



World Wildlife Fund Canada
Annual Report
2007

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40 YEARS OF WORKING FOR A LIVING PLANET

Letter to the Public

May 2007 represented a significant milestone in the history of WWF-Canada – our 40th anniversary as a driving force for conservation in Canada and as part of a global network dedicated to life on this planet.

As you read through this annual report, you will see the successes (and, in some cases, the near misses) that WWF-Canada has had in the past year. You will also see how seriously we take not only our commitment to the environment, but our commitment to be accountable to our donors and the public.

This past year has been a remarkable one, with new protected areas, action on endangered species, and more sustainable forestry than ever before, to name just a few achievements. That was possible thanks to your support and levels of public concern for the environment that approached an all-time high.

At the same time, if the world consumed resources the way Canadians do, it would take 4.3 Earths to support us all. Historic concern for the environment, but historic consumption of the planet's natural resources. How can this be?

We believe that Canadians are anxious to link their environmental concerns to concerted, definitive actions to slow climate change, steward our freshwater, protect species at risk, and promote a green economy. But the question remains: what actions to take?

At WWF-Canada, we are committed to engaging with Canadians on these questions, providing science-based answers, and working with business, government, and individuals to implement lasting environmental solutions.

In the year ahead, we plan to build on our four decades of conservation history, and – with your support, and that of your friends, family, and neighbours – create an even brighter conservation future.

M.J. (Mike) Russill, President and CEO
Patricia A. Koval, Chairman

Who We Are

WWF is one of the world's biggest and best-recognized conservation organizations, with almost 5 million supporters around the globe. We operate in more than 100 countries and fund more than 2,000 conservation projects each year.

WWF's mission is to stop the degradation of the planet's natural environment and to build a future where humans live in harmony with nature. We're working to conserve biological diversity, to make sure that renewable natural resources are used sustainably, and to reduce the pollution and wasteful consumption that are taking their toll on species and landscapes.

In Canada, we're tackling daunting conservation challenges including how to save species at risk, fight climate change, and manage our resources sustainably – and we're making headway.

Since 1967, we've helped to protect millions of hectares of wilderness, get laws passed that have saved threatened species, lobby for controls on the use of pesticides, and change the way we harvest our forests.

Today WWF-Canada has more than 150,000 supporters, annual revenues of more than \$22 million, and a hundred-plus staff working in seven offices across the country, as well as one in Cuba.

We're a powerful force for conservation, thanks to supporters like you. Please help us keep it up.

How We Work

At WWF-Canada, we've been working for the conservation of nature for four decades – and we've learned what it takes to do it right.

Strategic focus: We focus our efforts where we can make the greatest impact: on biologically significant habitats, identified through robust scientific analysis. Our priorities lie in nine specific regions, clustered in Atlantic Canada, the Pacific Coast, and the Mackenzie River Basin.

Global perspective: We're part of an international organization with almost 4,000 staff in more than 100 countries. That gives us an impressive network of expertise to draw on and a powerful voice to address conservation issues that cross national boundaries.

Non-partisan partnerships: Conservation takes cooperation. Our reputation for fair-mindedness allows us to forge alliances with First Nations, industry, government, communities, and other conservation groups to tackle the complex problems.

Integrated approach: We know that conservation is inextricably linked with social, economic, and cultural issues. Truly sustainable solutions must meet local needs, so we invest the time to build trust, develop relationships, and forge strategies that will work for everyone.

Public mobilization: WWF's biggest conservation achievements to date have come about thanks to partnerships that we forge that result in shared vision and action by business, government, First Nations, communities, and individuals. To tackle big conservation challenges, we must all be engaged in solutions.

Long-term results: Ultimately, it all boils down to lasting results. We measure our success in species saved, habitats protected, and communities maintained – now, and for generations to come.

Legitimacy

In order to do our work, WWF needs to have the ability – and the right – to speak on behalf of our supporters. This is what helps to make business, industry, and other groups that we work with take us seriously as a strong voice for conservation. We refer to our right to speak on behalf of our supporters as “social license” or “legitimacy,” and we take it very seriously.

What We Think

Increasingly, non-governmental organizations (NGOs) are being questioned about their right to have a voice and speak out. While environmental NGOs, like WWF, do not claim to represent the public, they do play an important role in civil society by ensuring that the public is well informed on conservation issues and that the environmental perspective is taken into account when relevant issues are being debated. We also actively promote a range of key conservation outcomes.

We Are Non-Partisan

While WWF has no political affiliation, nor do we align our organization with any government, we often advise governments on environmental policy issues and works in partnership with relevant government offices to carry out our conservation work. In addition, WWF works with local communities and other NGOs to develop, implement, and monitor our more than 1,100 projects around the world. By employing local experts, WWF is able to draw on traditional knowledge and values, as well as foster long-term conservation capacity.

Our Approach Is Grounded in Good Science

Our opinion is sought by many for a variety of reasons, including the scientific rigour we apply to our conservation thinking and approach. In the same way that we do not carry political biases, we also do not carry specific biases when it comes to the approach to conservation. We rely on good science and good research to guide the positions that we take and the conservation actions we are advocating. Sometimes,

this will mean that we take positions that are unpopular with the public or with specific interests. We are not afraid to take a stand.

We Are Collaborative

We try to avoid drawing a line in the sand on issues, and instead look to build on common interests and values. Since WWF cannot make conservation happen all on our own, we need to bring other parties like business, government, and local communities to the table to work together to seek out conservation solutions. We understand that good science is the starting point, and that good dialogue, negotiation, and a sensitivity to socio-economic issues is how lasting conservation is ultimately achieved.

We Have a Lot of Support

Given our global mission, solid reputation, and wide-ranging technical expertise, WWF believes we not only have a legitimate right to engage the public and decision-makers, but that we would be neglectful and irresponsible not to do so. Moreover, WWF has about five million supporters worldwide, most of whom are regular donors and whose contributions make up the majority of WWF's overall budget. These voluntary supporters expect WWF to act on behalf of the environment, and WWF is committed to doing just that.

OUR PEOPLE

Behind the Panda, you'll find skilled, knowledgeable people who believe that conserving Canada's species and spaces is a cause that's worth the thousands of hours they dedicate to it each year.

Whether they're negotiating with forestry executives, mapping marine biodiversity, tracking illegal wildlife trade, or making sure our books balance every quarter, our staff make WWF-Canada an efficient and effective organization.

Our equally committed Board of Directors and regional councils consist of leaders in their field who volunteer their expertise to help set the strategic direction for WWF-Canada and keep us on course.

Together, we're getting results that count.

