

All in for nature

2022-2023 ANNUAL REPORT

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Letter to our supporters



Above: Mike Pedersen, Board Chair.
Below: Catherine Grenier, President and CEO.

Welcome to our 2022–2023 annual report. As an organization committed to protecting and restoring nature to build a thriving world, the Nature Conservancy of Canada (NCC) relies on the support of our donors and a diverse community of partners and stakeholders like you to do our work. For this reason, it gives us great pleasure to share with you this update on our performance and achievements in the latest fiscal year.

This year was truly a year of acceleration for NCC, as we continued to execute against our strategic plan and goal to double our impact by 2030. When we reflect on our successes and review the activities documented in this report, three words come to mind: pride, hope and gratitude.

We are extremely proud to report that, with your support and the hard work of our more than 450 staff, we surpassed \$300 million in total revenue, completing more than 80 new projects and adding more than 163,000 additional hectares to our national total. That’s three times our revenue of three years ago. We also reached a very significant milestone with our Stewardship

Endowment Fund, which now exceeds \$200 million. This puts NCC in a unique and very sustainable position for the future.

In addition, we’ve more than doubled our private contributions and have grown our donor base by 30 per cent. That’s an additional 16,000 donors who are actively supporting our efforts across this country compared to three years ago.

But those numbers are only part of the story.

We have been innovating different ways that data and technology can drive more impactful conservation outcomes at a landscape-level using AI, paired with satellite and drone mapping technologies. It’s amazing work and it’s having a significant impact on how we approach projects across the country.

We’ve also begun to see some very exciting examples of the ways NCC’s collective spirit can create powerful outcomes. We are proud to report that not only did we excel in revenue and supporter growth, we also surpassed our conservation targets this year by more than 20 per cent.

Our three-year pipeline of future projects also significantly exceeds our earlier goal. We are also proud that an increasing number of corporate partners have chosen to work with NCC, and that a growing number of NGOs and government bodies, inside and outside of Canada, now seek our presence at the discussion table.

Of course, growth like we are experiencing also comes with opportunities for improvement and so we remain committed to learning from our experiences: continuing to invest in our culture, processes, and governance.

Looking ahead, it’s clear we still face enormous challenges. But NCC’s successes, and the commitment to nature we share with so many others, fill us with hope. That hope, in turn, inspires us to work even harder, along with everyone at NCC, to ensure we continue to deliver on our mission to protect and restore nature, ensuring its resilience so that we all thrive.

Thank you for your contributions to NCC — past, present and future. We are grateful for your commitment to building a thriving world with nature.


Mike Pedersen
Board Chair


Catherine Grenier
President and CEO

Rising to the challenge

The past year saw pivotal coordination in humanity's efforts to save nature. In December, representatives from the nearly 200 parties to the United Nations Convention on Biological Diversity met at COP15 in Montreal, in a forum that included thousands of scientists, Indigenous leaders, non-profits and other members of civil society, to finalize a global conservation blueprint for the next decade. The resulting agreement they struck, the Kunming-Montreal Global Biodiversity Framework (KMGBF), is a sweeping, momentous plan to halt and reverse biodiversity loss and restore natural ecosystems.

As host country for the negotiations, Canada played a leadership role in bringing the deal to fruition. But going forward we, like every nation, face the equally challenging task of delivering on our commitments.

It starts with the agreement's signature pledge (Target 3) to conserve at least 30 per cent of Canada's land, sea and inland waters by 2030 (30x30). Not just any lands and waters, but especially those of particular importance for biodiversity and ecosystem functions and services. At the end of 2022, the total area conserved in Canada in those categories was just 13.6 per cent and 14.7 per cent, respectively. Globally, it was 17 per cent and 10 per cent, respectively. So, a lot of work remains.

At the same time, Target 3 is just one of 23 interrelated KMGBF targets that must be met to halt and reverse biodiversity loss. Reaching these isn't only about

numbers. While the metrics are underpinned by science and essential to tracking progress, they are an abstract goal. In the real world, achieving them will mean something more profound: that we have begun rolling back a relentless, centuries-old tide of habitat loss, ecosystem degradation, species decline and extinction driven by human activity.

The results will be tangible: a return toward stabilized, stronger forests; the revival of native grasslands; more birds; more pollinators; the recovery of species formerly at risk of extinction; greater protection and restoration of vital wetlands; and more connected and resilient landscapes. It will put Canada and the world on a nature-positive trajectory, made possible by a response involving all facets of society, including the full and effective participation of Indigenous Nations and local communities. And because enhancing natural systems boosts their capacity to store carbon, it also promises to lessen the impacts of climate change and slow the rate of global warming.



The Yarrow in AB boasts a rich variety of habitats and species.

No future in the status quo

For now, however, the KMGBF is just a plan, a foothold to recovery. Making it a reality, mobilizing the resources and the will to achieve its objectives, hinges on one other key factor: wider recognition that the scenario just described is not an ideal but a lifeline.

Some are getting it. In the World Economic Forum's (WEF's) *Global Risks Report 2023*, five of the top six long-term (10-year) risks identified by respondents to WEF's annual global risks perception survey were environmental. The first three were linked to the causes and impacts of climate change and our failure to address them. The fourth: biodiversity loss and ecosystem collapse.

According to the International Union for Conservation of Nature, healthy ecosystems support 55 per cent of

Target 3, to conserve at least 30 per cent of Canada's land, sea and inland waters by 2030, is not about just any lands and waters, but especially those of particular importance for biodiversity and ecosystem functions and services.

global economic output. Against this backdrop, the Risks Report issued a stark warning:

“The collapse of ecosystems will have far-reaching economic and societal consequences. These include increased occurrence of zoonotic diseases, a fall in crop yields and nutritional value, growing water stress exacerbating potentially violent conflict, loss of livelihoods dependent on food systems and nature-based services like pollination, and ever more dramatic floods, sea-level rises and erosion.”

Language like “the collapse of ecosystems” might sound extreme, but it accurately reflects a reality documented by science. Nature is in crisis, and there is an urgent need to respond.

For example, the most comprehensive recent global assessment of biodiversity and ecosystems services, published in 2019, found that the disruption of ecosystems and other human-induced drivers of biodiversity loss has reduced the abundance of most native species by at least 20 per cent since 1900, and today one million animal and plant species face extinction — more than at any other time in human history. Likewise, the most recent World Wildlife Fund International *Living Planet Report* found an average 69 per cent decline in the relative abundance of monitored wildlife populations worldwide between 1970 and 2018. Both reports are also clear that without immediate action to blunt the drivers of biodiversity loss, these trends will only accelerate.



The disruption of ecosystems and other human-induced drivers of biodiversity loss has reduced most native species by at least 20 per cent since 1900, and today one million animal and plant species face extinction.

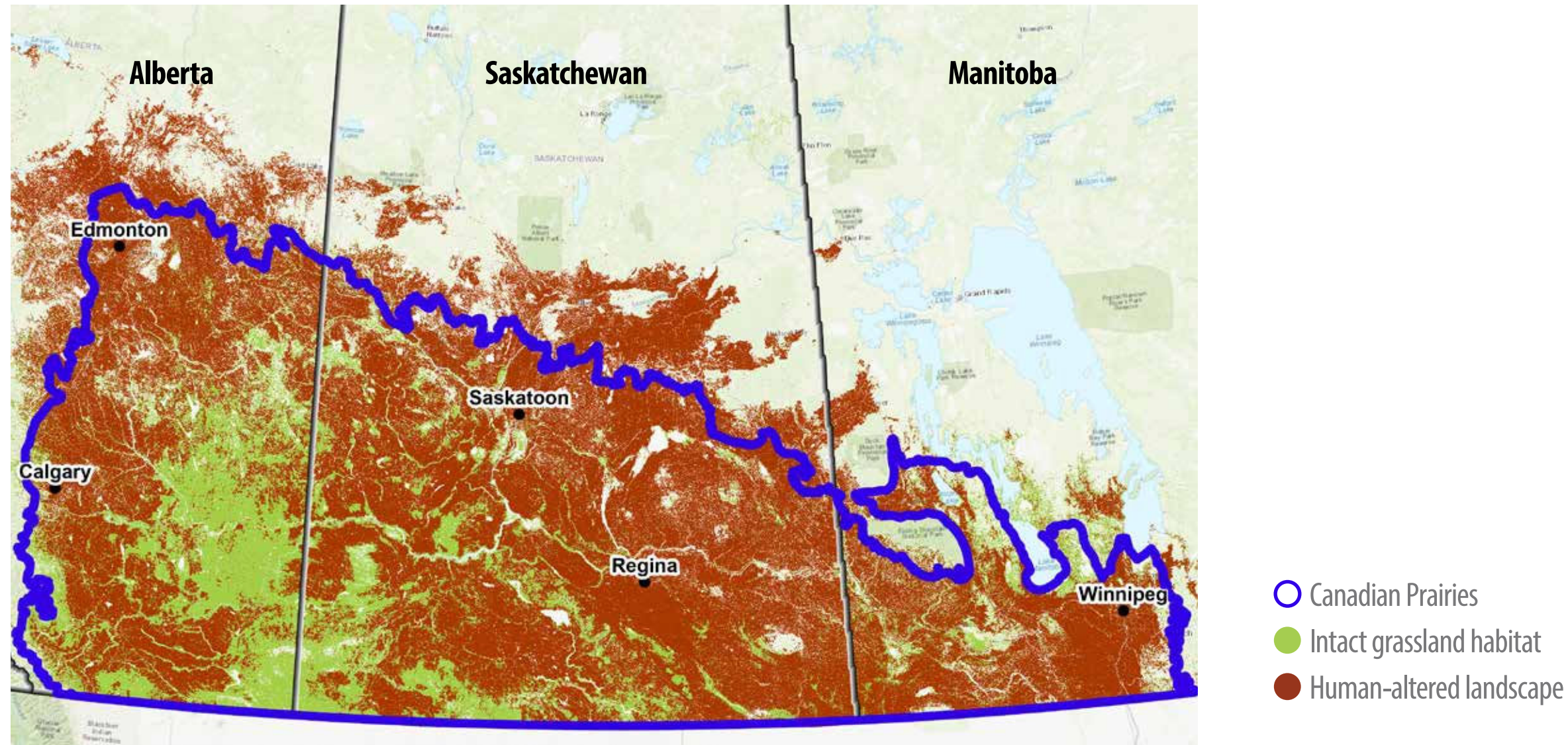
Recognizing nature’s value

Why has that action not come at the scale required thus far? Blame society’s persistent undervaluing of nature’s contributions to the economy and overall health and well-being.

