Our first 35 years were a dress rehearsal...
NOW IT'S SHOWTIME

Saving nature one hectare, one river, one inlet at a time isn’t fast enough. So WWF is scaling up. We’re taking the skills we’ve honed over the last four decades and we’re going after the big stuff. Conservation can’t wait. Neither can we.
WWF: A crash course.

Think big. Act local.

WWF is a global organization, with a global plan. We’re working to fulfill our strategy in over 110 countries. Our objective is to save nature. How? By conserving species and protecting their habitats; by ensuring the sustainable use of renewable natural resources; and by helping individuals, companies and governments reduce pollution and wasteful energy consumption.

What we do.

We've divided our work into six priority issues: we're working hard to protect oceans and coasts, freshwater, and forests; and we're fighting to save endangered species, reduce toxic pollution, and combat climate change.

Where we do it.

WWF’s leading scientists have identified 200 of the most important ecosystems on the planet—what we call the Global 200. These are our areas of highest priority. In Canada, there are nine Global 200 ecoregions, including the Grand Banks, the Mackenzie Valley and the BC coast.

One team. 53 countries.

WWF and its 53 national partners operate under a simple premise: you can never be too well-connected. There is a constant free-flow of scientific research and resources throughout our global network, making us the largest, best-informed conservation organization in the world.

CENTRE STAGE.

If we continue our present rate of habitat destruction over the next 25 years, there will be far less of our planet intact, worldwide and in Canada. As WWF’s groundbreaking Nature Audit so carefully documents, nature is losing key battles all across the country.

To counteract this, WWF is scaling up. We’re taking the techniques we have pioneered in our first 35 years, and we’re going after the big stuff: globally significant accomplishments on Canada’s lands and waters that, protected and carefully managed, will leave our children an extraordinary legacy.

Our sights are set on something breath-taking. It’s conservation on a grand scale. It’s conservation that will make the world sit up and take notice.

It’s what is truly needed.

What makes us think we can do it? WWF knows how to collaborate. We know how to work with Aboriginal people, business, government and other conservation groups to save nature. We’ve proven it time and time again.

The Grand Banks, the Mackenzie Valley, the BC coast... the engines of industry are not waiting around until conservation measures are set in place. If we don’t lead the way in these and many other ecoregions in Canada—NOW—we’ll miss our chance.

Please read this report. Please get to know us better. Please lend us your moral and financial support. We need it now more than ever.

Conservation can’t wait.

Michael de Pencier | Monte Hummel | Chris Hyde
Josh Laughren: ancient history?
Grand Banks as an ecosystem all the cod gone? Aren’t the How are they doing? Aren’t Annual Report: Josh, give us an update on the Grand Banks. How are they doing? Is it all over? Aren’t the Grander Banks an ecosystem ancient history?
Josh Laughren: The Grand Banks are the global example of mismanaged ocean resources. They’re definitely scarred — the biggest fishery in the world was wiped out, and may not come back. But there’s hope. The Grand Banks still retain their awe-inspiring productivity. The Grand Banks still retain their awe-inspiring productivity. The system can rebound. If we give it a chance. AR: So what’s the problem now?
JL: Where do I start? As with the global trend, we’re seeing comm- THis is a big problem for the foreign over-fishing on the nose parts in international waters. There’s a big opportunity for protection in the entire ecoregion. Last year, the Government of Newfoundland and Labrador called for help. They’re very worried about foreign over-fishing on the nose and tail of the Grand Banks—the parts in international waters. This is a big problem for the Grand Banks. Because it straddles national and international boundaries, managing the region gets very complicated—there is no effective stewardship. That’s where we come in. We’re helping to define what the vision, values and management of the entire region should look like. Taking proper care of the entire region is the only way we’ll stop the fisheries and communities of Newfoundland and Labrador from going off, achieving stewardship of an ecoregion that extends into international waters.
JL: Why are you there?
AR: How did WWF get involved? Why are you there?
JL: The Grand Banks are one of WWF’s top priorities for conserva- tion in the world. Last year, the Government of Newfoundland and Labrador called for help. They’re very worried about foreign over-fishing on the nose and tail of the Grand Banks—the parts in international waters. This is a big problem for the Grand Banks. Because it straddles national and international boundaries, managing the region gets very complicated—there is no effective stewardship.
JL: What do you think there’s still a big opportunity for conservation?
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How does a conservation organization forge innovative new relationships with natural resource companies?

