became the [first U.S. municipality](#) to ban the installation of natural gas lines in new buildings. Since that time, at least a dozen other cities have followed suit to go [all-electric](#) and eliminate their dependence on fossil fuels and fracked gas and improve the health of residents.

Building all-electric homes is an important part of the clean energy transition. Every Green Canopy home since inception has been all-electric. In addition, Green Canopy homes are built to a rigorous set of Net Zero Energy Ready standards, enabling the home buyer to opt in to Net Zero Energy and purchase the solar panels with a variety of financing and installment options. Net Zero Energy homes produce enough energy with solar panels to offset their energy consumption needs over the course of a year.

In three short years, Green Canopy has sold more than twice as many Net Zero Energy and Net Zero Energy Ready homes that have ever been sold in Seattle and Portland combined.



3

NET ZERO ENERGY  
HOMES SOLD



7

NET ZERO ENERGY READY  
HOMES SOLD



142.7

METRIC TONS OF  
GREENHOUSE GASES (GHG)  
MITIGATED



32,291.2

METRIC TONS OF GHG  
MITIGATED SINCE INCEPTION  
(USING CONSERVATIVE 20 YEAR  
MEASURE LIFE)

# GOOD HOMES ARE AFFORDABLE

Everyone should have access to good homes – homes that are healthy and sustainable. With at least 90% of our time spent indoors and now a majority of our time spent at home, home health and design matters. Yet, many of us don't realize just how toxic building materials can be for ourselves and our children. "Children are being exposed to unrecognized toxic chemicals that are silently eroding intelligence, disrupting behaviors, truncating future achievements, and damaging societies," reported Dr. David Bellinger, a professor of neurology at Harvard Medical School.

This is a crisis not just for our own health and our children's health, but especially for low-income, communities of color who tend to already be exposed to a higher level of toxic pollution and for low-income factory workers who are exposed to these same chemicals daily as they create these building materials.

Adhering to third party green building standards such as those set by Built Green in Seattle and Earth Advantage in Portland helps ensure Green Canopy Homes are not only better for the environment but better for our health. Our homes use zero-VOC (Volatile Organic Compounds) paint, adhesives, and finishes, fresh air ventilation systems, and Blueskin weatherproofing technology to provide a resilient structure with high air quality. By installing all-electric appliances, such as induction stoves, we eliminate the health risks associated with the release of toxic byproducts from gas.

Increasing access to desirable, urban walkable communities solves for one significant part of our housing challenge – supply. However, the firm's theory of change commits us to also work on bringing our product affordable. While we admit, it hasn't been easy, we rely on creativity, courage, and the right partners. Through 2019, 11.3% of our total homes are affordable in accordance with our partnership with the Washington State Housing Finance Commission.

And our work is not done. Green Canopy sat on Seattle's first ever Affordable Middle-Income Housing Advisory Council and is actively working with an African American Church in Seattle to help regenerate the Central District and bring in more affordable, sustainable housing.



**100%**

OF HOMES THIRD-PARTY CERTIFIED

**12**

FIVE-STAR BUILT GREEN

**20**

FOUR-STAR BUILT GREEN

**6**

EARTH ADVANTAGE PLATINUM



**4**

AFFORDABLE HOMES  
FINANCED WITH WSHFC



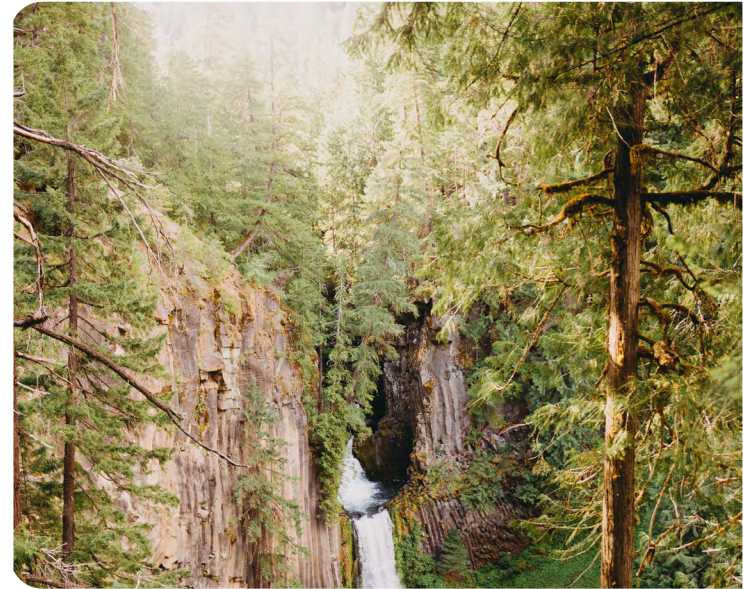
# WILDLANDS ARE PRESERVED

The Pacific Northwest was gifted a bounty of treasure with a rich diversity of ecosystems and native plants and animals. This richness is embedded in our PNW identity as we play in the ocean, the mountains, the rivers, deserts, and forests – areas that are also important habitats for critical species.