Board of Directors

Honorary Chair

Sonja Bata

Chairman

Patricia Koval
Partner, Torys LLP

Vice-Chairman

Bryce Hunter
Chairman, Hontro Investments Limited

Directors

Name	Occupation	Region
Daryl Aitken	Marketing Consultant	Toronto, ON
George Butterfield	Chairman and Co-founder Butterfield and Robinson	Toronto, ON
Kathleen Crook	Volunteer Fundraiser	Toronto, ON
Gillian Deacon	Broadcast Journalist	Toronto, ON
A.J. Diamond	Principal Diamond and Schmitt Architects Incorporated	Toronto, ON
Roger Dickhout	President and CEO Pineridge Foods Inc.	Brampton, ON
Brock Fenton	Chair, Biology Department University of Western Ontario	London, ON
Mike Garvey	Corporate Director	Toronto, ON
Blake Goldring	Chairman and CEO AGF Management Limited	Toronto, ON
Adam Howard	Chief Executive J.P. Morgan Securities Canada	Toronto, ON
George Kostiuik	President emBoot Inc.	Toronto, ON
Sonia Labatt	Associate Centre for Environment, University of Toronto	Toronto, ON
Mary Susanne Lamont	President M.S. Lamont and Associates	Toronto, ON

Name	Occupation	Region
Dougal MacDonald	President and Managing Director Morgan Stanley Canada Limited	Toronto, ON
Steven Page	Musician	Toronto, ON
David Ross	Partner Deloitte & Touche LLP	Toronto, ON
Donald Sobey	Chairman Emeritus, Empire Company Limited	Stellarton, NS
Tim Stewart	President Stewart Investments Inc.	Toronto, ON
Rt. Hon. John Turner	Partner Miller Thomson LLP	Toronto, ON
Tanny Wells	Chestnut Park Real Estate Ltd.	Toronto, ON
Phyllis Yaffe	CEO Alliance Atlantis	Toronto, ON

Board of Directors – Structure and Governance

WWF-Canada's Board of Directors is made up of a committed group of volunteers who come from various walks of life.

A director's term is three years. A director may choose to serve a second three-year term, after which, he/she is required to step down from the Board (unless he/she become an officer, such as the Chairman, or Chairman of a Board committee).

Role of the Board

The role of WWF-Canada's Board is to manage or oversee the management of the business and affairs of the organization, including strategic planning, policy formulation, risk management, organizational and management capacity, support to fundraising and communications, and accountability to stakeholders.

Committees of the Board

In order to fulfill its mandate, the Board has a number of committees dedicated to providing strategic leadership and advice in the following areas:

- conservation science;
- audit, finance and investment;
- governance;
- fundraising; and,
- human resources.

In the case of our Conservation Science Committee, we have engaged subject matter experts who, while not on the full WWF-Canada Board, are active volunteer members of the committee.

Meetings

The full Board meets at least three times a year. Meeting schedules for committees of the Board vary, but are generally no less than twice per year.

Declaration of Remuneration

As per WWF-Canada's annual financial statements, no board member receives remuneration in his or her role as a director.

Councils

National Council

Joanasie Akumalik, Iqaluit
Peter Allen, Toronto
Sonja Bata, Toronto
Birgit Bateman, Fulford Harbour, B.C.
Mary Anne Brinckman, Toronto
Joan Carlisle-Irving, St. Andrews
Donald Chant, Madoc
Murray Coolican, Halifax

E. H. Crawford, Toronto
Graham Daborn, Wolfville
Michael de Pencier, Toronto
Roger Dickhout, Toronto
Fredrik Eaton, Toronto
Lisa Elder, Toronto
Janet Foster, Madoc
John Foster, Madoc

David Friesen, Altona
Stephanie Gibeault, Toronto
Graeme Gibson, Toronto
C. W. Goldring, Toronto
William Harris, Toronto
Robbert Hartog, Perkinsfield
Edward Huebert, Whitehorse
Beryl Ivey, London
Richard Ivey, London
Rosamond Ivey, Toronto
Norma Kassi, Whitehorse
Keith Kocho, Toronto
Murray Koffler, Toronto
David Lindsay, Toronto
Joe MacInnis, Toronto
Jay Malcolm, Toronto
R. B. (Biff) Matthews, Toronto
James McCutcheon, Toronto
John McCutcheon, Toronto

Atlantic Council

Jack Keith, Chair, Halifax
Joan Carlisle-Irving, St. Andrews
Graham Daborn, Wolfville
Henry Demone, Lunenburg
Fred Fountain, Halifax
Art May, St. John's

Pacific Council

Lyn Brown, Vancouver
Dave Mowat, Vancouver
Daniel Pauly, Vancouver

Cuba Council

Mike Garvey, Chair, Toronto
Mark Entwistle, Ottawa
Clay Henderson, Orlando
George Kostiuik, Etobicoke

Dieter Menzel, Toronto
Ian Methven, Fredericton
Christopher Ondaatje, North Devon, UK
Anna Porter, Toronto
David Powell, Toronto
Art Price, Calgary
Andrew Pringle, Toronto
Steve Pugh, Stouffville
Norman Snow, Inuvik
Wayne Soper, West Vancouver
Nancy Southam, Montreal
Ian Stirling, Edmonton
Alexander Stuart, Toronto
Joe Tigullaraq, Igloolik
Manon Vennat, Montreal
Michael Wills, Toronto
Barry Worbets, Calgary
Adam Zimmerman, Toronto

Stewart McInnes, Halifax
John Oliver, Halifax
Elizabeth Ryan, Halifax
Fred Smithers, Dartmouth
Don Sobey, Stellarton
Bruce Wareham, Arnold's Cove

Art Sterritt, Terrace
Sonny Wong, Vancouver

Mary Susanne Lamont, Toronto
Michael Minnes, Toronto
Steve Pugh, Stouffville

Committees

Executive Committee

(consists of Board Chair, Board Vice Chair & Committee Chairs)

Pat Koval (Chair)	Dougal MacDonald
Daryl Aitken	David Ross
Kathleen Crook	Tanny Wells
Brock Fenton	Phyllis Yaffe
Bryce Hunter	

Audit, Finance and Investment Committee

David Ross (Chair)	Tim Stewart
Pat Koval	*Bill Menzel
Adam Howard	

Compensation, Governance & Nominating Committee

Dougal MacDonald (Chair)	Bryce Hunter
Brock Fenton	Pat Koval
Mike Garvey	Phyllis Yaffe

Fundraising Committee

Kathleen Crook (Chair)	Pat Koval
Roger Dickhout	Donald Sobey
Blake Goldring	Tim Stewart
Adam Howard	*Michael de Pencier
Bryce Hunter	

Technology Committee

George Kostiuk (Chair)

Marketing and Events Committee

Phyllis Yaffe (Chair)	George Kostiuk
Daryl Aitken	Mary Susanne Lamont
George Butterfield	Steven Page
Gillian Deacon	

Conservation & Science Committee

Dr. Brock Fenton (Chair)	*Dr. Marco Festa-Bianchet
Mike Garvey	*Dr. Nancy Olewiler
Dr. Sonia Labatt	*Dr. Daniel Pauly
Tanny Wells	*Dr. David Schindler
*Dr. Louis Belanger	*Dr. Bridget Stutchbury
*Dr. Andrew Derocher	*Dr. Hal Whitehead

Climate Change Committee

Dary Aitken (Chair)
Roger Dickhout
Bryce Hunter
George Kostiuk

Pat Koval
Sonia Labatt
David Ross
Tim Stewart

Freshwater Program Committee

Tanny Wells (Chair)
George Butterfield
Kathleen Crook
Brock Fenton
Mike Garvey
Adam Howard

Bryce Hunter
Pat Koval
Dougal MacDonald
David Ross
*David Schindler
John Turner

* Denotes members of the committee that are not on the Board
(As of Sept. 6, 2007)