But there are signs that this is changing. Thousands of attendees to the COP15 meetings in Montreal came from business, local government, Indigenous Nations and civil society. Some of the KMGBF’s most important targets and language centre on the mobilization of capital, the elimination of subsidies that harm biodiversity, and the need for large companies and financial institutions to “monitor, assess and transparently disclose their risks, dependencies and impacts on biodiversity.”

As the Risks Report points out, the latter feeds directly into the publication this year of the first set of guidelines for organizations by the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD initiative builds on similar, more established risk assessment and disclosure practices related to carbon emissions and climate change. And as we show later in this report, it’s already elevating corporate awareness about nature’s value to business, how





investing in nature’s recovery can help offset potential balance sheet risks, and what continued lack of action might cost.

This is especially relevant for Canada, with its resource-based economy. While most Canadians are proud of the country’s diverse and extensive natural beauty, many aren’t fully aware of how much we rely on it for our wealth and prosperity, and the toll development has taken on habitats and species from coast to coast to coast. Yet, since the onset of European settlement, the country has lost 70 per cent of Prairie wetlands, more than 80 per cent of Prairie grasslands, 80 per cent of Carolinian forest and over 80 per cent of wetlands in and around urban areas. Much of the boreal forest, meanwhile, has been significantly

altered by roads and other industrial activity. Between 1970 and 2016, populations of mammal and fish species fell on average by 42 per cent and 21 per cent, respectively. Flooding, heat waves and wildfires pose significant environmental risks, reflecting the overlap between the twin crises of climate change and biodiversity loss. The need to keep building on recent conservation gains, in other words, is critical.

On the flip side, Canada’s once and future nature abundance is essential to global conservation. This country holds 20 per cent of the world’s fresh water, some of the largest remaining forests, one of the longest marine coastlines and huge quantities of carbon in its peatlands. Success or failure, the consequences will be felt far beyond our country’s borders.

The solution

For most people in Canada who care about nature and the state of our environment, this past year was difficult: unprecedented forest fires, record-setting heat waves, powerful storms and flooding, destruction of important wildlife habitat... Stories of loss, change and uncertainty have been all too common on our screens and in our communities.

At the Nature Conservancy of Canada (NCC), we feel it, too. Yet we also come to work every day full of energy and optimism. We’re motivated by our more than 60-year track record of delivering conservation success stories, and by the growth in our ability to make a difference on the ground on behalf of nature

and people. Yes, there are headwinds, but in 2022–23, the first full year in which our work was guided by our new strategic plan, NCC achieved an unprecedented number of successes.

The scope and scale of these achievements is summarized in the accompanying Year in Review scorecard. They include goal-topping results in new conservation projects and areas protected, new supporters (more



Natural areas, like the Cowichan Garry Oak Preserve in BC, can connect people of all ages with nature.

than 70,000) and private donations raised (more than \$100 million). We established many new partnerships and launched more than 60 conservation projects and stewardship activities in collaboration with Indigenous Nations, organizations and communities, doubling our target for the year. We also significantly grew the size and profile of our carbon project ventures and launched several important new conservation technology tools for use by NCC and made freely accessible for anyone to use and adapt. Internally, we developed several new stakeholder engagement frameworks and made big strides in fostering alignment across our entire organization.

Exciting as the sheer number of wins is the fact that they also span the four pillars of our strategic plan. This tells us that we are on the right track to building an even stronger organization and a network of partners and stakeholders that will enable us to meet our overarching goal of doubling our impact by 2030. It also validates our vision of NCC as a unique solutions provider at the centre of conservation in Canada. In that role, we'll not only meet our own conservation goals, but we'll be able to play a pivotal part in bringing the whole of Canadian society to the table to help meet the country's 2030 conservation targets and commitments, too.

The structure and content of this annual report reflects the course we are charting at NCC. In the sections that follow, we present a robust overview of our operational activities and strategic tools and assets. This includes the evidence that underpins our work, our new conservation technology tools, our role in policy development,

how we partner with governments and the opportunities we offer the corporate sector to support its investments in nature. Along with that, we take a deeper dive on our area-based conservation and stewardship work, highlighting new developments in our approach as well as some of the many achievements we realized in 2022–23. We also document the vital efforts we're making to expand our collaborations with Indigenous Nations and communities in support of Indigenous-led conservation, and enhance our cultural competency and capacity in our commitment to Truth and Reconciliation.

It's a story of our progress in a time of rapidly growing need — progress toward our goal of leveraging our unique capabilities to play an increasingly central role in enabling quality conservation at scale. Continued success on this path will mean further expanding our efforts to bring together the coalition of partners needed to make the successful protection and restoration of nature in Canada the dominant, hopeful narrative for all Canadians.



NCC staff are guided by the strategic plan's four pillars.

By the numbers

In FY22-23, we made significant progress towards our strategic goals:

Carbon stored
190 Mt
CO₂-eq

Wetlands
5,369
HECTARES

Grasslands
25,274
HECTARES

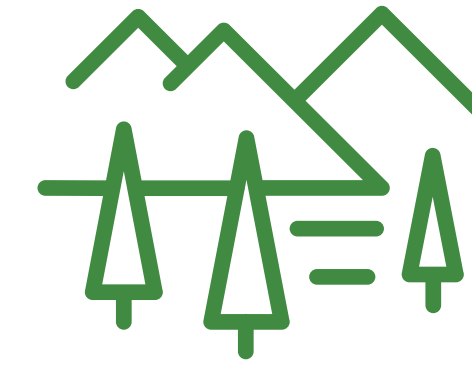
Potential carbon
0.7Mt
CO₂-eq/YEAR

Rivers
2,726
KILOMETRES

Total Area
163,035
HECTARES

Forests
93,406
HECTARES

Lakes
1,961
HECTARES



15,614,915

TOTAL HECTARES OF LANDS AND WATERS CONSERVED SINCE 1968



7.6 BILLION

COMMUTER TRAIN PASSENGERS' LIFETIME EMISSIONS OF CARBON STORED (7,204 MT CO₂-eq) TO DATE



2,630,434

POTENTIAL FOR FUTURE CARBON STORAGE TO DATE EQUIVALENT TO EMISSIONS FROM 2,630,434 PASSENGER VEHICLES (12.1 MT CO₂-eq/YEAR) TO DATE

Carbon stored: What's currently stored both above (e.g. trees, living and dead plant material) and below ground (soil).
Potential carbon: Carbon added from vegetation during natural regrowth in the future.
Mt: million tonnes.

250

NUMBER OF SPECIES AT RISK*
THAT NCC PROTECTS
HABITAT FOR, INCLUDING:



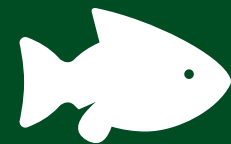
17

AMPHIBIANS



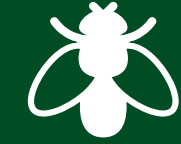
60

BIRDS



13

FISHES
(FRESH WATER)



17

INSECTS &
SPIDERS



2

MOSSES



32

REPTILES



24

MAMMALS
(TERRESTRIAL)



63

VASCULAR
PLANTS



10

LICHENS



12

CLAMS, SNAILS &
OTHER MOLLUSCS

* Species at risk includes COSEWIC-assessed and SARA-listed (Schedule 1) taxa designated as endangered, threatened or special concern. COSEWIC: Committee on the Status of Endangered Wildlife in Canada. SARA: Species at Risk Act.

What we said we'd do

Grow support by connecting with 500,000 supporters.

What we did

NCC welcomed **71,596 new supporters**, growing our community to **533,983**. This included **151** new Nature Legacy Society members — individuals who confirmed a legacy gift to NCC.

Raise more than \$110 million in private donations to support our conservation efforts and the lands under our care.

With your support, we raised **\$166.2 million** in private funds.

Deliver more than 1,350 square kilometres of critical habitat conservation from coast to coast on 71 projects.

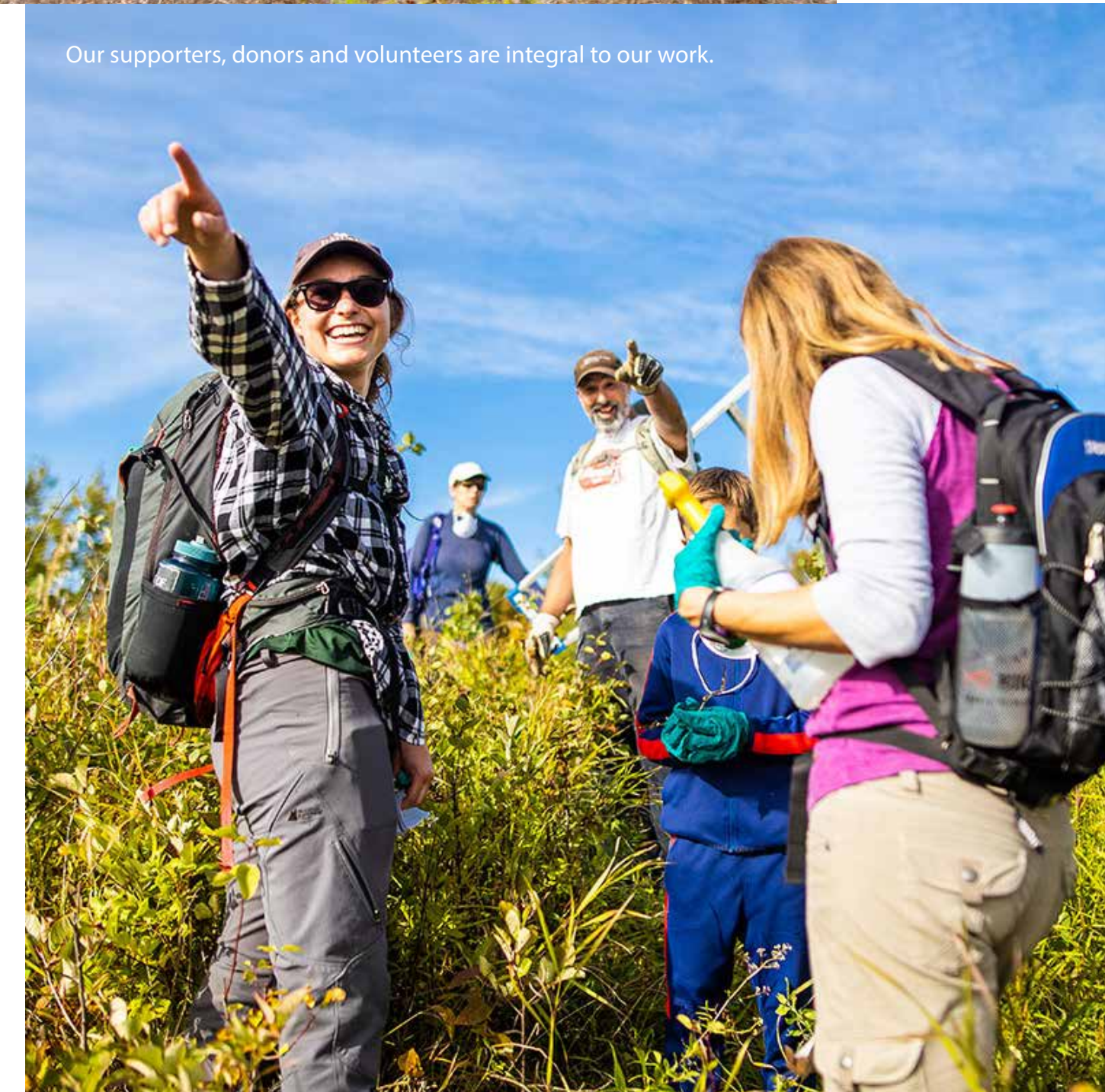
We exceeded our goals, securing **1,630 square kilometres on 82 projects**.