**BY HIRING ONE OF THEIR BEST.**

An interview with Linda Coady, former VP of a multinational forest company, and now Vice President of WWF’s BC conservation program.

On the water the situation is very different. Planning is only just getting started. Progress for both marine and terrestrial conservation is going to be challenging. It will require new thinking and new relationships. The more Aboriginal and non-Aboriginal communities see how conservation can help create both social and economic benefits, the more progress we’ll make.

**AR:** What are the environmental problems facing the west coast?

**LC:** Human pressures on BC’s natural environment are increasing rapidly. Pressures from resource use, development and tourism are mounting, with a lack of real, system-wide conservation solutions in place. A lot has already been done in protecting wild places on land in BC, with some difficult work still ahead.

**AR:** Should we all be worried about the BC coast?

**LC:** There’s a lot we’ll lose if we look the other way. However, if we can work in an integrated fashion to ensure that conservation attracts as much investment as development options, then we’ll have a chance to make a real difference in BC. Ongoing efforts to save plants and species are important—they’ll continue. WWF funds a dozen endangered species recovery projects in BC, and has brought on an active international wildlife trade program to the province. But WWF can also bring a different kind of conservation opportunity to the west coast. My goal is to bring new energy and ideas to species recovery, forest conservation and sustainable management, and to demonstrate how conservation and marine use can exist together in a community-designed plan.

**AR:** In terms of conservation, the west coast seems like a challenge. Why are you so confident WWF can make a difference?

**PE:** WWF’s focus on ecosystems and global priority areas and actions, its strong science, and its ability to work with a wide range of groups—this is an excellent base to build on. But we can also bring a different kind of conservation opportunity to the west coast. My goal is to bring new energy and ideas to species recovery, forest conservation and sustainable management, and to demonstrate how conservation and marine use can exist together in a community-designed plan.

**AR:** If conservation doesn’t get moving quickly, what’s at stake?

**LC:** Globally significant ecosystems are at stake. The health and prosperity of many resource-dependent communities are at stake. Right now, our first priority is getting more marine protected areas established, and Michele Patterson is hard at it in WWF’s North Coast office. We’re working with government, other conservation organizations, First Nations, business and local communities to get marine planning done all up and down the coast. As always, alliances will be critical to our conservation success.

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Earlier this year, WWF’s Kevin Kavanagh released the Nature Audit, a pioneering study of the effectiveness of Canada’s efforts to conserve nature.

The Nature Audit calls on us to:
- conserve the virtually untouched north
- better manage northern forests
- designate more Marine Protected Areas
- restore habitats to aid species recovery
- curb invasive species, which cause damage in the billions of dollars annually
- adopt industry standards that favour environmental protection
- protect long-lived species that reproduce slowly—everything from carnivores to whales, turtles and yellow cypress trees
- reduce toxin use and get government approval for safer alternatives

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To read more about the Nature Audit or to download your own copy, go to wwf.ca.

The following is an excerpt from a conversation with Kevin:

AR: In broad strokes, give us an idea of what you’re trying to do with the Nature Audit.

KK: The Nature Audit seeks to re-align conservation investment in Canada. It stitches together a very clear, clear picture of what we can get the best-value-for-dollar across three strategies: protecting what we’ve got where we’ve still got it; managing human activity to the highest international standards; and restoring nature where it has been degraded or lost.

AR: Is the Nature Audit a one-shot wonder?

KK: Definitely not! There will be more Nature Audits. One every two years, to measure how well Canada is doing, and to make sure WWF are doing their part as well.