Senior Staff

Senior Staff Reporting to the CEO

President and CEO*

Mike Russill

Vice President and Chief Conservation Officer*

Arlin Hackman

Vice President Finance and Administration and Chief Financial Officer*

Grahame Cliff

Vice President Communications and Human Resources*

Shawn Mitchell

Vice President Marketing and Donor Relations*

Pam Davis-Ross

Vice President Conservation Advancement*

Kim Bilous

Vice President Atlantic Region*

Robert Rangeley

Vice President Pacific Region*

Chris Elliott

Other Senior Staff

President Emeritus**

Monte Hummel

Conservation Directors

Hadley Archer, Business Engagement

Michael Bliemsrieder, Greater Antilles

Ernie Cooper, Traffic & Wildlife Trade

Pete Ewins, Species

Tony Iacobelli, Forests and Freshwater

Lorne Johnson, Ottawa Bureau

Marty King, Bycatch Campaign (Acting)

Julia Langer, Global Threats

Michele Patterson, Pacific Marine

Steven Price, Policy, Planning and Partnerships

Rob Powell, Mackenzie River Basin

Carolyn Seabrook, Program Operations

Staff Directors

Mimmo Di Giacomo, Conservation Advancement, Pacific Region
Ruth Godinho, Donor Relations (Acting)
Annette Godziek, Controller
Amy Halliday, Donor Relations (on maternity leave)
Maureen Harrison, Human Resources
Janice Lanigan, Donor Cultivation
Josh Laughren, Communications
Lori Sussman, Conservation Advancement
Mary Beth Taylor, Planned Giving and Living Planet Circle
Christina Topp, Marketing

* Sits on Management Committee

** Focussed on Conservation

WWF-Canada Past Chairs

Senator Alan A. Macnaughton
1967-1981

John Devlin
1970-1978

William B. Harris
President 1978-1981
Chair 1981-1983

Sonja I. Bata
President 1981-1982
Chair 1983-1985

Richard M. Ivey
President 1983-1985

Douglas Bassett
1985-1989

James W. McCutcheon
1989-1993

Dr. Donald A. Chant
1993-2000

Michael de Pencier
2000-2003

R.B. (Biff) Matthews
2003-2006

REPORT OF THE CHIEF CONSERVATION OFFICER

At WWF, we make it our business to set and achieve ambitious conservation goals. Not only is it what the Earth needs, it is our responsibility to thousands of people who invest their dollars and conviction in our work – people like you.

Our success comes not only from a strategic, science-based approach, but also from the strength of our relationships. Our primary role is to encourage, enable, convene, influence, and – yes – lobby governments, businesses, and individuals to fulfill *their* mandate or potential to make conservation happen.

Successes

One of our singular achievements was the Cuban government's decision to halt the harvest of Hawksbill turtles. Eliminating a significant threat to the survival of this globally endangered marine species, the decision resulted from our painstaking diplomacy and Canadian government aid channelled through WWF-Canada for economic alternatives in affected communities.

We reached another marine conservation milestone off the coast of British Columbia by negotiating an agreement with the Canadian Sablefish Association on protecting Bowie Seamount, an underwater treasure of marine life that is still virtually unknown in this country. That agreement cleared the way for the Government of Canada to sign an agreement with the Haida Nation. The next step, now all but a formality, is legal designation of the seamount as a marine protected area.

Back on land, we have contributed to the 21 million hectares of commercial woodlands now certified as well managed according to the Forest Stewardship Council. Through partnerships with leading companies such as Tembec and Domtar, we're very close to our overall target of certifying one-quarter of Canada–US trade in forest products. Our success in harnessing a powerful, globally significant market force for conservation caps a twenty-year engagement with forests that has literally seen an entire industrial sector change its management philosophy and practices.

More work to be done

Success is proving harder to achieve in the Mackenzie Valley where we are intent on securing protected areas in advance of any new gas pipeline. We did celebrate one major new protected area, Sahoyúé-Şehdacho in Great Bear Lake, with federal Environment Minister Baird. But land use planning that puts "conservation first" is still far from business as usual for senior government and industry decision makers in Canada's still-wild regions.

Our emerging priorities, climate change and water, illustrated both the exhilaration and frustrations of our conservation work this year. On the one hand, we hit our stride with a sold-out conference on the Business of Climate Change, which helped business leaders make the case for greenhouse gas emission reductions to government. On the other, all the high-level diplomacy and goodwill we could muster

around designating the world's largest freshwater park in Lake Superior was not enough to bring government ministers from Queen's Park and Ottawa together to cut the ribbon.

These are only a few examples, and when you read the rest of this annual report I hope you'll be as excited as I am by what we achieved overall, especially given all the things that can happen to slow our advance on long-term goals.

Looking forward

In the year ahead, WWF-Canada's focus on climate and water will intensify. Climate change is widely regarded as the most threatening environmental issue facing the world, and Canadians contribute disproportionately to the problem. Meanwhile, water provides more than 99% of the habitat on the planet, and Canada has one of the largest shares of any nation.

Our conservation efforts in the coming year will include:

- Launching a multi-year campaign to enable and track action by individuals to reduce their carbon footprint, helping us call on governments to do their part.
- Mobilizing a business constituency for energy efficiency.
- Engaging in freshwater issues in The Mackenzie River Basin, coastal British Columbia, and the Great Lakes to strengthen Canada's protection of aquatic ecosystems.
- Working with the fishing sector to increase the supply of sustainable seafood and market access for it.
- Securing measures to prevent cod bycatch and protect coral habitat on the Grand Banks through the Northwest Atlantic Fisheries Organization (NAFO).
- Securing new protected areas in the Northwest Territories in advance of major industrial development.

There has never been a more exciting or crucial time to work at WWF or fight for conservation in Canada. With your support, we're ready to meet the challenge.

Arlin Hackman
July 27, 2007

KEY REGIONS

We focus where it counts the most. In Canada, we've identified three areas where biodiversity is rich and where large-scale conservation will have the greatest impact: coastal British Columbia, the marine waters of Atlantic Canada, and the boreal forest of the North, especially the Mackenzie River Basin.

Thanks to WWF-Canada's long and successful history of helping to protect biodiversity in Cuba, we also spearhead WWF's conservation work in the Greater Antilles.

It's all part of a strategic global approach based on WWF's science-based ranking of the world's ecosystems.

Northwest Atlantic Ecoregion

On Canada's East Coast, we're intimately aware of the devastation that happens when a fishery collapses – devastation both to coastal communities and to the complex web of marine life.

WWF-Canada is working closely with industry and government to restore the magnificent ecosystems here to their former glory, before overfishing, bycatch, and pollution took their toll.

Our vision: to conserve biodiversity, restore ecosystem health, and rebuild fish populations so they provide lasting benefits for Atlantic Canadians.

2006/07 Targets & Achievements

1. Reach stakeholder agreement on an integrated management plan for the Eastern Scotian Shelf that includes strong conservation goals.

Achieved. Years of work with community representatives, fishermen, governments, aboriginal groups, and others culminated in consensus on a robust plan for the region.

2. Ensure national guidelines are in place for a network of marine protected areas (MPAs) on the Eastern Scotian Shelf.

Excellent progress. We have ensured that WWF-Canada continues to be seen as a leading voice for marine conservation on the East Coast by releasing two key reports on marine protected areas, one on the science and one on policy approaches. These reports are critical for advancing clear, effective policy for conservation and will help stakeholders to plan effective networks of MPAs along the Atlantic coast.

3. Reduce the bycatch of cod on the southern Grand Banks by 80% from 2003 levels.

Achieved, thanks to greater enforcement on the Grand Banks – something we've been pushing for since 2005. In addition, we continued to help drive fisheries reform with a report outlining key measures the Northwest Atlantic Fisheries Organization (NAFO) must take to rebuild and better manage fish stocks.