Accelerate the pace of conservation through the development of high-quality carbon projects.

This year was our most impactful yet for leveraging carbon to accelerate conservation. That included conserving the Boreal Wildlands for the development of our **largest carbon project to date**, signing a **landmark investment deal** with TD Securities and building out a **pipeline of prospective carbon projects** across Canada.



Our supporters, donors and volunteers are integral to our work.



Using tech for field work.

Embracing technology and innovation

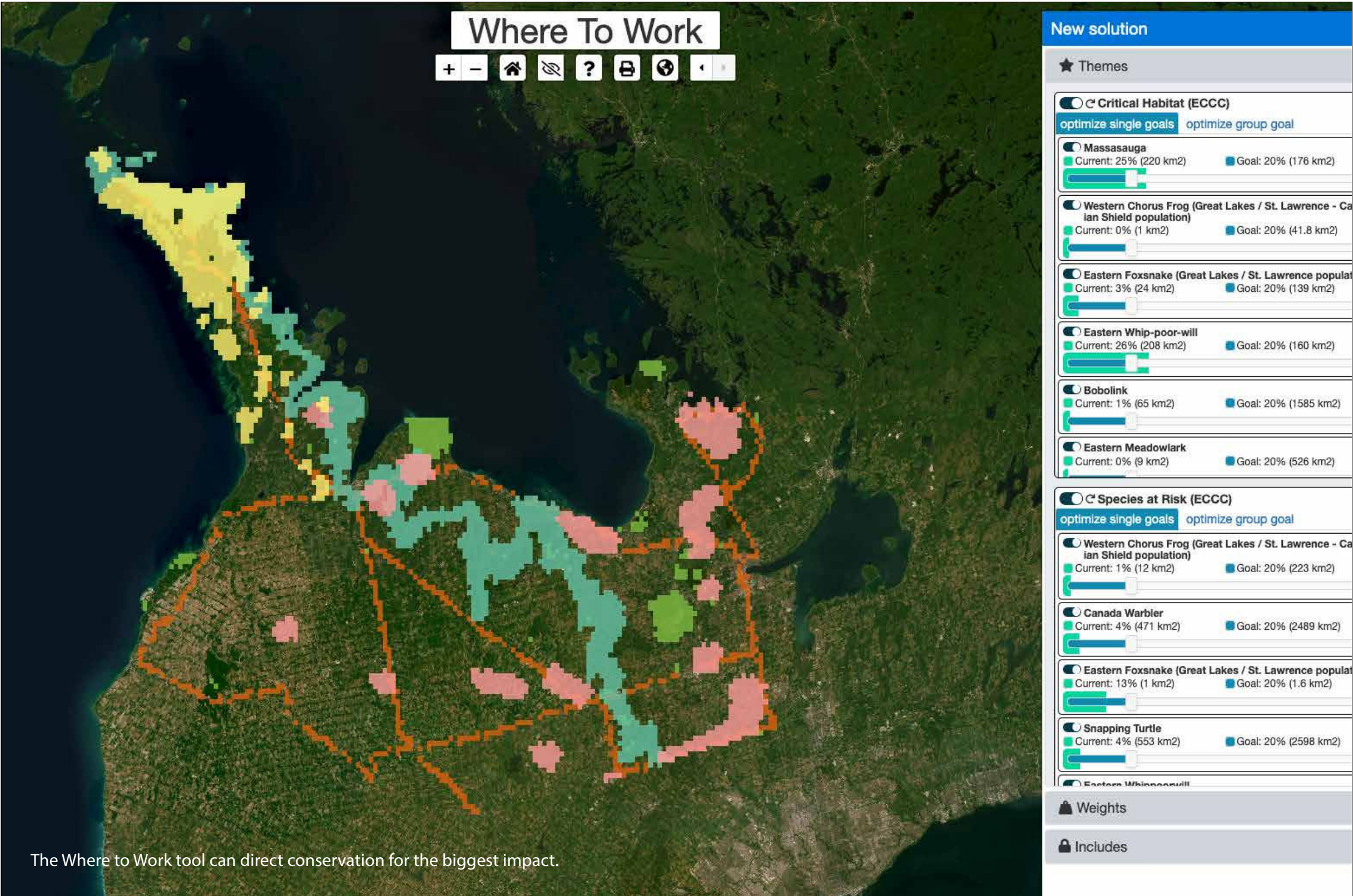
*Accelerating
conservation
by developing
innovative,
open source
technology
tools and
strategies*

Building the tools of the future to expand and accelerate conservation

Living up to our strategic plan’s ambitious goals of accelerating conservation will only be possible if we embrace innovation in all that we do.

Nowhere is that more evident than in our leadership in developing some of the most innovative, open source technology tools and strategies in the field today. Led by our Conservation Technology and Innovation team, that work is expanding our knowledge, speed and capacity to execute our strategic goals and, in turn, meet our conservation targets.

NCC identified conservation technology as a strategic priority several years ago. Today, we are midway through a five-year plan to develop and deploy it at a level that will empower us to accelerate conservation on private and public lands. While there is still much to do, in 2022–23 our work started to bear fruit.



Decision-support tools

Conservation at NCC is about both the quality of lands and waters protected, in addition to the quantity. It’s about ensuring the richness of biodiversity, habitat integrity and connectivity, the presence of rare species and more. This is equally true in identifying the areas we choose to protect or in carrying out stewardship work on the lands under our care.

Doing this effectively as we expand the scale and volume of our activities requires better tools. Building those, starting with Where to Work and What to Do tools, has been a primary focus for our technology team, in partnership with Carleton University, since 2021.

WHERE TO WORK AND WHAT TO DO? PROBLEM SOLVED

This year, we released Where to Work and What to Do, a pair of online decision-support tools for use by NCC staff, other conservation organizations and the general public. Powered by machine learning programming, Where to Work helps NCC (and partners) select the best locations to do conservation activities (to support landscape resilience). What To Do helps us determine which activities (e.g., area-based conservation, restoration, etc.) are the optimal choices for a given project. Achieving the best possible outcomes for biodiversity, within our budgets, is the guiding principle in each case.

As well as maximizing the tools’ analytical power, we focused on designing them to be easy to use and fast, producing results in near real-time. As a result, land managers and non-technical people can run their systems themselves. With their rapid processing speed, the tools can compare the projected results of different potential actions in one sitting.

201M
COMMUTER
TRAIN
PASSENGERS

In FY22-23, we conserved lands that currently store 190 Mt of CO₂-eq, equivalent to the lifetime emissions of 201 million commuter train passengers. Carbon is stored both above ground, in trees and other plant materials, and below the soil.