The following is an excerpt from "Nature Under Siege," the Maclean’s cover story on the Nature Audit, June 2, 2003:

. . . (O)ur battered planet has many wounds, World Wildlife Fund Canada notes in its first-ever Nature Audit, a 104-page document subtitled Setting Canada’s Conservation Agenda for the 21st Century. The wide-ranging study, borrowing from the world of accounting, tallies Canada’s natural capital. It takes stock of our present-day environmental “equity,” and compares what’s left to the situation prior to European settlement, circa 1500-1600. The Nature Audit concludes that the way we’ve accounted for nature in the past—by basically ignoring its destruction—is a recipe for bankrupting biodiversity. A sort of environmental Enron. . . .

Canada has made significant international commitments. Follow-through is another matter. As WWF-Canada president Monte Hummel puts it: “Promotions, promises. I count no fewer than 28 promises to do a better job of conserving nature in this country, promulgated by the government of Canada and its citizens since 1970.” Canada pledged to do the right environmental thing with the 1992 United Nations Convention on Biological Diversity. The country reiterated that promise in 1995, by enacting the Canadian Biodiversity Strategy, which laid out a nation-wide plan to make good on our word. Since then? Some modest progress, but more than 400 species remain at risk in Canada. . . .
Canada has the longest coastline and the most freshwater of any nation in the world—by far. In terms of conservation though, we as a nation are missing the boat. On land, Canada has over 2700 protected areas. In the water? Less than 10. WWF is out to change this.

Today, WWF is leading the fight to protect Canada’s waters. Working with Aboriginal people, coastal residents, other conservation groups, governments and industries, we’re on a mission to create a national system of marine protected areas (MPAs).

The biggest threats to our waters? Foreign and domestic over-fishing; damaging fishing practices; aquaculture; oil and gas development; shipping traffic; invasive species; and bilge oil dumping. Our allies in the race to save Canada’s waters? Anyone and everyone who cares about the lifeblood of our country.

In the east:

In addition to our efforts to conserve and protect the Grand Banks, WWF is in the home-stretch in its efforts to protect the Gully, an underwater Grand Canyon off Nova Scotia. Other MPA efforts include the Mississipi Canyon in the Bay of Fundy. WWF’s crew in Halifax is also hard at work implementing programs to save endangered leatherback turtles, Northern bottlenose whales and Northern right whales, counteract illegal bluefin tuna, salmon, and halibut fishing; and solve key issues in Atlantic Canada, such as aquaculture, habitat damage and fisheries bycatch.

In the west:

Working closely with communities on Haida Gwaii/Queen Charlotte Islands, WWF is pressing to establish the proposed National Marine Conservation Area adjacent to Gwaai Haanas National Park Reserve. WWF is also working hard to accomplish new MPAs in the Scott Islands, Booth Sound, and the Southern Strait of Georgia. The deep, natural Endeavour Hydrothermal Vents are now an official MPA, the first of what we hope are many victories. But MPAs aren’t the whole story on the west coast. Our team is also creating innovative new models of conservation—focusing on market-based conservation partnerships with leading businesses, and co-management with First Nations and other stakeholders.

In the north:

The Beaufort, Bering and Chukchi Seas together form a Global 200 ecoregion—one of WWF’s top priority areas for biodiversity. Efforts are underway to create a network of MPAs in the Canadian Beaufort, before further leasing or extraction of oil and gas deep beneath the seafloor. This would include protection for key marine areas like the Cape Bathurst polynya, seals, polar bears, and key beluga summering areas. WWF is also working with Inuit to deliver a network of MPAs in all of Nunavut’s marine natural regions.

In the centre:

Lake Superior National Marine Conservation Area (NMCA): After years of WWF work at every level to have this pristine area protected, the next-to-final bridge has been crossed: the Government of Ontario announced it is transferring 1 million hectares of the lakebed, plus 6,000 hectares of unprotect ed islands and shoreline to the Federal Government, allowing Parks Canada to establish an NMCA. This will be the world’s largest freshwater reserve(!), home to woodland caribou, bald eagles, peregrine falcons, freshwater fish and the deepest, clearest freshwater in the world.