Unfortunately, Earth is in the midst of its sixth mass extinction. The extinction is accelerating as humans continue our current trajectory of climate change, pollution, and over-development. Our region has benefited from an economic boom, bringing in new people to enjoy the natural beauty of our region. Yet, on a regular basis, we lose important habitat as developers try to accommodate for the increasing population.

To preserve our wildlands, our forests, and our farmlands and maintain the biodiversity of our region, it is important we take into consideration just how valuable that raw land is – not to just our generation, but to future generations and the species found within. While many developers deploy the clear-cutting practice of plat development, Green Canopy has honed the ability to selectively harvest non-contiguous urban infill lots in Pacific Northwest high-growth cities in order to increase access and affordability within our urban walkable communities. In addition to reducing sprawl and reducing vehicle miles traveled, this preserves our surrounding wildlands.

Green Canopy strives to keep as much of the deconstructed home out of the landfill as possible. For each project site, Green Canopy responsibly demolishes and recycles the majority of the existing structure.



**4.6**  
HOMES BUILT PER SITE,  
ON AVERAGE



**1,085**  
SQUARE FEET OF REUSED AND  
RECLAIMED WOOD INSTALLED



**1,796**  
BOARD FEET OF DIMENSIONAL  
LUMBER SALVAGED PRIOR  
TO DEMOLITION



**133.3**  
TONS DEMOLITION  
WASTE RECYCLED



**101.7**  
TONS CONSTRUCTION  
WASTE RECYCLED

# COMMUNITIES ARE RESILIENT & INCLUSIVE

Resilience as defined by the Rockefeller Foundation's 100 Resilient Cities is "the ability to survive and thrive, regardless of the challenge." Green Canopy is working to bring more climate resilient infrastructure to urban communities with all-electric Net Zero Energy and Net Zero Energy Ready housing. These homes are more efficient to operate than comparable code-built, new construction homes. Furthermore, with solar panels installed, a Net Zero Energy home can be completely powered by the sun. Eliminating our dependence on gas improves our health by removing toxic by-products of gas stoves and furnaces and removes the risk of gas explosions. Strengthened by using advanced green building science design, materials, systems, and construction methodologies, Green Canopy homes also protect their residents from both outdoor pollution and common indoor health hazards.

We believe social inclusion ensures greater community resilience. Green Canopy is working to improve inclusivity by increasing access to neighborhoods of opportunity – neighborhoods with access to transportation, grocery stores, parks, and quality schools. Building [gentle density](#), such as rowhouses, townhomes, and cluster homes with accessory dwelling units, ensures more families can access these highly desirable neighborhoods at price points lower than a redeveloped single family home. Another strategy to increase social inclusion is through our efforts to deliver more affordable housing through our partnership with the Washington State Housing Finance Commission.

Green Canopy creates additional resilience in our cities through job creation and hiring practices. In 2019, 33 high quality jobs were provided in Seattle and Portland, offering employees living wages alongside fully paid insurance premiums. We also continue to track the percentage of minority and women owned subcontracting businesses we have hired and are intentionally implementing methods, such as accessing the Office of Minority and Women's Business Enterprises list, to increase that percentage.



**100%**

PAID HEALTH PREMIUMS



**100%**

EMPLOYEES MEET INDIVIDUAL LIVING WAGE



**100%**

EMPLOYEES MEET FAMILY LIVING WAGE

(2 WORKING ADULTS, 2 CHILDREN)



**67%**

EMPLOYEES MEET FAMILY LIVING WAGE

(1 WORKING ADULT, 1 NON-WORKING  
ADULT, 2 CHILDREN)



**40%**

BOARD MEMBERS FROM  
UNDERREPRESENTED POPULATIONS



**15%**

EMPLOYEES FROM  
UNDERREPRESENTED POPULATIONS





# IMPACT INVESTORS EARN PROFIT

Impact investments are made with the intention to generate positive, measurable social and environmental impact alongside a financial return on invested capital. Individuals making these investments are commonly known as impact investors.

Creating and managing impact investment funds has been a core competency of Green Canopy since 2011 when it first began managing investor capital. Driven by clearly defined impact intentionality, rigorous asset underwriting, and skilled project and financial management, Green Canopy has successfully aligned to investors' expectations with each of its four fund offerings.

In total, Green Canopy has successfully managed over 130 impact investor relationships and \$58M in aggregate assets under management. In 2019, Green Canopy's Birch Fund investors received over \$870k in income distributions and a realized annual return of 10.7%.

Green Canopy's fourth fund, Cedar Fund, has raised \$6.0M from 27 impact investors located in eight states across the U.S.

In 2019, Green Canopy was awarded as a Real Leaders Top 100, the first ranking of positive impact companies.