4. Protect priority coral "hotspots" from bycatch.

Excellent progress. We partnered with Memorial University scientists to produce a report identifying coral hotspots off Newfoundland and Labrador that need protection. Both industry and government are supporting action on this issue.

Other Wins

- New Brunswick's Musquash Estuary, one of the last ecologically intact estuaries in the region, was designated as a marine protected area. At the same time, the federal budget included a commitment to establish nine new MPAs.
- The third annual WWF Smart Gear Competition was launched, offering thousands of dollars in prizes for designs that let fishermen better target the fish they want and safeguard other species.

- WWF attended NAFO's annual meeting in Dartmouth, N.S. – the first time a non-governmental organization has been granted observer status – and hosted a reception (see *Spectacular Events*) for NAFO delegates.

Thank You

Our sincere thanks to Fred and Elizabeth Fountain, J.M. Kaplan Fund, Donald R. Sobey Foundation, W. Garfield Weston Foundation, WWF-Netherlands, and many other generous donors who make this work possible.

Take Action

Help us raise awareness of the plight of our oceans! Ask Canada's Minister of Fisheries and Oceans to address bycatch, protect coldwater corals, and establish networks of MPAs.

Coming Next

With a stakeholder-endorsed management plan for the Scotian Shelf in place, our next tasks for this region are to identify priority areas and then get agreement to protect them. We're also working with scientists and fishermen to prevent whales from getting tangled up in fishing gear, and we'll be ensuring NAFO takes action this fall on cod recovery and cold-water coral bycatch.

Devastation on the Seafloor

When fragile corals are torn off the seafloor, recovery takes centuries – if it happens at all.

Say the words "coral reef" and chances are you'll conjure up images of warm, shallow, turquoise waters in the tropics. But thousands of kilometres from the equator, reefs and forests of cold-water corals are found in deep in temperate and arctic waters.

These slow-growing creatures can live for hundreds of years – and they can also be destroyed in the minutes it takes fishing gear to sweep across the seafloor.

For decades, trawlers along the North American coast have been reducing corals to piles of rubble. Now, WWF-Canada's new report on cold-water corals off Newfoundland and Labrador reveals that the culprit is not only trawling, but all bottom-fishing gear. It offers compelling evidence that to protect coral, along with the many species they support, we need to create marine protected areas that are closed to *all* bottom fisheries and commercial activities.

It's an issue that's gaining support. Members of the fishing industry have already established a large voluntary closure covering 12,500 square kilometres off the northern Labrador coast, and coral protection is one of Canada's top priorities at the North Atlantic Fisheries Organization meeting this fall.

Our groundbreaking report, conducted by Memorial University researchers in partnership with Fisheries & Oceans Canada, pinpoints "hotspots" where coral

concentrations are highest and most vulnerable to fishing gear, and therefore in need of the greatest protection.

In the months ahead, we'll be working to make sure Canada and other fishing countries protect these hotspots and develop a coral management plan that encompasses the entire region.

What's the Big Deal?

Until recently, cold-water corals have been largely overlooked by scientists and unknown to the public. But their significance to marine life is just as great as their better known warm-water brethren.

Cold-water corals are home to a vast array of life in the sea, supporting literally thousands of species, including some commercially significant species of fish. As a contributor to the web of life in the ocean, they have no equal, and their ongoing destruction has the potential to impact the productivity of marine waters for hundreds of years.

Northeast Pacific Ecoregion

Here amongst the towering rainforests and teeming oceans of B.C.'s coast, our focus is on building support for conservation among industry, government, First Nations, community groups, and other environmental organizations.

It's an area packed with life in all shapes and forms, from eyeless shrimp and giant tubeworms deep on the ocean floor to grizzlies feasting on the salmon that make their way inland each year to spawn.

We're working to keep these ecological treasures untarnished by growing pressure from pollution, poor resource management, coastal development, and a shifting climate – and to preserve them for generations to come.

2006/07 Targets & Achievements

1. See Bowie Seamount formally designated as a marine protected area (MPA).

Excellent progress. We successfully negotiated a proposed management regime for the area with the Canadian Sablefish Association, and then jointly presented it to Fisheries & Oceans Canada. This was followed up by a precedent-setting agreement between Fisheries & Oceans Canada and the Haida Nation, clearing the way for Bowie Seamount to be officially designated as an MPA.

2. Establish a corporate marine partnership to develop and implement environmental best practices.

Achieved. We cemented a new partnership with Washington Marine Group to make this marine building and shipping company an industry leader in environmental standards and best practices.

Other Wins

- The protection of B.C.'s Great Bear Rainforest was recognized as a Gift to the Earth – WWF's highest accolade – at a gala reception (see *Spectacular Events*) in Vancouver that included Premier Gordon Campbell.

Thank You

Our work on the west coast wouldn't be possible without N.M. Davis Corporation, the Gordon and Betty Moore Foundation, R. Howard Webster Foundation, and other generous supporters. Thank you!

Take Action

Don't let the mountain caribou become a memory. Tell the B.C. government to protect the habitat they depend on (see *Where the Caribou Roam*).

Coming Next

We'll be reaching out to urban B.C. through a new program to turn youth into environmental ambassadors within their ethnic communities on Vancouver Island and the Lower Mainland.

The Deal That Did It

Efforts to protect a soaring underwater mountain off the coast of B.C. were stalled for years, until a strategic agreement spearheaded by WWF-Canada broke the logjam.

For decades, fishing boats have headed far off the western shores of Haida Gwaii in search of sablefish – a sweet, buttery fish prized by chefs around the world.

Their destination is Bowie Seamount, an underwater mountain more than 3,000 m high whose tip lies just 24 m beneath the sea's surface, creating a shallow-water oasis amidst the deep ocean. Eddies around the seamount trap nutrients that feed a rich abundance of species, including the sleek black sablefish.

Although Bowie Seamount was identified as a pilot marine protected area in 1998, negotiations since then had been stymied by disagreements between government, conservationists, researchers, and fishermen.

Frustrated by the lack of progress and the uncertainty it created, WWF-Canada and the Canadian Sablefish Association – representing the main commercial fishery on the seamount – sat down to work out a solution. After six months of discussions, we were able to hammer out a draft management plan that satisfied both sides. It was then presented as recommendations to government, which broke the logjam.

Under the plan, the summit of Bowie will be closed to all commercial fisheries, as will two neighbouring seamounts. Trap fishing for sablefish will be permitted in a limited area on the slopes of Bowie, and the total sablefish catch will be capped at 104 tonnes a year.

With broad agreement on a proposed draft, an agreement between the federal government and the Haida First Nation quickly followed. Now all that remains is to

write the regulations and make the official designation that will give Bowie Seamount its long-awaited status as a marine protected area.

Mackenzie River Basin

The Mackenzie River Basin is Canada's largest watershed, a pristine region that could be thrown wide open to industrial development if the proposed Mackenzie Gas Pipeline goes through. WWF-Canada is seizing the opportunity to put conservation first.

We're following the lead of local First Nations to identify the key wildlife habitats and culturally significant areas that deserve protection and working closely with partners like CPAWS-NWT, Ducks Unlimited, and the Canadian Boreal Initiative. At the same time we've been testifying at the environmental assessment hearings into the pipeline mega-project.

It's not a short-term undertaking, but our reward will be conservation of some of the largest and most ecologically important areas on the planet, including major staging and breeding habitat for migratory birds, world-class wetlands, and vast reaches of tundra and boreal forest. We'll also be creating a model of balanced development that can be replicated across the boreal.