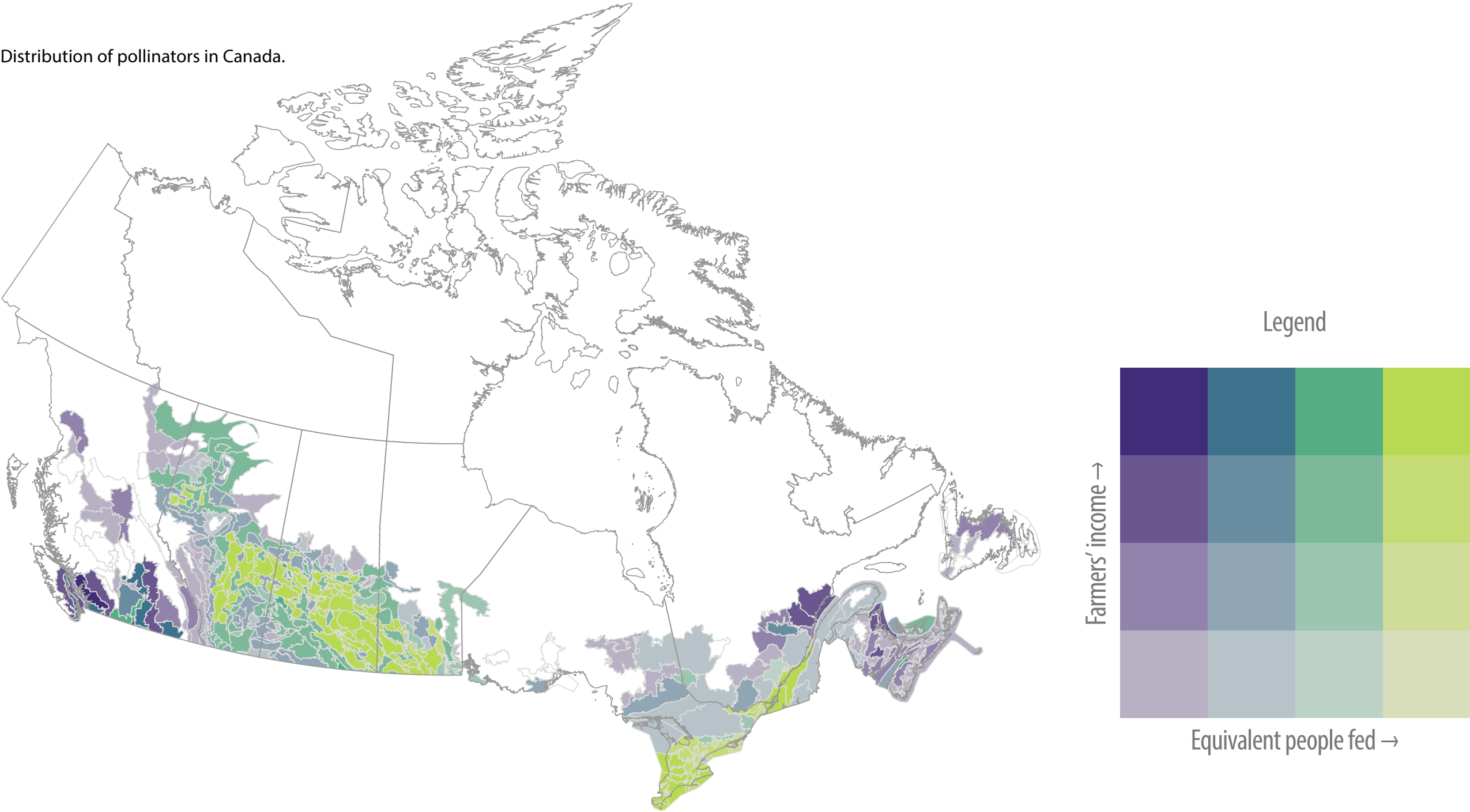
New datasets and models

In step with tool development, we’re also refining and expanding the datasets we feed into them for analysis. This year, for example, we created a first-of-its-kind map of countrywide pollination coverage. We also developed a model that will ultimately be capable of predicting the distribution of 1,000 species across Canada, based on their known locations and preferred habitats.

Along with biodiversity data, our prioritization tools draw on information we’re compiling on ecosystem

services, landscape connectivity, climate change, invasive species and land use. In the coming year, we hope to use this information and analysis to assign every place on the landscape in Canada a score, also referred to as a Resilience Index. A higher score, due to rich biodiversity or resistance to climate change, say, means more resilience. Protecting and nurturing resilient landscapes ties back to our pursuit of quality in conservation. This scoring system will help inform decisions we make about where we work and what actions we take on a given project.

Distribution of pollinators in Canada.



Staff piloted the tool to help prioritize work in southeast BC, including the Elk Flathead Natural Area.

DATA-DRIVEN CONSERVATION

The Where to Work and What to Do prioritization tools are available for online use by NCC staff and the public via an open-source web-based application, Sites Conservation Canada (SITES). After populating the Where to Work tool with datasets and developing parameters that enable it to identify and prioritize areas of high biodiversity across the country, we initiated three pilot conservation planning projects in British Columbia, Alberta and Manitoba/Saskatchewan.

Piloting the Where to Work tool is helping us refine both it and the What to Do tool, as well as a new project evaluation tool now in development. The sophistication and flexibility of the new tools will improve our ability to do more responsive and adaptive planning.



MEASURABLE IMPACT

Conservation impact metrics for internal benchmarking and external reporting

- Carbon potential
- Carbon storage
- Climate-forward velocity
- Climate extremes
- Key Biodiversity Areas
- Connectivity
- Climate refugia
- Human footprint
- Proximity to existing conservation areas
- Stream density
- Critical habitat
- Species at risk



Demonstrating the Where to Work tool at the Kenauk Conference in Quebec.

Impact metrics

From an operational standpoint, we're revamping our IT infrastructure to ensure every team more consistently tracks and reports its conservation accomplishments. Standardization is essential to scaling up our efforts as well as measuring our performance against our goals. This year, based on that work, we created a new set of conservation impact metrics (left). Not only are they helpful for internal benchmarking, but we're now using them to showcase the results of our conservation work — in strong, concrete terms — with our partners, supporters and stakeholders.

Leadership through sharing

Part of being a conservation leader and the country's nature charity of choice is supporting the work of everyone helping to get Canada to 30x30. In conservation technology, this translates into a commitment to use open source code and to making our tools and datasets available to all. We are routinely engaging with other land trusts, Indigenous Nations and communities, and government departments in pilots to build capacity to use the tools and the data in their own work.



“There are a lot of things about the work that we’re doing with NCC that excites me. First is the potential of the tools to help biodiversity conservation in Canada. Second is the potential of our research team to help provide knowledge and tools to enhance conservation. I strongly feel that we will only accomplish our biodiversity goals by working in partnerships. If our tools can help to facilitate that, I’ll be very satisfied with our work.”

Joe Bennett
Carleton University



Collaborating with Indigenous communities

Supporting and learning from the leadership of Indigenous Nations and communities in conservation

Working together toward Reconciliation

Indigenous Peoples have protected and cared for the natural areas, plants and wildlife that have sustained them for millennia, and we have much to learn from them to become better land managers and conservationists.

We also acknowledge and recognize, as does the federal government, that Indigenous leadership in conservation is key to addressing the challenges of biodiversity loss and climate change. Being allies with the Indigenous-led conservation movement, and transforming our practices to weave in Indigenous Knowledge and to ensure Indigenous rights, roles and responsibilities are recognized and respected, are among the ways we can help achieve this.

NCC is in the early stages of our Indigenous engagement and conservation learning journey, and we are committed to learning and growing from our missteps. We seek to listen and act with respect and integrity. We are grateful to those Indigenous Peoples, communities, organizations and advisors that have assisted and guided us on the initial steps of our journey.

Plains bison have rich cultural and ecological significance for many Indigenous Nations and communities.



Our approach

NCC's formal commitment to collaborating intentionally with Indigenous Nations and communities in conservation began in 2018 when we drafted our first Indigenous Conservation Engagement Framework (ICEF).

That framework was our response to the call to action to recognize Indigenous rights over land by Canada's Truth and Reconciliation Commission in 2015, as well as to the guidance set out in the Indigenous Circle of Experts 2018 report on implementing Indigenous-led conservation "in the spirit and practice of reconciliation" to help Canada meet its protected area goals. In tandem, we also joined the

Conservation Through Reconciliation Partnership, an Indigenous-led network that brings together diverse partners to act on the recommendations of the Indigenous Circle of Experts.

NCC acknowledges that conventional conservation practices have largely ignored Indigenous rights, responsibilities and relationships to the land. Furthermore, we recognize that, as a conservation organization, NCC not only has a responsibility to restore those relationships, but also a unique opportunity to learn from and support the leadership of Indigenous Nations and communities in creating new pathways toward thriving ecosystems and communities.

MOMENTUM HERE AND ABROAD

NCC's efforts to expand our engagement with Indigenous Peoples in conservation are being energized by recent developments in Canada and around the world.



In December 2022, the federal government committed \$800 million to support the creation of Indigenous-led conservation projects, covering one million square kilometres by 2030.

More than 50 Indigenous communities in Canada have received funding to establish or begin planning Indigenous Protected and Conserved Areas.



Canada has invested about \$70 million in Indigenous Guardians conservation initiatives since 2018. More than 25 per cent of all First Nations communities now have active Guardians programs.

Indigenous Peoples are custodians of at least 36 per cent of the world's large, intact forests.



Target 3 in the new Global Biodiversity Framework, which sets the goal to protect 30 per cent of Canada's lands and waters by 2030, recognizes the importance of Indigenous Protected and Conserved Areas and says sustainable use of protected lands must recognize "the rights of indigenous peoples [sic] and local community, including over their traditional territories."

Advancing our work

The principles and strategies in the original ICEF enabled us to begin delivering on two broad priorities: to support Indigenous-led conservation and to enhance our cultural competency and capacity to promote conservation through Reconciliation. In 2022, we felt it was the right time to renew the ICEF — to ensure alignment with our new strategic plan, take stock of what we have learned since 2018, and consider how the external context has changed. We finished the update last spring and launched it in summer 2023.

The renewed ICEF set out four strategies to achieve our priority of becoming trusted partners and allies to Indigenous Peoples in conservation:

- **Build meaningful relationships**
- **Enable a culturally competent organization**
- **Transform our conservation practice**
- **Support Indigenous-led conservation**

For each strategy, the ICEF also lists a host of existing or planned policies, standards and actions we'll use to achieve them.

For example, we can advance Indigenous-led conservation initiatives by providing technical and capacity support, helping to remove barriers for the creation of Indigenous Protected and Conserved Areas, and adapting and sharing our conservation tools. Similarly, we have already taken steps to build



NCC staff joined the Pathway to Target 1 / Indigenous Circle of Experts panel at COP15.

relationships and strengthen our organizational culture. NCC staff regularly take part in site visits and community meetings, and spend time on the land with Indigenous community members. We have also established a learning program for staff on Indigenous history, culture and Reconciliation, created in partnership with the University of Winnipeg. This program has become part of the standard training for all NCC staff.

Going forward, efforts to transform our conservation practices are high on our agenda. As noted, this includes ensuring Indigenous rights, roles and responsibilities are recognized and respected in our work. We are designing mechanisms and processes to share land with Indigenous Nations and communities. Finally, through our partnerships with other stakeholders, particularly in the corporate sector, we are also helping to build bridges through conservation between those organizations and Indigenous communities across Canada.

"Land is an equalizer between all peoples; a safe place for cultural exchange and understanding. When we are on the Land, we naturally meet each other through our humanity. This is where we find ethical space. Because we are all part of Nature, our shared responsibilities to Land transcend systems and colonized protocols. There is a need for an acceptance of all worldviews and our collective strengths in order to care for ourselves, for each other, and for the Land, now and for future generations."

Chloe Dragon Smith
Canadian Parks Council and
NCC board member



NCC staff on a site visit with the Bagida'waad Alliance, Saugeen Bruce Peninsula, ON.

Braiding western and Indigenous Knowledge

NCC has been exploring how we can better respect and consider Indigenous Knowledge Systems in our conservation planning. Some of our key activities identified include:

- **Engaging with external** Indigenous advisors to develop foundational information resources on Indigenous Knowledge, and introducing NCC staff to opportunities for respectful engagement with Indigenous Knowledge in different areas of our conservation practice.
- **Initiating the comparison** of multiple planning tools, including NCC's prioritization tools, to assess how each may be adapted to support planning and decision support for Indigenous Peoples.
- **Developing a guidance document**, developed for NCC by an Indigenous researcher, setting out expectations, recommended principles and topics of focus for learning and growth when seeking ways to respectfully engage with Indigenous Knowledge Systems in planning. Many northern regions have existing or developing Indigenous-led land use/relationship plans. This document will help inform NCC's planning to consider Indigenous ways of knowing, and consider how to proactively work with Indigenous Nations and communities in appropriate and meaningful ways.
- **Exploring potential applications** of NCC's Where to Work and What to Do decision-support tools (see conservation technology, p. 12) with the Cree Nation Government (CNG) in northern Quebec. Building on NCC's long-standing partnership with the CNG, we began considering with them how we might adapt conservation planning tools and frameworks for the implementation of the Cree Regional Conservation Strategy and other environmental and land-based decision-making processes (e.g., decommissioning of forestry roads).