In the south:

WWF-Canada is celebrating its fifteenth year of working in Cuba on behalf of the entire WWF network. Cuban Global 200 ecoregions make it ecologically important to the planet. This past year, WWF brought together experts to develop a science-based plan for a representative network of MPAs, to complement the network of terrestrial areas which covers 25% of the island. WWF also worked with Cuba’s National Parks Office to start a conservation project in the Los Canarreos archipelago, one of Cuba’s richest marine ecoregions, which will engage to agencies in developing sustainable fisheries and tourism in this key area of the Caribbean.
How a shared vision will help save the largest forest ecosystem in the world.

WWF is a lead partner in the Canadian Boreal Initiative, a sweeping vision to conserve 500 million hectares of forest, an area half the size of Canada. In the conservation business, this kind of scale is unprecedented. Anywhere in the world.

WWF is part of an all-star cast of First Nations, conservation groups, and industry giants. Together we will be a force for nature.

Our shared goal is to reserve at least 250 million hectares of Boreal forest in highly protected areas with no industrial activity, and to ensure that development activities in the rest of the Boreal are managed to the highest international standards, be they mining, oil and gas, or forestry. The result? A forest where wildlife and the forest ecosystem can survive, in harmony with forest-dependent communities.

Today, there are 120 million hectares of forest allocated to forest companies in Canada. Our ultimate objective is get every last hectare certified. Over our first three years of promoting the international standards of the Forest Stewardship Council (FSC), we’ve made excellent headway. Now we have solid partnerships; exceptional forest research; proven case studies; and our first 4 million hectares of certified forest. Now the race begins. We’re targeting 30 million hectares by 2005.

With the most intact forest and the biggest forest industry in the world, Canada has more to gain from practising responsible forest management than anyone. And the most to lose if it doesn’t.

Signed, sealed and delivered.


IT’S BIG. IT’S BEAUTIFUL.

IT’S BOREAL.

This past year, WWF’s Conservation Science and Solutions Fund awarded 77 grants supporting projects worth $1.4 million, furthering the science, education and advocacy efforts of local conservationists across the country. Underwriting projects to save species is WWF’s raison d’être, and it still accounts for a significant amount of the work we do.

Species recovery. WWF awarded $644,000 to 35 Endangered Species Recovery projects from coast to coast.

Habitat protection. WWF awarded $67,000 to 14 habitat protection projects. These efforts were in aid of MPAs, temperate rainforests and the northern boreal forest and will have lasting impacts on populations of grizzly bears, wolves, woodburred caribou and snowshoe hares.

Banded Seal Satellite Tracking Project in the Canadian Beaufort Sea. WWF now knows that many ringed seals (previously thought to be relatively sedentary) migrate thousands of kilometres from the Beaufort Sea to the Siberian coast and northern Bering Sea—a finding that underscores the importance of protecting key areas along this entire ocean corridor before oil and gas development.

WWF is supporting efforts to ensure that the ecological integrity of the Mudhouse Forklifta area is not compromised by oil and gas development. The 6.2 million hectare region in northern BC is home to one of the largest remaining intact predator prey systems in North America.

In Cuba, WWF is supporting conservation oriented research on several endangered species and spearheading a Caribbean-wide blackfin tuna recovery plan that hinges on pulling an end to lucrative harvesting, deoxygenation of the stockpiles of shells, and protection of key nesting and breeding grounds.

WWF is initiating partnerships with major tourism companies in Cuba to prevent the acute impact tourism has had on-marine coastal and marine ecosystems in the region, thus safeguarding endangered species such as marine turtles, manatee, and the habitats on which they depend.

Saving Species.
Reducing Toxic Pollution.

Chemicals that are toxic by design—such as insecticides, herbicides and fungicides—are released into the global environment in staggering amounts.

Many of these are endocrine disrupting chemicals that interfere with hormonal activity—and threaten many species, from salmon and bears to whales and humans.