2006/07 Targets & Achievements

1. Achieve national-level visibility for WWF's interventions in the Mackenzie Gas Pipeline hearings and see our "conservation-first" approach reflected in the environmental assessment.

Some progress. Although continuing delays plagued the environmental assessment hearings process, our interventions at the hearings in Edmonton and Norman Wells were well received.

2. Initiate a WWF network-wide campaign focussed on the oil sands.

Excellent progress. WWF-Canada teamed up with our UK counterparts to organize a highly successful media tour of the oil sands, drawing international attention to the issues at play here. We also made the link between the Mackenzie Gas Pipeline and oil sands development at the hearings in Edmonton and asked the Joint Review Panel to commission a supplementary report on the cumulative effects that could result from the pipeline.

3. Achieve interim protection for key areas.

Excellent progress. The number of candidate protected areas now totals 26 – including the newly designated Sahoyúé-Şehdacho National Historic Site on the west side of Great Bear Lake – thanks in part to our efforts to build community support for conservation and develop a NWT Protected Areas Strategy. We also achieved interim protection for Edézhie, and continued to work towards a Sahtu Land Use Plan.

Thank You

WWF-Canada thanks our many conservation partners and supporters in the Mackenzie Basin, including Canadian Boreal Initiative (CBI), Suzanne Ivey Cook,

N.M. Davis Corporation, the Salamander Foundation, and all the other donors to this program.

Coming Next

With new staff coming on board in Yellowknife and Edmonton, we'll be better placed to tackle the threats posed by the Mackenzie Gas Pipeline and the rapid expansion of the Alberta oil sands industry. We're also optimistic that the federal government will announce interim protection for the Ramparts and Akaitcho.

Elsewhere in the North

Our work in the north isn't limited to the Mackenzie River Basin. Over the past year our call for calving ground protection gained strong support at a major caribou summit in Inuvik, while several WWF-Canada education programs are helping to foster environmental awareness among youth across Canada's north.

Connecting the Dots

It doesn't take a crystal ball to foresee that the Mackenzie Gas Pipeline will fuel the growth of Alberta's oil sands industry. But will that link be taken into account?

A pipeline that will ship natural gas from the Northwest Territories south to Alberta. A fuel-hungry Alberta oil sands industry that is growing explosively. National greenhouse gas emissions that have soared 25% above 1990 levels.

Connecting the dots isn't difficult. So when it comes to assessing the environmental impact of the proposed Mackenzie Gas Pipeline, WWF-Canada is calling on the Joint Review Panel to do just that.

The rush to exploit Alberta's oil sands is creating more demand than ever for natural gas to heat water, which in turn is used to extract bitumen from the sands. This energy-intensive process is the fastest growing source of greenhouse gases in Canada, producing three times as much carbon dioxide per barrel as conventional oil production.

"Assessing the impact of the pipeline without assessing the global warming impact of the gas it carries is like trying to pretend that cake doesn't have calories," says Julia Langer, director of WWF-Canada's global threats program.

In addition to intervening in the February pipeline hearings in Edmonton, where we made the case for taking the impact of the oil sands operations into consideration, WWF-Canada has asked the Joint Review Panel to commission a supplementary report on the cumulative impacts of the pipeline.

It's an issue that's getting worldwide attention, thanks in part to a very successful tour of the oil sands that we co-organized for prominent UK and Canadian journalists on the eve of the G8 Summit.

"It all comes down to conservation first," says Rob Powell, WWF-Canada's new Mackenzie River Basin program director. "We must demand more than vague

promises in exchange for the certain impacts on our environment, both in the north and around the world. The prudent approach is to preserve now what we cannot reconstruct later.”

Greater Antilles Marine Ecoregion

For two decades, WWF-Canada has been helping to conserve the coral reefs, mangrove swamps, and other key habitats that support Cuba’s exuberant diversity of life.

We’ve gone from pilot projects to full-scale, regional initiatives that are greening Cuban tourism, promoting sustainable fishing practices, and building a network of marine protected areas. In the process, we’ve earned the respect of the federal government and local communities alike.

And while our conservation expertise is making an impact in Cuba, Canada has much to learn in return. Cuba is currently the only country on the globe to meet WWF’s criteria for sustainable development, minimizing its ecological footprint while preserving a healthy standard of living.

2006/07 Targets & Achievements

1. See the Jardines de la Reina designated as a protected area.

Excellent progress. Although this area hasn’t been formally declared a national marine park, it is being managed as such. With our support, local agencies are carrying out crucial protection, research, and management activities.

2. Put an end to the state-run harvest of hawksbills turtles.

Achieved. After nearly five years of conversations and diplomatic efforts, the Cuban government has signed an agreement with WWF-Canada banning the hawksbill harvest on the island.

Thank You

A big thank you to the Canadian International Development Agency (CIDA) of the Government of Canada, K.M. Hunter Charitable Foundation, George Kostiuk Family Foundation, Oak Foundation, Sherritt International Corporation, and other donors to this program who make results like these possible.

Coming Next

WWF-Canada is expanding our hawksbill turtle work in the Greater Antilles, launching region-wide projects that will track these critically endangered creatures by satellite and examine how climate change is affecting them.

A Hawksbill Haven

Protected at last: after years of talks, Cuba has agreed to ban the harvesting of the hawksbill turtle.

Cuba's declaration of a ten-year moratorium on harvesting hawksbill turtles is a major coup for conservation. The turtle – a global priority for WWF – is critically endangered thanks to habitat loss, egg collection, bycatch, coastal development, and trade in its highly prized tortoiseshell.

For many years, Cuba has limited its harvest to no more than 500 hawksbills each year, but turtle populations are still disturbingly low. Now, under an agreement between Cuba and WWF-Canada, all harvesting will stop.

Funding from the Canadian International Development Agency and WWF-Canada will create economic alternatives for the two fishing communities that currently depend on the hawksbill harvest, modernize their fleets, re-train their inhabitants, and incorporate them into hawksbill protection activities.

The grants will also help to turn the Cuban government's Centre for Fisheries Research into a regional hub for turtle research and beef up the capacity of federal inspectors to make sure the ban is observed.

Over the next ten years, we'll be working closely with our Cuban colleagues to make sure that the ban becomes permanent. We're also broadening our hawksbill conservation efforts with the launch of a new project that examines the impact of climate change on hawksbill turtles in the Caribbean and another that explores the possibility of using hawksbills to help drive ecological tourism.

KEY ISSUES

We don't simply think local. As well as working in specific ecoregions, WWF-Canada tackles big-picture issues that affect species and habitat across the country, and even beyond our borders.

We're taking a coordinated approach to marine issues on all three coasts and harnessing the power of our international WWF network to focus on bycatch and smart fishing around the world. We're tackling international trade in endangered species and supporting research to protect species here at home.

Through our Forests for Life program, we're changing the face of the forestry industry in Canada, while our new freshwater program focuses on threats to Canada's lakes and rivers. Finally, we're working to reduce the greenhouse gases that are heating up our planet.

Marine Issues

Around the world, our oceans are in crisis. Already, a third of the world's commercial fish stocks have collapsed, including the cod that once drove the economy of Atlantic Canada. Leading marine scientists predict that the rest will follow suit over the next four decades unless we take action.

We need to give threatened stocks a chance to recover, put an end to destructive fishing practices, and reduce bycatch – the 30 million tonnes of marine creatures that end up in the nets and on the lines intended for other species. It means radical changes to how we manage our oceans, but millions of species and the food security of more than a billion people are at stake.