More than half of Canada's 26,000 grizzlies live in BC.

COLLABORATIVE PROJECTS

CREATING LASTING CONSERVATION OUTCOMES THROUGH COLLABORATION

We have a signed memorandum of understanding with Kanaka Bar Band to designate a durable conservation outcome over 34,000 hectares in the Kwoiek watershed recognized by the Province of BC and KBIB (a member of the Nlaka'pamux Nation). NCC is serving as a negotiator/facilitator/thinking partner in order to conserve the band's ancestral watersheds and the Dry Interior Priority Place. We are in active conversations with the Province and the tenure holders as well.

CONSERVING CULTURAL HERITAGE

Over the last few years, the Ndakina Office of the Grand Council of the Wabanaki Nation and NCC have been using archeology to assist with conserving the cultural heritage of Indigenous communities. The Office of the Ndakina led archeological projects on two NCC properties in 2022.

Leading the way in conservation science

*Guiding
priorities
and
practices
by the
best of
conservation
science*

Outcomes driven by evidence

All of NCC’s capabilities are built on a foundation of rigorous, sound science, increasingly woven with Indigenous Knowledge.

By definition, our mission to conserve the most important habitats for biodiversity and climate resilience demands that we rely on the best conservation evidence to guide our priorities and practices in both area-based conservation and stewardship.

Much of the science comes from our own research, led by staff experts and participants in our Weston Family Conservation Science Fellowship Program. In addition, we support and participate in an extensive range of partnerships with researchers from academic, government and other non-governmental organizations.

Through these efforts, we continually refine our practices, while helping to advance knowledge and understanding for everyone in the field:

- **evaluating** threats to biodiversity, informing conservation practice and policy;
- **assessing** the effectiveness of conservation strategies; and
- **developing** new tools and approaches that we and others can use and benefit from.

This includes social science, as well as natural science, to ensure better on-the-ground outcomes by understanding the practical and societal considerations of our work.

These priorities are reflected in our organizational structure. The Science and Research team is an essential part of our Conservation Policy & Planning department, the national group that sets NCC’s primary conservation strategic goals and objectives.

NCC’s commitment to evidence-based decision making isn’t just important internally, it also matters greatly to our corporate partners, supporters and other stakeholders. They respect and recognize the value that we deliver by using rigorous methods and the best available information to maximize our returns for nature, as well as our ability to measure our impact and, by extension, the positive impacts of their investments in conservation with NCC.



NCC has been developing an inventory of bat species on properties in SK.



NCC is working to braid together science and Indigenous Knowledge.

LEARNING FROM SCIENCE AND INDIGENOUS KNOWLEDGE

For years, one of NCC’s guiding policy documents was “The Use of Science.” In 2022–23, we updated and renamed this document to “The Use of Evidence.” The goal was to update our policies to emphasize that we use both science and Indigenous Knowledge in our work — the latter done in consultation with Indigenous communities, knowledge holders and Indigenous governments, who decide when and how they want to share and use it.

GRADUATE STUDENT FELLOWSHIP PROGRAM

The next generation of leaders in applied conservation science are hard at work, thanks to the Weston Family Conservation Science Fellowship Program. The program supports and trains graduate students conducting NCC priority research on the conservation and management of important natural areas and biological diversity across Canada. Meet two of our future leaders:



Zachary Moore
Master's student,
University of Manitoba (2020–2023)

Zachary Moore studied the response of grassland songbirds to vegetation structure and cattle grazing on NCC properties in the Waterton Park Front in Alberta. The results of his research will inform best management practices to support grassland songbirds.



Jessica Sánchez-Jasso
PhD student,
University of Manitoba
(2022–present)

With her love of butterflies and expertise in land management and GIS, Jessica Sánchez-Jasso wants to show the role that butterflies play within ecosystems. She studies how prairie management affects two endangered butterflies in Manitoba: Poweshiek skipperling and Dakota skipper.



The lands we manage offer researchers access to species such as this chestnut-collared longspur.



Camera traps can provide data on what species are around.

Strong partnerships

The reach of our research partnership program is extensive. In 2022–23, NCC was active in 155 such partnerships. Half of those were with universities (including our graduate student fellowship program; see sidebar), 20 per cent with government, 20 per cent with other NGOs and 10 per cent with corporate contractors or committees. The total underscores the depth of our commitment to scientific research, while the range of partners is a powerful demonstration of how much of this work directly impacts a wide spectrum of on-the-ground conservation activities in Canada.

Many projects are initiated by external researchers seeking to conduct work on our properties or access decades of NCC data. From a research perspective, the lands that we manage are living laboratories, offering access to many of the country's representative habitats and many species, rare and common, found in Canada. We welcome these requests and are planning to further expand our formal outreach in this area.

155 PROJECT PARTNERS

NCC is pleased to partner with individuals and organizations across the country, including:

- *Carleton University*
- *University of Northern British Columbia*
- *University of Manitoba*
- *Yellowstone to Yukon Conservation Initiative*
- *David M. Theobald*

Government relations

NCC is the leading conservation delivery partner of choice for governments in Canada, thanks to our size, expertise and pragmatic approach, the diverse range of audiences we serve and connect, and decades of experience on the land.

We're also increasingly sought after as a player and partner at the policy table in discussions to protect biodiversity and develop nature-based strategies for lessening the effects of climate change. In regional, national and global forums, we sit with governments, Indigenous Nations and communities, along with other non-governmental organizations, contributing our knowledge and collaborative leadership.

Programs, projects and solutions

We have direct program or project engagement with every provincial government. In Ontario, for example, we leverage the Greenlands Conservation Partnership Program. Since 2020, NCC and Ontario Land Trust Alliance partners have worked with other donors to match \$38 million in provincial funding, leading to the protection of more than 166,000 hectares.

We also play an expanding and critical role, working with governments to assist in creating Crown and Indigenous Protected and Conserved Areas. In such cases — exemplified by the deal struck this year in BC to permanently protect 58,000 hectares of inland temperate rainforest in the Incomappleux Valley (page 31) — we bring to bear our strengths as a solutions finder, helping negotiate settlements and remove private tenures on public lands.



Caribou are among the species that benefit from the NHCP's support.

AMPLIFYING GOVERNMENT INVESTMENT



\$1.4 BILLION

Federal and matching public- and private-sector funds mobilized since 2007



\$132.5 MILLION

Combined government and matching NCC and partner contributions in 2022–23



122 SPECIES*

Species on lands conserved under the NHCP since its inception



1,000 SQ. KM.

Biodiversity-rich lands and waters protected in 2022–23

*COSEWIC-assessed or SARA-listed

Natural Heritage Conservation Program

Nationally, NCC is the primary administrator of the federal government's Natural Heritage Conservation Program (NHCP), in tandem with program partners Ducks Unlimited Canada, Wildlife Habitat Canada and the Alliance of Canadian Land Trusts. The NHCP is a vehicle for collaborative conservation that leverages federal investments under Canada's Nature Fund.

Since 2007, the NHCP (and its predecessor, the Natural Areas Conservation Program) has mobilized more

than \$1.4 billion in federal funds and matching contributions from public and private sector organizations, foundations and individuals to protect nearly 800,000 hectares of lands and waters.

In 2022–23, NCC and our partners matched the government's \$25-million investment with \$107.5 million in contributions. The end result: nearly 100,000 hectares of biodiversity-rich lands and waters were protected.

Policy input and implementation

This was a landmark year for global conservation policy, with the successful completion of the new KMGBF at COP15 in Montreal in December 2022. NCC was proud to be part of the Canadian delegation, with 30 staff members present, hosting two panel discussions and contributing to the conversation with our provincial and national perspectives.

Following COP15, we've remained at the table as the federal government develops Canada's National Biodiversity Strategy and Action Plan — the blueprint for meeting our obligations under the new framework. In May 2023, at the launch of national consultations, we drew on our own experience to emphasize that only by engaging a broad national spectrum of organizations and individuals will Canada be able to meet its 2030 targets.

NCC is also a longstanding participant in the work of the International Union for Conservation of Nature (IUCN), at the global level and through its Canadian chapter. We continue to draw on our expertise and ongoing collaboration with the IUCN in updating or developing frameworks that internalize global best practices.

36%
**OF SPECIES
AT RISK**

*We protect
habitat for
250 of 690
species at risk
in Canada
on the lands
that we own
and manage.
The species
found on our
properties
include 60 birds,
24 mammals,
63 vascular
plants and
32 reptiles.*



A group of NCC youth delegates attended COP15, providing a rich learning opportunity.

Darkwoods, BC.

Mobilizing private capital

NATURE CONSERVANCY OF CANADA 2022–2023 ANNUAL REPORT

*Closing
a critical
gap in
conservation
funding
with
private
investments*

Accelerating private investment

NCC’s conservation goals are ambitious. But as we’ve seen, we must accelerate the pace and scale of conservation for Canada and the world to succeed in halting and reversing biodiversity loss. Achieving that requires more than ambition; it takes money.

According to the best recent estimate, the world needs to spend approximately US\$800 billion annually to meet the science-based conservation targets adopted in the KMGBF. Current investments are a small fraction of that. The only way to close that gap is with a massive mobilization of private capital.

This goes beyond corporate philanthropy. Companies are also realizing that they can offset growing risks to their business from nature’s decline by investing in conservation. There is even the prospect of a positive return on such investments, given the right vehicle.

These are the reasons NCC created the Nature + Climate Projects Accelerator. Its purpose is to meet those growing corporate needs and, in the process, close the funding gap for conservation. Although corporate philanthropy remains an important source of financing for our work, the Accelerator has opened the door to a different kind of private-sector investment.

Through our growing portfolio of forest carbon projects, as well as our pioneering work in developing other nature-based offsets for wetlands and grasslands (see below), the Accelerator offers companies a means to:

- 1. **mitigate** their exposure to climate and emerging nature-related risks; and
- 2. **generate** returns on those investments.

In return, NCC is able to use those additional funds to accelerate our conservation work, addressing the dual crises of rapid biodiversity loss and climate change.