> WWF's Global Toxic Chemicals Initiative is pushing for ratification of the UN Stockholm Convention banning the most deadly, persistent pollutants that endanger virtually every species, ecosystem and community on Earth.

> WWF, which led the push for reform, garnered important amendments to Canada’s 33-year-old federal pesticides law, including mandatory reporting of adverse effects and time-limited registrations.

> To help farmers reduce pesticide use, build soil fertility and increase market sustainability, WWF is working to gain widespread adoption of ecological farming practices and access to non-chemical pesticides.

> Canada has a backlog of over 23,000 industrial and agricultural chemicals which have not been re-evaluated for decades, so WWF is pressing for harmonization with the EU’s aggressive new chemicals policy proposal.

> Toxins such as PCBs, dioxins and brominated flame retardants, delivered to the Arctic by prevailing winds, are working their way up the Arctic food chain with disturbing results. In Nunavut, WWF works with local hunters to tap into traditional knowledge and gather field observations of wildlife health, and collect tissue samples from harvested marine animals for chemical and histological analysis. Together with circumpolar Inuit organizations, we’ll use these findings to lobby for elimination of these toxins from the environment.

WWF’s global push to turn down the heat.

WWF has been active in all the key moments of the climate change debate—highlighting the scientific basis for action, convincing companies to move forward, engaging the public, and pressuring governments to sign the Kyoto Protocol, including Canada.

WWF has launched a sustained climate change campaign to ensure industrialized nations start the process of turning down the heat. The scope of WWF's global program is unprecedented. In over 30 countries, we’re pressing for fundamental international and national policy changes; helping industry improve its performance; mobilizing the public to take action; and documenting the impacts of climate change.

WWF continues to lead the field in publicizing the impacts of climate change on biodiversity. In Canada, our research shows climate change in already taking a dramatic toll on the Arctic. With the Arctic ice melting, we suspect polar bears are finding it more difficult to find seals for food.

Swoosh. WWF is signing up one multinational after another for its Climate Savers program. Leading companies such as IBM, Johnson & Johnson, Polaroid, Lafarge and Nike are working to dramatically reduce their CO2 emissions worldwide.

CLIMATE CHANGE.
THE POWER OF ONE.

While we believe that one person can change the world...

THE POWER OF MANY.

we also believe that 60,000 people can change it a whole lot faster.
Just as small streams eventually make the Mackenzie River, the contributions of WWF members add up to a substantial flow of support. Our work to protect species in such landscapes and ecosystems relies on the generosity of the following individuals, foundations, corporations, companies and organizations.

**CORPORATE SUPPORTERS**

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**FOUNDATIONS**

- The Sobey Foundation
- The Ontario Trillium Foundation
- The K.M. Hunter T.R. Meighen Family Foundation Charitable Trust
- McCutcheon Foundation *
- R. Howard Webster Foundation
- MacArthur Foundation
- The John D. and Catherine T. MacArthur Foundation
- The Joyce Foundation

**GOVERNMENTS**

- Government of Ontario - Fisheries and Oceans Canada
- Government of Canada - Canada - Canadian Wildlife Service
- Government of Canada - Environment

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**PRIVATE SUPPORTERS**

- Full list of private supporters can be found on the WWF website.
Growing our funding base comes down to attracting and bonding with Canadians. If we can bring Canadians closer to nature, show them how our work is effective and relevant to their lives, and give them hope, we have a much better chance of recruiting the kind of support WWF really needs.

Getting our story told requires touching Canadians as much as possible, whether it’s through donor programs, newsletters, publicity, advertising, television programming, special events or the web.

2003 highlights

WWF receives $1.4 million in donated ad space and the equivalent of $2 million in space on a variety of web sites – from AOL, Sympatico, Lycos and MSN.

The Canada Life Assurance Company and the CN Tower continue to be model partners by supporting our conservation initiatives and by continuing their title sponsorship of WWF’s annual Canada Life CN Tower Climb for Wildlife.