Here in Canada, WWF is helping to make that happen. We're working to improve fishing practices, overhaul our approach to marine management, and create networks of marine protected areas on all three coasts.

2006/07 Targets & Achievements

1. Reach stakeholder agreement on an integrated management plan for the Eastern Scotian Shelf that includes strong conservation goals.

Achieved. Years of work with community representatives, fishermen, governments, aboriginal groups, and others culminated in consensus on a robust plan for the region.

2. See Bowie Seamount formally designated as a marine protected area (MPA).

Excellent progress. We successfully negotiated a management regime for the area with the Canadian Sablefish Association and then jointly presented it to Fisheries & Oceans Canada. This was followed up by a precedent-setting agreement between Fisheries & Oceans Canada and the Haida Nation, clearing the way for Bowie Seamount to be officially designated as an MPA.

3. Ensure national guidelines are in place for a network of MPAs on the Eastern Scotian Shelf.

Excellent progress. We released two key reports on marine protected areas, one on the science and one on policy approaches, that will help stakeholders to plan effective networks of MPAs along the Atlantic coast.

4. Reduce the bycatch of cod on the southern Grand Banks by 80% from 2003 levels.

Achieved, thanks to greater enforcement on the Grand Banks – something we've been pushing for since 2005. In addition, we continued to help drive fisheries reform with a report outlining key measures the Northwest Atlantic Fisheries Organization (NAFO) must take to rebuild and better manage fish stocks.

5. Protect priority coral "hotspots" from bycatch.

Excellent progress. We partnered with Memorial University scientists to produce a report identifying coral hotspots off Newfoundland and Labrador that need protection. Both industry and government are supporting action on this issue.

6. Establish a corporate marine partnership to develop and implement environmental best practices.

Achieved. We cemented a new partnership with Washington Marine Group to make this marine building and shipping company an industry leader in environmental standards and best practices.

Thank You

We're grateful to Francine and Robert K. Barrett, the Stephen Eby Memorial Fund, Fred and Elizabeth Fountain, J.M. Kaplan Fund, Gordon & Betty Moore Foundation, N.M. Davis Corporation, Donald R. Sobey Foundation, R. Howard Webster Foundation, W. Garfield Weston Foundation, WWF-Netherlands, and other generous donors for making this work possible.

Take Action

Next time you're at the fish counter, look for the Marine Stewardship Council (MSC) logo to make sure your dinner comes from a sustainable source.

Coming Next

We're expecting our negotiations to pay off in the coming year with at least one national grocery retailer committing to source MSC-certified seafood. We're also actively participating in several MSC assessments taking place in Canadian waters.

Making Seafood Sustainable

Can the power of the marketplace help restore plummeting fish stocks? WWF thinks so.

When John Cabot first discovered the Grand Banks of Newfoundland and Labrador 500 years ago, the cod were so abundant that his sailors reputedly scooped them out of the sea using buckets. Today, however, our oceans are struggling to satisfy everyone who wants a seafood dinner.

Over the last 50 years, the annual worldwide catch has gone from 20 million tonnes to 90 million, pushing fish stocks to the limit. Clearly, changes need to be made.

Part of the solution lies in the marketplace. In 1996, WWF co-founded the Marine Stewardship Council (MSC), modelled on the successful Forest Stewardship Council. This international organization is setting environmental standards for fisheries and harnessing consumer buying power to promote the responsible stewardship of fish stocks around the globe. The "net" result is protected habitat, healthy fish stocks, and the potential for a sustainable economy.

In Canada, we're watching over and assessing the criteria used in four MSC candidate fisheries: Pacific salmon, Pacific halibut, and northern prawns in the Gulf of St. Lawrence and the Northwest Atlantic. If found to be sustainable, these fisheries will join the 22 others around the world that have been certified.

On the demand side, we're in negotiations with major wholesalers and retailers, working to convince them to stock MSC-certified products. We'll also be educating

consumers and chefs about sustainable seafood choices so that 500 years from now, fish lovers won't be going hungry.

Freshwater Issues

All life depends on water, and Canada has been blessed with a seemingly endless supply – but appearances can be deceptive. Across the country our rivers and lakes are facing a barrage of threats: overuse, pollution, invasive species, and climate change.

WWF-Canada's freshwater program is gearing up to protect key watersheds in the Northwest Territories, coastal B.C., and the Great Lakes, making sure that wildlife and the landscapes they depend on aren't being hung out to dry.

We're also building corporate partnerships that will showcase effective ways to reduce water use. Finally, we're working closely with our climate change program to make the links between global warming and freshwater.

2006/07 Targets & Achievements

1. Launch our freshwater initiative with policy goals supported by key stakeholders.
Excellent progress. Draft goals and objectives have been developed with input from external stakeholders and potential donors.

2. See the Lake Superior National Marine Conservation Area officially declared.
Slow progress. Despite years of consultations and lobbying we remain one step away from designation. Even after working to secure an agreement in principle signed in 2005, one million hectares in northwestern Lake Superior have not yet been designated a National Marine Conservation Area. The good news is that everything is in place for political decision makers to do the right thing.

3. Model the impact of global warming on Canada's freshwater.
Achieved. Our Oil and Water Don't Mix report detailed the link between fossil fuel use and shrinking water supplies in the Athabasca River and the Great Lakes.

Thank You

Thanks to the many donors to our climate and freshwater campaigns, including WWF-Canada's Chairman and many board members.

Coming Next

Look for action in Alberta's Athabasca watershed, where oil sands development (see *Connecting the Dots*) is consuming nearly one million cubic metres of water a day and leaving a legacy of more than 50 square kilometres of toxic wastewater reservoirs.

"You can't drink tar sands or coal, yet the fossil fuel industry is getting more protection from the federal and provincial governments than Canada's precious water."

- Julia Langer, director of WWF-Canada's Global Threats program

Thirsty for a Solution

The heat is on. And as the mercury inches higher, Canada's freshwater levels are dropping.

There's hot weather in store for Canada's rivers and lakes – enough to make freshwater ecologists break out in a sweat.

Already, a global temperature rise of 0.7°C since the industrial revolution is having an effect. Water flows in Alberta's Athabasca River have dropped 20 per cent since 1958, spelling ecological trouble during dry periods. Meanwhile, water in the Great Lakes recently hit some of lowest levels recorded during the past 50 years.

With global temperature increases predicted to hit 2 to 6°C over the next 50 years, the situation is clearly going to get worse. In a new report published by WWF-Canada and the Sage Foundation, leading climate scientists anticipate that even a 2°C increase will see minimum flows in the Athabasca drop another 10 per cent, thanks to more evaporation and less glacial meltwater to feed the river.

In the Great Lakes, warmer temperatures will mean even more evaporation. As a result, water levels will fall another 0.1 to 1.2 metres, drying up wetlands, concentrating pollutants in the lakes, and cutting hydropower production by as much as 17 per cent.

Our freshwater endowment is the envy of the world, but it's drying up before our eyes. WWF-Canada is calling on government and industry to reduce our greenhouse gas emissions *now* so that we take the heat off Canada's lakes and rivers in the years ahead.

Forests For Life

Forests are a vital part of the Canadian landscape: sheltering wildlife, filtering freshwater, absorbing planet-warming carbon dioxide, and providing jobs for the hundreds of thousands of people who work in the forestry industry.