OFFSET STANDARDS AND PROTOCOLS

NCC is committed to ensuring that all of our carbon offset projects conform to some of the highest standards for validity and integrity. Our projects are certified to meet three of the highest international standards available today: Verified Carbon Standard; Sustainable Development Verified Impact Standard; and Climate, Community and Biodiversity Standard. NCC also supports the “10 Core Carbon Principles” from the Integrity Council for the Voluntary Carbon Market.



Boreal Wildlands in ON stores 190 million tonnes of carbon.

From net-zero to nature-positive

Investing in climate solutions to reduce risk and support the transition to net-zero has become table stakes for good business in any sector. Going forward, the same will be true for investing in nature.

Science shows us that net-zero goals are unattainable without investments in natural carbon sinks and other natural climate solutions. But beyond climate, nature is also foundational for our economy. Species loss and damage to forests, wetlands and grasslands have direct negative impacts on business operations, supply chains and markets. Corporate investing in nature restoration and regeneration — committing to a nature-positive outcome — has the potential to not only reduce those risks, but to create value.

Institutional recognition of this reality accelerated significantly in 2022–23:

- **The KMGBF** includes a target calling on countries to adopt measures that ensure companies “monitor, assess, and transparently disclose their risks, dependencies and impacts on biodiversity.”
- **In May**, the Science Based Targets Network — whose Science Based Targets initiative defines best practices in emissions reductions and net-zero targets in line with climate science — published the first corporate science-based targets for nature.
- **In September**, the Task Force on Nature-related Financial Disclosures released recommendations for a framework that companies can use to identify, assess, manage and disclose nature-related risk.

In step with these developments, NCC also made strides to solidify our position as the delivery partner of choice in Canada for companies looking to invest in conservation.



Building our portfolio and capacity

Two of NCC's largest conservation projects are also our first two forest carbon offset projects: Darkwoods, in south-central BC, and Boreal Wildlands, in northern Ontario.

Since the program's creation, Darkwoods has generated more than three million carbon offsets. Boreal Wildlands, which NCC secured in 2022, is expected to generate its first carbon offsets in 2024.

Boreal Wildlands' 1,450 square kilometres of lakes, rivers, peatlands and forests store 190 million tonnes of carbon — the equivalent of the lifetime emissions of approximately three million cars. A \$10-million investment from TD Securities (TDS) played a big role in enabling NCC to secure the property. TDS, in turn, used this project to launch its carbon advisory business and to generate market returns from the carbon offsets when they come online.

Last year, we also signed a five-year, \$8-million partnership with Intact Financial Corporation to fund wetland conservation. This has the potential to repay the insurer in two ways. First, conserving wetlands helps reduce flood risk for its customers downstream, protecting Intact's bottom line. Second, we are working with Intact to develop a made-in-Canada protocol for wetland-based carbon offsets. When complete, that protocol will enable Intact to earn returns by selling those offsets on the voluntary carbon market.

Recently, our Accelerator team also participated in a pilot program to develop a grassland carbon offset protocol for use in Canada. We expect that protocol will be an important tool to incentivize private landowners to conserve dwindling grassland habitat and partner with us in that effort.



Folke, et al. *Ecology & Society*, 2016.

NATURE IS THE FOUNDATION

NCC has long championed the links between conservation and achieving the United Nations' Sustainable Development Goals (SDGs). In fact, NCC's carbon offsets are certified with certain SDGs.

First published in the journal *Ecology & Society*, in a paper by Carl Folke et al., the graphic above presents the SDGs in a way that visualizes nature as the foundation of society, and society as the foundation for all economic activity. The message: rather than competing with societal and economic goals, nature's goals in sustainable development are the foundation upon which the other goals may be achieved.



Actively sustaining lands for the long term

*Ensuring
nature can
thrive by
monitoring,
protecting
and caring
for lands and
waters in
perpetuity*

Conservation now, and for the future

At NCC, conservation means protecting lands and waters for the long term. So, while we celebrate our achievements in area-based conservation, it's important to note those acquisitions, donations and partnerships are just the first steps toward protecting biodiversity and ensuring species and habitats thrive into the future.

The majority of projects we undertake include our ongoing commitment to monitor, protect and maintain those lands, with the goal of conserving and supporting the habitats and native species over the long term. We call this land stewardship.

Stewardship activities include ecological monitoring, marking property boundaries, installing signage, removing invasive species, restoring disturbed areas, and developing trails and interpretive panels. This work is so essential to our mission — to who we are — that nearly all of our agreements include a fundraising component, over and above the securement costs, to pay for it.



NCC interns and volunteers helping with restoration activities at the Minesing Wetlands, ON.

New stewardship framework

Stewardship plans are traditionally based on an inventory of a project's natural characteristics, threats and species conducted by NCC staff after it is secured. However, this year we began work on a new land stewardship framework to identify the highest impact conservation strategies to support resilient landscapes. Using tools, data and local knowledge, the framework aims to refine and expand our methodology. When complete, the new framework will outline high-level directional principles to be used in developing stewardship plans, to ensure the outcomes we seek are consistent across the organization.

A key asset our land managers will use in meeting the first principle is our new What to Do and Where to Work decision-support tools recently developed by NCC's Conservation Technology and Innovation team. These tools allow us to pinpoint what areas are important for landscape resilience, locally and nationally. Land managers can then specify different stewardship actions they might take and indicate which actions will have the most beneficial impact for biodiversity on a landscape scale.

PRIMARY FRAMEWORK PRINCIPLES



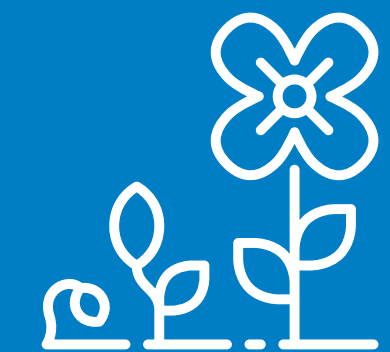
1

Consider our landscape-scale conservation goals when identifying stewardship opportunities.



2

Share lands to facilitate reconnection between people and nature.



3

Scale our conservation actions based on the type of project and our level of stewardship responsibility as a landowner or manager.



Whitebark pine seedlings.

LANDSCAPE-SCALE STEWARDSHIP

Whitebark pine is an endangered tree species at risk of extirpation from the South Selkirk Mountains due to high levels of infection by white pine blister rust and recent mountain pine beetle epidemics.

In 2018, the Columbia Basin Trust provided multi-year funding to NCC to support whitebark pine restoration in the South Selkirk Mountains. The initial stage of the project involved collecting seeds from trees on NCC's lands that seemed resistant to white pine blister rust. The seeds were then germinated in a greenhouse for future planting. From 2021 to 2023, approximately 110,000 seedlings were planted at NCC's Darkwoods conservation area on 138 hectares.

BUILDING CAPACITY TO DELIVER ON OUR LONG-TERM CONSERVATION GOALS

Monies raised for stewardship are pooled in NCC's Stewardship Endowment Fund. It ensures we have financing available to pay for stewardship activities across all of the projects we own or manage. In 2022–23, that fund reached a significant milestone. It now totals more than \$200 million.



Conservation Volunteers help with numerous stewardship activities, like planting willows at the Five Mile Ranch, AB.

Connecting people to nature

More than ever, Canadians understand the importance of connecting with nature for their physical, emotional and mental well-being. What's more, people who spend time in nature are more likely to value it and support conservation. Welcoming visitors to lands under NCC's care is an ideal way for us to support this mutually beneficial relationship.

In 2022–23, we launched a new visitor-use management framework under the umbrella of our stewardship program. The framework's goal is to help ensure visitors feel welcome, experience our lands responsibly, and leave with a sense of satisfaction, connection and loyalty. A small number of our lands that host rare species or support fragile ecosystems are excluded from visitor use. For the rest, we offer three levels of service: unsupported, basic or expanded. The framework also ensures NCC's land managers throughout the country apply consistent principles in making decisions around nature-based recreation.

Conservation Volunteers

NCC welcomes and values the contributions of time and effort from the general public through our Conservation Volunteers program. The program was mostly suspended from 2020 to 2022 due to COVID-19. We successfully finished relaunching the program in calendar year 2023. The substantial amount of time and effort these volunteers donate toward stewardship is an essential part of NCC's success.

Volunteers enter one of two tracks: single-day, event-based activities, usually for small groups, or a longer-term land stewardship program. Event participants might help remove invasive species, collect garbage or do species counts. Land stewards make recurring visits to an NCC property, inspecting for damage or disturbance, doing minor maintenance and engaging with visitors. In addition to helping us with stewardship, volunteers gain a greater appreciation for nature and a richer understanding of our collective impact on the land.

Protecting critical habitat

*Lands
equivalent
to the size of
roughly
2,850 NHL
hockey rinks
were secured
on average
every day
in 2022-23*

To protect nature, we must secure the places where biodiversity thrives

To protect nature and biodiversity, we must first safeguard the places where it still thrives or has the potential to return.

Today, NCC helps achieve this in several ways: acquiring land, receiving land donations, establishing conservation agreements and supporting projects where we serve solely as a facilitator for other parties.

In 2022–23, by these various means, NCC set a record for lands conserved in a fiscal year. We protected more than 163,000 hectares, or 1,630 square kilometres, of forests, wetlands, grasslands, peatlands, islands, coasts, rivers and lakes across the country, spread out over 82 projects. That’s one project, averaging nearly 2,000 hectares — equivalent to roughly 13,000 NHL-sized hockey rinks — every 4.5 days.

Many factors aligned to bring so many projects to fruition in one 12-month period. But as we accelerate the pace of our work and expand our capacity to protect lands in different ways, one trend that will continue is our collaborations with a wider array of partners. This reflects the growing realization that protecting nature effectively and at scale hinges on all facets of society playing a role. Consequently, most of the projects we’re now involved in also include Indigenous Nations and communities, private citizens, foundations, businesses and multiple levels of government.

Each project is unique. But the two we’ve chosen to highlight here demonstrate the breadth and depth of our accomplishments, shaped by the values that define our culture: **collaboration**, **determination**, **empowerment** and **big thinking**.



The conservation of the Incomappleux Valley, BC, marks the latest in a series of conservation wins in Canada over the past year.