**1.04M**

INCOME DISTRIBUTED TO BIRCH INVESTORS



**6.0M**

RAISED TO DATE FOR CEDAR FUND FROM  
26 IMPACT INVESTORS ACROSS 8 STATES



**8.2M**

INCOME DISTRIBUTED TO IMPACT  
INVESTORS ACROSS ALL FUNDS SINCE 2012





# DOING THE DEEP WORK

Deep work refers to the ability to quickly master complicated information and produce better results in less time. The Green Canopy team has honed four deep work practices that ensure how we build is with authenticity, trust, and a commitment to continuous improvement. We believe this secret sauce is what leads to better social and environmental outcomes:

## COURAGEOUSLY INNOVATING IN THE BUILT ENVIRONMENT:

Green Canopy has only built and sold all-electric homes in order to reduce our reliance on fossil fuels, improve indoor air quality, and take advantage of the latest cooking technology. With the gas industry's social media and PR campaign fueling the persistence of an extractive industry, Green Canopy can demonstrate a market for all-electric, healthy homes and help lead the way for others to follow.

## CREATING NEW FINANCIAL VEHICLES:

Green Canopy creates investment opportunities that provide impact investors a balance of financial, social, and environmental returns.

## CURATING A CULTURE OF PERSONAL GROWTH & PEAK PERFORMANCE:

Creating a strong, cohesive, and resilient culture enables Green Canopy to navigate challenges and operate at a collective level of peak performance. Team members are peer-reviewed annually through the lens of Green Canopy's values — Cultivating Community, Authentic Communication, and Excellence.

## ENGAGING, EDUCATING, & INSPIRING STAKEHOLDERS:

Using a holistic ecosystem approach, Green Canopy regularly engages developers, regional and state policymakers, city employees, real estate agents, subcontractors, neighbors, homebuyers, and impact investors. We rely on our many stakeholders and partners to bring sustainable and healthy homes to market, and at the same time work toward greater market transformation. A recent example of our work with the Washington State Housing Finance Commission is highlighted in the Synergos [Partnership Guide](#).



# OUR IMPACT

The amount of greenhouse gas offset by the energy performance of Green Canopy homes sold in 2019 was equivalent to:

IN 2019

OVER 20 YEAR LIFESPAN OF TOTAL HOMES SOLD TO DATE

THE CO<sub>2</sub> EMISSIONS FROM

**16,057**  
GALLONS OF  
GASOLINE  
CONSUMED



**3,633,532**  
GALLONS OF  
GASOLINE  
CONSUMED

OR THE GREENHOUSE GAS EMISSIONS FROM

**30.8**  
PASSENGER  
VEHICLES



**6,976**  
PASSENGER  
VEHICLES

OR THE CARBON SEQUESTERED BY

**186**  
ACRES OF  
U.S. FOREST



**42,171**  
ACRES OF  
U.S. FOREST



# UNITED NATIONS SDG ALIGNMENT

---

The United Nations [Sustainable Development Goals](#) (SDGs) are the blueprint to achieve a better and more sustainable future for all. The World Green Building Council counts green buildings as fundamental to 9 of the 17 SDGs. Of those, Green Canopy aligns to 6 SDGs, with the intention of building more resilient communities and environments.

## SUSTAINABLE DEVELOPMENT GOALS



# IMPACT METRICS

How Green Canopy measures our impact progress each year

INDICATOR	2019 METRIC
Homes Sold	34
Net Zero Energy Homes Sold	3
Net Zero Energy Ready Homes Sold	7
Homes Certified	100%
Homes Certified Earth Advantage Platinum (Portland)	6
Homes Certified Built Green (Seattle)	32
Built Green 4 Star	20
Built Green 5 Star	12
Homes Financed with Washington State Housing Finance Commission (WSHFC)	4
Average Number of Homes Built per Site	4.6
Reused Reclaimed Materials (square feet)	1084.5
Demolition Waste Recycled (tons)	133.3
Construction Waste Recycled (tons)	101.7
Energy Savings from Homes Sold (kWh/year)	191,996
Greenhouse Gas (GHG) Mitigated from Homes Sold (metric tons/year)	142.7
Minority or Women Owned Subcontracting Businesses	6.41%
Full Time (FTE) and Part Time Employees (PTE)	30, 3
Health Insurance Premium Paid for all Eligible Employees	100%
Employees Paid That Meet Individual Living Wage (\$16.09)	100%
Employees Paid That Meet Family Living Wage (\$19.06 for 2 adults, both working, 2 children)	100%
Employees Paid That Meet Family Living Wage (\$30.69 for 2 adults, one working, 2 children)	67%
Board of Directors from Underrepresented Populations (including women)	40%
Executive Management from Underrepresented Populations (including women)	33%
Employees from Underrepresented Populations	15%
Funds Managed by Green Canopy Capital	\$20,732,000
Income Paid to Birch Fund Members	\$1,043,130
Green Genius Education and Awards	8
Community Meetings	5





**GREEN  
CANOPY**

[greencanopy.com](http://greencanopy.com)