WWF-Canada is making sure we're looking after that resource well. We're collaborating with industry to protect the most ecologically important areas and to manage the rest responsibly, according to the standards developed by the Forest Stewardship Council (FSC).

Thanks in part to our efforts, Canada has become the world leader in sustainable forestry, with 21 million hectares currently certified under FSC. At the same time, demand for sustainable forest products keeps growing. To date, more than a hundred North American businesses and organizations have made the switch to FSC-certified paper.

2006/07 Targets & Achievements

1. Bring the total of FSC-certified forests to 25 million hectares in the 2007 fiscal year.

Excellent progress. Although we didn't hit our target, the number of FSC certified hectares in Canada grew from 17 million at the end of last fiscal year to 21 million in June 2007. If pending certifications were taken into account, our total would come to 30 million hectares!

In addition, two new companies committed to FSC this year: Saskatchewan's Mistik Management and Nova Scotia's Stora Enso Port Hawkesbury. Meanwhile Domtar, which recently merged with Weyerhaeuser's fine paper division, renewed its FSC commitment.

2. Ensure at least one government better safeguards candidate protected areas identified through FSC.

Excellent progress. Our partnership with Tembec and the Canadian Parks and Wilderness Society resulted in conservation designs representing four million hectares of commercial forest in northern Ontario that will be presented to the provincial government this summer. In southern B.C., we've joined with Tembec, Wildsight, and ForestEthics to develop action plans to protect key caribou habitat.

Thank You

A big thank you to all of our forest conservation donors, including The Birks Family Foundation, FPAC, the IVEY Foundation, Scotiabank, and other generous supporters.

Take Action

Buy FSC! Retailers, paper suppliers, and home building contractors need to hear there is demand for sustainable forest products.

Coming Next

Watch for Canada to achieve FSC certification for 25% of our managed forests in the coming years, reinforcing our position as a global leader in sustainable forestry.

Where the Caribou Roam

Woodland caribou need untouched forest, and plenty of it. Find out how Tembec is keeping them satisfied.

Across the boreal forest, the number of woodland caribou is dropping. It's a similar story in southeastern B.C., where populations of mountain caribou – a uniquely adapted variety of woodland caribou – are fragmented and in serious decline.

But developing a management plan that meets the needs of these far-ranging animals is a daunting task. Each herd needs thousands of hectares of mature, undisturbed forest to survive – and their movements aren't always predictable.

While jurisdictions across Canada are struggling to develop effective recovery strategies for woodland caribou, Tembec is proving to be a leader in protecting the

forests they depend on. A key part of the forestry company's strategy is creating a management approach that can be adapted as the herds shift location.

In northern Ontario, Tembec is working with WWF-Canada, the Canadian Parks and Wilderness Society, and leading caribou experts to identify hundreds of thousands of hectares of prime caribou habitat for permanent protection, as well as corridors between them.

In southeastern Manitoba, it's collaborating with the Western Canada Wilderness Committee and experts to manage the Owl Lake herd.

And in southeastern B.C., Tembec, WWF-Canada, and several other conservation groups have presented the provincial government with a set of action points to safeguard mountain caribou, including immediate habitat protection and the strategic relocation of some caribou to keep herd sizes healthy.

It's all part of the company's strong commitment to sustainable forestry.

Climate Change

Since the industrial revolution got the world hooked on fossil fuels, we've been pumping more and more greenhouse gases into our atmosphere – and heating up the planet. Average global temperatures have already risen 0.7°C, and they're projected to hit 2°C by 2050.

While the numbers sound small, the impact is huge: melting ice caps, rising sea levels, more droughts, more hurricanes, more floods, and a million species that are facing the possibility of extinction. Simply put, climate change is the single biggest environmental threat facing our planet.

We're taking action. WWF-Canada is working to reduce Canada's fossil fuel addiction, promote energy efficiency, and make sure we meet Kyoto targets.

2006/07 Targets & Achievements

1. Persuade the federal government to reduce Canada's greenhouse gas emissions with a plan of action to implement the Kyoto Protocol.

Some progress. Public pressure – including 12,000 signatures on a WWF-Canada petition – convinced Parliament to pass Bill C288, obliging Canada to meet our Kyoto commitments. Meanwhile, WWF-Canada's advice has been incorporated into climate change plans at all three levels of government.

2. Raise the profile of global warming issues.

Achieved. We attracted extensive media coverage through "Panda on the Hill" events in Ottawa, our "Black Clouds" event (see Spectacular Events) in Toronto, and hard-hitting reports. At the same time, our public awareness campaign helped make climate change a top-of-mind concern nationwide.

3. Initiate a WWF network-wide campaign focussed on the oil sands.

Excellent progress. WWF-Canada teamed up with our UK counterparts to organize a highly successful media tour of the oil sands, drawing international attention to the issues at play here. We also made the link (see *Connecting the Dots*) between the Mackenzie Gas Pipeline and oil sands development at the hearings in Edmonton and asked the Joint Review Panel to commission a supplementary report on the cumulative effects that could result from the pipeline. Finally, we pushed for a redesign of royalty incentives currently stimulating an industry already in overdrive.

4. Model the impact of global warming on Canada's freshwater.

Achieved. Our Oil and Water Don't Mix report detailed the link between fossil fuel use and shrinking water supplies in the Athabasca River and the Great Lakes.

5. Promote energy efficiency as the cheapest and cleanest way to fight climate change.

Excellent progress. We introduced Canadian policy makers to an integrated approach to transforming the energy efficiency marketplace that was developed by our colleagues in Europe and adopted by the European Union. We also formed an alliance with more than a dozen companies to promote co-generation, leading to a ground-breaking new policy in Ontario that will facilitate this fuel-efficient way to generate heat and power at the same time.

Thank You

Thanks to the generous donors who make this work possible, including Direct Energy, the Kiessling/Isaak Family, McLean Foundation, the Midloch Foundation, and many others.

Take Action

Tell your MP you want Kyoto implemented – and make sure your friends and family do too! On the home front, go energy efficient.

Coming Next

Over the coming two years, we'll be applying a combination of public, business, and international pressure on the Canadian government to keep our Kyoto commitments.

"The world can still prevent climate change from spinning out of control, but the window of opportunity is rapidly closing. There is no lack of ways and means to reduce emissions, only a lack of will."

– Julia Langer, WWF-Canada's Director of Global Threats Program

Getting Down to Business

Hotter temperatures are changing more than just our physical climate. A cutting-edge conference in Ottawa examined what global warming will mean for the Canadian business climate.

While global warming has provoked a maelstrom of debates and finger pointing over the past year, The Business of Climate Change conference chose a different focus: the bottom line.

Organized by WWF-Canada and the Canadian Centre for Policy Ingenuity, the Ottawa event attracted nearly 200 participants from across the country ready to learn how to minimize the risks and take advantage of the opportunities that climate change is creating for North American businesses.

The first of its kind in Canada, it wowed middle and senior level executives and government officials from across the country. "This one-day conference was unparalleled in terms of information that every business needs to know about climate change," said presenter Julie Desjardins from the Canadian Institute of Chartered Accountants.

Instead of framing climate change as a battle between environmentalists and Bay Street, speakers from Dupont Canada, GE Canada, Alcan, Delphi, TransAlta, and other major companies tackled topics such as taking advantage of market-based mechanisms, adapting to a world of more severe weather, and increasing profits through clean energy and energy efficiency.

A wine and cheese reception the night before, hosted by Natural Resources Canada, was a rare opportunity for business executives and policy makers to mix and mingle.