Incomappleux Valley, BC

Inland temperate rainforests are places of rare, lush biodiversity found only in a few places on the planet. Last year, we helped permanently protect 58,000 hectares of this unique habitat in the Incomappleux Valley, east of Revelstoke. NCC’s role in the partnership was to facilitate an agreement that saw Interfor Corp. release its forest tenure in the valley. The Province then established the Incomappleux

Conservancy, which is to be managed in collaboration with local First Nations. NCC also raised \$4 million from private donors, foundations and the federal government to implement the agreement. This achievement represents the culmination of many years of collaboration by individuals and organizations across the province working to protect the Incomappleux Valley.



McIntyre Ranch will remain a working cattle ranch.



Prairie grasslands, such as at McIntyre Ranch, AB, are one of the most endangered ecosystems in the world.

McIntyre Ranch, AB

In Alberta, NCC spent the final months of the 2022–23 fiscal year working with Ducks Unlimited Canada (DUC) and a private landowner to finalize the largest private grassland protection project in Canadian history. Under the agreement, the 22,000-hectare McIntyre Ranch, owned for the past 75 years by the Thrall family, will be protected through a conservation agreement between the Thralls, NCC and DUC.

The property features well-preserved rare fescue and mixed grasslands, as well as more than 1,050 hectares of wetland basins. Together, these ecosystems are estimated to hold over 3.8 million tonnes of carbon in their root systems. The agreement ensures these natural values will be protected for the long term, while the property remains a privately owned and working cattle ranch.

SUSTAINING NATURE

Areas conserved since 1968, up to and including fiscal year 2022–23



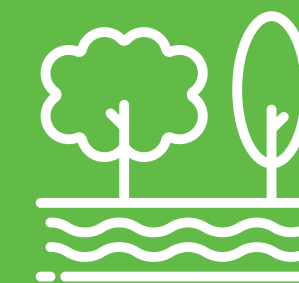
1,568,063 ha

FOREST
Almost three times the size of PEI



192,165 ha

GRASSLANDS
Over twice the size of Grasslands National Park



59,557 km

RIVERS
Nearly 1.5 times the circumference of the Earth



164,156 ha

WETLANDS
More than three times the size of the island of Montreal



497,906 ha

LAKES
Almost twice the size of Manitoulin Island

Delivering tangible conservation results

1. BRITISH COLUMBIA

Bunchgrass Hills

The Bunchgrass Hills Conservation Area, south of Kamloops, and home to rolling hills, bluebunch wheatgrass, Douglas-fir woodlands and wetlands, will continue to support sustainable cattle grazing, while offering vital habitat and connectivity for local species. More than 6,100 hectares of at-risk native BC grasslands will be protected forever, thanks to NCC donors and conservation-minded ranchers.

2. ALBERTA

The Yarrow

Along the Rocky Mountains of southwestern Alberta lies The Yarrow, an area of dazzling natural beauty where grasslands sweep out from pristine headwaters. Over 100 distinct wildlife species have been documented on the 1,650-hectare property, including 27 federally and provincially designated vulnerable species. Conservation supports not only the species that live here, but the health and well-being of our headwaters and security of our food production.

3. SASKATCHEWAN

Cypress Uplands

The Parker conservation project in the Cypress Uplands Natural Area in southwestern Saskatchewan rises more than 600 metres above the surrounding plains. NCC is working to conserve over 1,100 hectares here to help support habitat with the highest diversity of birds in Saskatchewan, including at-risk species such as burrowing owl.

4. MANITOBA

Ste. Rita Peatlands

NCC is protecting some of the Earth’s most effective carbon stores, thanks to a gift of land from the Rosenberg family. The 78-hectare property, just east of the community of Ste. Rita, is rich in peatlands and forests. Peatlands store more carbon per hectare than any other land-based ecosystem. The gift, which includes funds to manage the property, is key to protecting sensitive riparian and wetland habitats and the species that rely on them.

5. ONTARIO

Batchewana Island

Thanks to donor support, NCC was able to buy and protect Batchewana Island, the largest privately owned island in Lake Superior. This undeveloped 2,076-hectare island boasts 27 kilometres of shoreline and mature intact forests and wetlands, which are prime habitat for migratory birds. Batchewana Island’s forests and wetlands also lessen the impact of climate change by storing the equivalent amount of energy used by more than 500,000 homes annually.





6. QUEBEC

Kenauk

Located within an ecological corridor between Montebello and Mont-Tremblant, the Kenauk area is particularly vulnerable to development. In addition to protecting its old-growth forest and wetlands, donations will help create an open-air lab devoted to studying climate change. NCC and the Kenauk Institute are working together to ensure this 25,000-hectare gem is protected for the long term.

7. NEW BRUNSWICK

Wabanaki (Acadian) forest

NCC has secured the future of a spectacular Wabanaki (Acadian) forest and the water supply of the nearby village of Riverside-Albert. Located in the southeastern corner of New Brunswick, the property features trees more than 80 years old. The land boasts red spruce, sugar maple, red maple and yellow birch.

8. PRINCE EDWARD ISLAND

Kwesawe'k (Oulton's Island)

Thanks to generous donors, NCC is finalizing the purchase of Kwesawe'k (Oulton's Island), a privately owned property of deep cultural and ecological significance. Through a unique agreement, the island will be ultimately transferred to the Epekwitk Assembly of Councils, who will continue to conserve and care for Kwesawe'k forever.

9. NOVA SCOTIA

Haley Lake

Supporters and government partners joined with NCC to protect a new conservation area near the Sable River, on Nova Scotia's south shore. The 608-hectare Haley Lake Nature Reserve features Wabanaki (Acadian) forest, coastal barrens, freshwater wetlands and lake shoreline, which is frequented by Canada goose, American black duck and great blue heron.

10. NEWFOUNDLAND AND LABRADOR

Salmonier River

Donations to NCC's Keep The Rock Rugged campaign more than doubled the size of the Salmonier Nature Reserve — 410 hectares of rich habitat an hour's drive south of St. John's. Donor support to protect and care for the property at the mouth of the Salmonier River is also helping unlock dollar-for-dollar matching from the federal government.

Looking ahead

For fiscal year 2023–24, we are motivated to keep building on this year’s successes. We have ambitious plans to continue carrying us toward the long-term goal set in our strategic plan of doubling our impact by 2030. Specifically, in the coming year we are committed to achieving these priorities:

Collaborate with Indigenous partners

Collaborate on more than 35 projects with Indigenous Nations and communities in the spirit of advancing Reconciliation.

Boost private donations

Raise more than \$122 million in private donations to support our conservation efforts and the lands under our care.

Grow our supporter reach

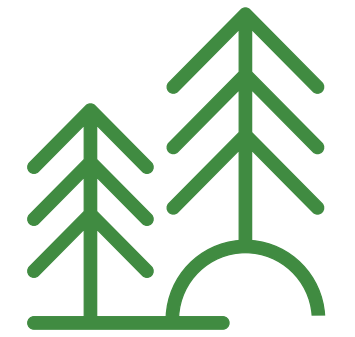
Grow support by building on our connections with more than 500,000 supporters and further expand our supporter reach.

Protect important wildlife habitat

Deliver more than 850 square kilometres of critical habitat conservation from coast to coast.

Accelerate conservation

Accelerate the pace of conservation through the advancement of three to five high-quality carbon projects.



DOUBLING OUR IMPACT

Following the path laid out in our strategic plan, we will mobilize Canadians to accelerate conservation, doubling our impact by 2030.



\$1.5 BILLION

In doubling our impact by 2030, we will deliver \$1.5 billion of new conservation outcomes.

Kenuak, QC.

Governance and financials

*Guided
by real
purpose,
good
governance
and sound
financial
management*

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Maureen McCaw
Mike Pedersen
Dave Phillips
Elana Rosenfeld
Dorothy Sanford
Bob Sutton

Fundraising

Janice Wattis, *Chair*
Shelley Ambrose
(retired March 2022)
Alana Gavin
Paul Genest
Nathalie Pratte
Bruce Wright

Conservation

Dave Phillips, *Chair*
Sylvie DeBlois
Chloe Dragon Smith
Ken Mould
Nathalie Pratte
Michael Paterson
Rob Prosper

Management review of financials

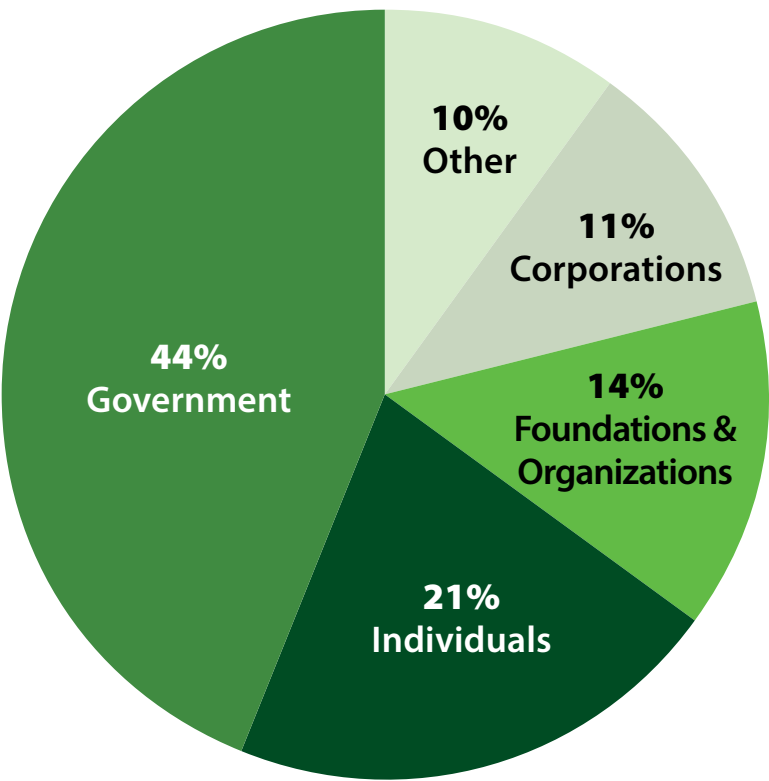
NCC had a very strong financial year and important milestones were reached. Revenue and restricted endowment contributions exceeded \$300 million, a historical peak. Total funds in NCC’s Stewardship Endowment Fund grew to \$211 million (2022: \$185 million), and net assets closed the year at \$1.4 billion.