This year’s climb attracts over 4,000 climbers and cracks the $500,000 mark for the first time, despite the SARS crisis.

Swiss Herbal Remedies continues its sponsorship of WWF’s compelling Direct Response Television special, helping us tell our story to over 4 million Canadians.

Canadians double their wildlife adoptions. WWF’s adoption program brings in a record $0.2 million.

WWF’s Wildlife Rescue Team jumps to a record 19,500 members, each of whom join our monthly contribution program.

WWF’s Schools for Wildlife program delivers compelling educational materials to 5,700 schools and youth groups, helping tens of thousands of kids take action for a living planet.

MORE STORY TELLING.
BETTER STORY TELLING.
Photo: courtesy of Staffan Widstrand © 2003  staffanwidstrand.com
WWF takes its financial stewardship responsibilities as seriously as its conservation commitments. We are dedicated to sound oversight of the contributions entrusted to us by our donors and supporters, including individuals, families and foundations, corporations and governments. The most important measure of our successful use of donors’ gifts is conservation success. 2003 has been a year of achievement, and the organization is on the cusp of remarkable things.

That said, there are two things donors and supporters should know: this year saw a decline in revenue compared to last year; our fundraising and administrative costs reached 21% of revenues.

It was a challenging year for fundraising, but we have targeted a substantial increase for next year. To do more conservation, we need to raise more money. End of sentence. We are fully committed to doing this.

The ratio of our fundraising and administration costs to revenues has increased for two reasons: our revenues declined, making the cost ratio greater; and, as part of our long term growth strategy, we have invested in greater fundraising capacity and a stronger support structure. Significant returns on these investments are forthcoming.

Our budget for 2004 plans for our fundraising and administration costs to fall back below 20% of revenue. Our long-term strategy aims for continued improvement in this regard.

Like our approach to conservation, our approach to financial stewardship is far-sighted and strategic. We’re in this for the long term.

We provide detailed stewardship reports to all major donors on the conservation activities their funds have supported, accounting for the expenditure of their money and highlighting the conservation gains achieved through their funding.

WWF has strict financial controls in place. Each year, a professional independent audit of WWF is undertaken and published for all to see.

FINANCIAL STEWARDSHIP
FOR THE LONG-TERM.

Conservation for the long-term...
Auuditors' Report

To the Members of World Wildlife Fund Canada and World Wildlife Fund Canada Foundation

The accompanying summarized combined statements of financial position and operations and changes in fund balances are derived from the complete financial statements of World Wildlife Fund Canada and World Wildlife Fund Canada Foundation as at June 30, 2003 and for the year then ended. In our audit's report on the complete financial statements dated September 5, 2003, we expressed an unqualified opinion because we were unable to satisfy ourselves concerning the completeness of a portion of revenue from fundraising. The summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants, is to report on the summarized combined financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position and results of operations, readers should be made to the related complete financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
September 5, 2003

Statement of Financial Position

Summarized Combined Statement of Financial Position

(in thousands of dollars)

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<td>Lobbying</td>
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<td>FUND BALANCES</td>
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<td>PLANNED GIVING FUND</td>
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<td>TOTAL</td>
<td>$13,836</td>
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Statement of Operations and Changes in Fund Balances

Summarized Combined Statement of Operations and Changes in Fund Balances

(in thousands of dollars)

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<thead>
<tr>
<th>2003</th>
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<tr>
<td>REVENUE</td>
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<td>TOTAL EXPENSES</td>
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<td>EXCESS OF REVENUE OVER EXPENSES</td>
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<td>Fund Balances, beginning of year</td>
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<tr>
<td>Fund Balances, end of year</td>
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<td>Excess of revenue over expenses</td>
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<td>Capital Funds</td>
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<tr>
<td>TOTAL</td>
<td>$13,836</td>
<td>$14,280</td>
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</table>
WWF-Canada

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Over 4 million hectares of FSC-certified forest
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29 species-at-risk downlisted
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