Revenues

Overall revenues were \$290 million (2022: \$170 million) with an addition \$23 million (2022: \$9.6 million) in restricted endowment contributions. These were outstanding results being higher than budgeted and NCC’s highest since NCC’s inception in 1962. NCC benefitted from the opportunity to acquire or conserve through conservation agreements, the Stump Lake project in British Columbia; the McIntyre Ranch project in Alberta; Boreal, Hasting (Phase 1-3) projects in Ontario, the Kenauk (Phase 5) project in Quebec. We completed 82 new projects in 2023 (2022: 67) and achieved 163,035 (2022: 99,944) hectares.

Our funders

5-year average (from 2018–19 to 2022–23)
As per audited financials



Expenses

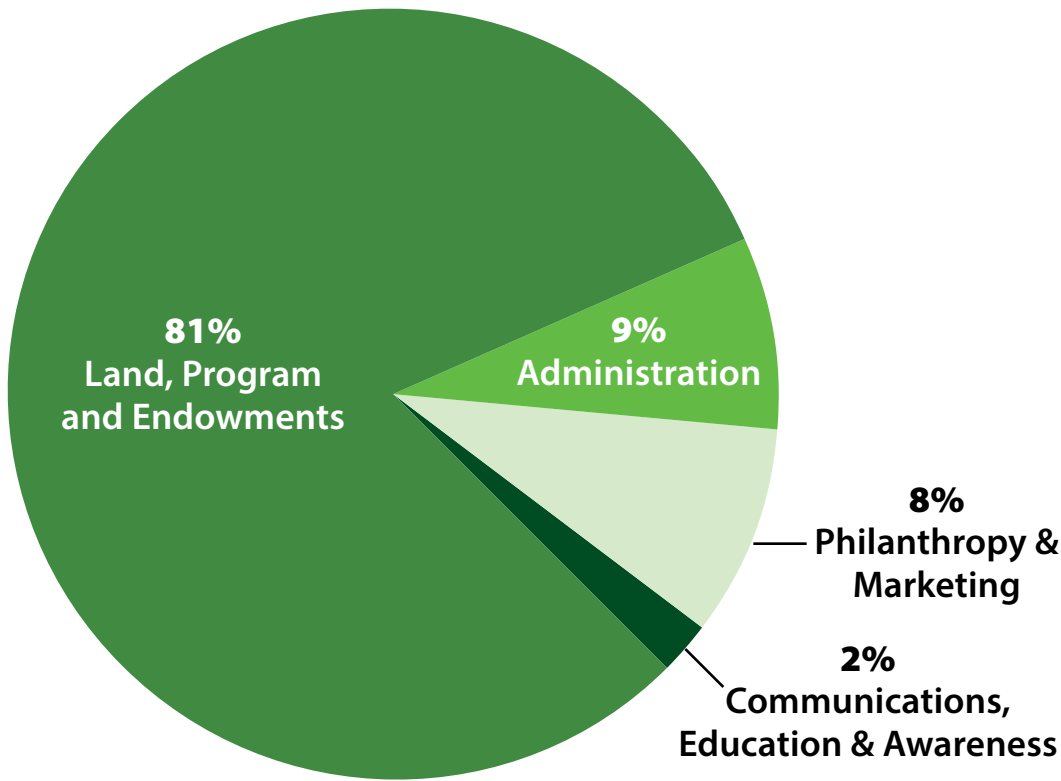
Total expenses were \$283 million (2022: \$159 million), of which \$249 million (2022 = \$129 million) related to our program activities in land conservation, stewardship and science. NCC reports its overhead ratio based on a five-year average in recognition that this metric can vary year over year with periodic investments in such non-program areas as fundraising initiatives and technology. Our five-year average overhead ratio is 19 per cent, which has decreased from the prior year (2022: five-year 21 per cent) due to increased growth in program activities over this period.

Following transfers to internally restricted net assets, NCC posted a surplus of \$615,000 (2022 = \$1.8 million), reflecting continuing responsible fiscal management.

NCC continues to maintain a healthy balance sheet and reserves with limited debt that will be funded and repaid in early 2024.

Donor funds invested

5-year average (from 2018–19 to 2022–23)
As per audited financials



Summarized financial statements

May 31, 2023

Independent auditor’s report

To the Members of
The Nature Conservancy of Canada

Opinion

The summary financial statements of **The Nature Conservancy of Canada** [the “Conservancy”], which comprise the summary statement of financial position as at May 31, 2023, and the summary statement of operations and changes in operating surplus for the year then ended, and related notes, are derived from the complete audited financial statements of the Conservancy as at and for the year ended May 31, 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in note 1 to the summary financial statements.

Summary financial statements

The summary financial statements do not contain all of the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon.

Toronto, Canada
October 5, 2023

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated October 5, 2023.

Management’s responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in note 1 to the summary financial statements.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

The logo for Ernst & Young, featuring the company name in a stylized, handwritten-style script.

Chartered Professional Accountants
Licensed Public Accountants

Summary statement of financial position

As at May 31, 2023

	2023	2022
	\$	\$
Assets		
Current		
Cash and cash equivalents	34,183,604	51,262,537
Short-term investments	60,600,000	48,000,000
Accounts receivable and other	22,298,989	12,872,177
Total current assets	117,082,593	112,134,714
Investments	217,949,919	191,475,635
Capital assets, net	799,374	886,475
Conservation lands and agreements [note 3]	1,078,090,993	888,513,278
	1,413,922,879	1,193,010,102
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	4,290,230	2,979,854
Deferred contributions	80,755,827	79,603,400
Short-term debt [note 6]	5,589,000	—
Total current liabilities	90,635,057	82,583,254
Commitments, guarantees and contingencies [notes 6 and 7]		
Net assets		
Internally restricted		
Invested in conservation lands and agreements	1,072,501,993	888,513,278
Other	33,847,070	31,859,461
	1,106,349,063	920,372,739
Operating surplus	5,903,819	5,288,874
Science and Stewardship Endowments	211,034,940	184,765,235
Total net assets	1,323,287,822	1,110,426,848
	1,413,922,879	1,193,010,102

See accompanying notes

Summary statement of operations and changes in operating surplus

Year ended May 31, 2023

	2023	2022
	\$	\$
Revenue		
Donations of conservation lands and agreements	61,125,905	24,272,795
Other donations and grants	213,053,683	127,973,986
Proceeds from property sales	4,933	—
Other	15,391,723	17,880,488
	289,576,244	170,127,269
Expenses		
Conservation lands and agreements acquired		
Purchased	122,933,436	48,631,099
Donated	61,125,905	24,272,795
Contributions to properties acquired and property-related expenses incurred by others	18,969,132	19,301,470
	203,028,473	92,205,364
Property-related	45,812,389	36,770,239
Support	34,069,745	30,019,442
	282,910,606	158,995,045
Excess of revenue over expenses for the year	6,665,637	11,132,224
Net transfer to internally restricted net assets	(928,746)	(5,711,878)
Net transfer to internally endowed net assets	(5,121,946)	(3,619,370)
Net increase in operating surplus	614,945	1,800,976
Operating surplus, beginning of year	5,288,874	3,487,898
Operating surplus, end of year	5,903,819	5,288,874

See accompanying notes

Notes to summary financial statements

May 31, 2023

1. Summary financial statements

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations as at and for the year ended May 31, 2023.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in the summary financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited financial statements.

These summary financial statements have been prepared by management using the following criteria:

[a] Whether information in the summary financial statements is in agreement with the related information in the complete audited financial statements; and

[b] Whether, in all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including the notes thereto.

Management determined that the statements of changes in net assets and cash flows do not provide additional useful information and, as such, has not included them as part of the summary financial statements.

The complete audited financial statements of The Nature Conservancy of Canada [the “Conservancy”] are available upon request by contacting the Conservancy.

2. Revenue recognition

The Conservancy follows the deferral method of accounting for contributions. Revenue related to the sale of carbon offset credits is recognized when the Conservancy has transferred to the buyer the significant risks and rewards of the ownership of the carbon credits, the amount is fixed and determinable, collectibility is reasonably assured.

3. Conservation lands and agreements

Purchased conservation lands and agreements are recorded at cost when title is transferred. The purchases are recorded as an expense to the extent that the purchase is internally financed. Repayments of debt related to property acquisitions are expensed when made. An amount equal to the expense related to purchases and debt repayments is added to net assets invested in conservation lands and agreements. When a loan is obtained in a subsequent year related to an internally financed purchase, an amount equal to the debt is transferred from net assets invested in conservation lands and agreements to operating surplus

Contributed conservation lands and agreements are recorded at fair market value when title is transferred. When purchased conservation lands and agreements are acquired substantially below fair market value, the difference between consideration paid and fair value is reported as contributed conservation lands and agreements. The contributions are recorded as revenue and expenses and also as an asset offset by net assets invested in conservation lands and agreements.

Properties transferred to others are recorded as a reduction of conservation lands and agreements, and net assets invested in conservation lands and agreements.

Conservation lands and agreements, either purchased or donated, are assets held as part of the Conservancy's collection. Conservation agreements are legal agreements entered into by the Conservancy under which a landowner voluntarily restricts or limits the type and amount of development that may take place on his or her land to conserve its natural features. Once registered on title, that agreement runs with the title and binds all future owners.

4. Allocation of expenses

Salaries and benefits expenses are allocated between property-related and support expenses based on the primary job responsibilities of the employee's position. No support expenses are allocated to property-related expenses.

5. Donated materials and services

Donated materials and services are not recognized in the summary financial statements.

6. Credit facilities

The Conservancy has credit facilities with one financial institution in which it has provided a general security agreement over all of its assets, excluding conservation lands and agreements, and financial assets. In addition, in fiscal 2023, the Conservancy obtained a \$13,500,000 revolving demand facility, from the same financial institution, available by way of Letters of Guarantee, secured by cash collateral in the form of Guaranteed Investment Certificates. As of May 31, 2023, the Conservancy has drawn one Letter of Guarantee in the amount of \$5,589,000.

7. Contingencies

The nature of the Conservancy's activities is such that there is often litigation pending or in progress. Where the potential liability is likely and able to be estimated, management records its best estimate of the potential liability. With respect to claims as at May 31, 2023, it is management's position that the Conservancy has valid defences and appropriate insurance coverage to offset the cost of unfavourable settlements, if any, which may result from such claims. In other cases, the ultimate outcome of the claims cannot be determined at this time, and, as such, no accruals have been made as at May 31, 2023.

Photo credits

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PG 4 Paul Zizka.	PG 14 Guillaume Simoneau. Mark Tomalty. Nick Nault.	PG 22 iStock/Jillian Cooper.	PG 32 Leta Pezderic/NCC Staff (2).	
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