With such a strong response last year, we're confident this year's two-day version featuring speakers such as Jim Rogers, CEO of Duke Energy, will be a sell-out success.

Endangered Species

Across Canada, habitat loss, pollution, foreign invaders, climate change, and unsustainable harvesting have pushed 538 species dangerously close to extinction. The list includes species of every description, from lichens to leatherback turtles, whooping cranes to wood bison.

On the good news front, the peregrine falcon and the sea otter have made a comeback. Less positively, last summer 42 species were added to Canada's list of species at risk, including the north Pacific right whale, the ancient murrelet, and several populations of sturgeon.

WWF-Canada's endangered species program is two-fold: tackling global trade in endangered species through our international TRAFFIC program, and partnering with Environment Canada to fund research into species at risk here at home through our Endangered Species Recovery Fund. And, of course, our work in key regions is also helping to protect endangered creatures.

2006/07 Targets & Achievements

1. Leverage money to help species at risk through our Endangered Species Recovery Fund.

Ongoing. In 2006/07, we awarded more than \$700,000 to support 56 research and education programs across the country to help Canadian species at risk, including hooded warblers, grizzly bears, and spiny softshell turtles.

2. Renew the Endangered Species Recovery Fund with the federal government and focus on key species in priority ecoregions.

Excellent progress. Despite ongoing delays in the federal system, we have gained two new partners in principle – Parks Canada and Fisheries and Oceans Canada – for a redesigned Fund that will focus more strongly on multi-species recovery projects in WWF-Canada's priority areas.

3. Embed critical habitat maps in a bowhead whale recovery strategy for the Eastern Canadian Arctic.

Some progress. WWF-Canada conducted habitat analyses and modelling that the national bowhead whale recovery team will use to boost the numbers of these marine giants. However, the recovery strategy is on hold until the Inuit challenge to the listing of bowheads as a species at risk in Nunavut is resolved.

4. Ensure the Convention on International Trade in Endangered Species (CITES) is effectively implemented in Canada.

Excellent progress. WWF-Canada collaborated closely with Environment Canada to develop a draft strategy for implementing CITES. One key result was a 50 per cent increase in the number of Environment Canada's enforcement officers – an impact that will be felt in Canada and around the world.

5. Advocate for conservation at the 14th CITES Conference of the Parties (CoP 14).

Achieved. WWF-Canada helped to draft recommendations to the 171 member countries of CITES and was part of the international WWF/TRAFFIC team at the Conference, where trade in sawfish and European eels was successfully regulated.

6. Provide support for enforcement of wildlife trade regulations.

Achieved. Our support is helping Environment Canada's Wildlife Enforcement Directorate in Vancouver to prosecute two significant cases of wildlife smuggling: one for elephant ivory, the other for traditional medicines containing tiger, rhino, and bear ingredients.

7. Build government capacity in Mexico to regulate and enforce wildlife trade regulations.

Achieved. More than 125 Mexican officers from five different government agencies across the country received in-depth training on CITES, wildlife trade, and the identification of wildlife parts and products.

Thank You

Thanks to all the donors to our TRAFFIC and Species programs, including Greendale Elementary School, Government of Canada – Environment Canada, and The Printing House.

Take Action

Be CITES savvy! Avoid purchasing wildlife products from exotic species unless you are absolutely sure they come from a legal and sustainable source.

Coming Next

We'll be using satellite radio to track polar bears in Hudson Bay, where sea ice is melting so quickly that they could die out here within three generations. The project will let viewers around the world follow their movements on the Web and will generate critical information for scientists.

Sawfish Success

CoP 14 was arguably the most important conservation event of the past year. And while the WWF delegation came away disappointed on several fronts, we had two significant wins to celebrate.

For two weeks in June, delegates from the 171 countries that have signed the Convention on International Trade in Endangered Species (CITES) gathered in The Hague for round after round of meetings, debates, and high-powered lobbying that characterized the 14th Conference of the Parties.

Ernie Cooper, WWF-Canada's director of TRAFFIC and Wildlife Trade, was there as part of an international WWF/TRAFFIC conservation team.

The issues on the table included proposals to regulate trade in dogfish and porbeagle sharks, sawfish, banggai cardinalfish, red and pink corals, the European eel, and the Brazilian populations of two kinds of spiny lobsters – more proposals for commercially important marine species than at any previous CITES meeting.

"CoP 14 had the potential to turn CITES into an international tool for marine conservation," Cooper explains. At the end of the day, however, the results were mixed.

The Banggai cardinalfish and spiny lobster proposals were withdrawn before they went to a vote. The coral proposal easily obtained a two-thirds majority in the first vote, but was later rejected during an extended plenary session after heavy lobbying by opponents. The sawfish and the European eel received international protection – both significant conservation wins.

The most intense debate centred on the proposals for dogfish and porbeagle sharks. Both are valuable commercial species whose numbers are shrinking thanks to overfishing, and both are harvested in Canada. In fact, Canada is the world's largest exporter of dogfish meat to the European Union.

In nail-biting votes, the dogfish proposal won more than 60% support and the porbeagle slightly less – both just short of the required two-thirds majority. In both cases, Canada voted *against* CITES trade controls.

"It's extremely disappointing that commercially important marine species have to reach critical levels of overexploitation and unsustainable trade before enough member states agree to protect them under CITES," says Cooper. "But we're not going to give up."

WWF and TRAFFIC are already working to ensure that the unsuccessful proposals (and more) are brought back for debate at CoP 15 in 2009.

SUPPORTERS

With more than 150,000 supporters across the country, the Panda truly is a force to be reckoned with – for many reasons.

You give us credibility. Thanks to your backing, we're invited to corporate boardrooms and parliamentary hearings to hammer out policies and forge precedent-setting agreements.

You give conservation issues visibility. Your signatures on petitions have helped to turn issues like fisheries reform and global warming into national news.

Your volunteer efforts are what keep our national reception desk running smoothly, ensure our Canada Life CN Tower Climb is a success year after year, and make our board of directors and councils vital, effective teams that guide our organization.

And thanks to your generosity, we have the staff and resources to keep making conservation gains on all fronts: more protected areas on land and at sea, better fisheries practices, more protection for species at risk, more sustainably managed forests than ever, and more action on global warming.

Thank you! Together, we're creating a natural legacy that will endure for generations.

Spectacular Events

It was a high-profile year for WWF-Canada, with events that ranged from million-dollar fundraisers to an evening of sustainable fashion.

Splashing Out at NAFO

WWF made our mark at the Northwest Atlantic Fisheries Organization Annual Meeting in Nova Scotia last fall by hosting a reception – an opportunity to meet international delegates and introduce our position on fisheries reform. The cordial evening of food, drink, and soft-sell diplomacy was well received, and we were warmly welcomed in our new position as official observers at the meeting.

Strutting Their Stuff

Green went glam at An Evening of Sustainable Style, the latest in our series of Green Carpet Events in Toronto designed to connect thoughtful, hip urban professionals with green products, services, and groups.

Gill Deacon and George Stroumboulopoulos played host to a parade of Canadian celebrities hitting the runway in hot ecofashions from the likes of Linda Lundström, Roots, and Yogagurl. The sold-out event showcased earth-friendly fashions including organic cotton and wool, hemp, bamboo, and soy-based fabrics.

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In the Eye of the Camera

Breathtaking images from WWF projects around the world were on display at Toronto's BCE Place in September – and WWF-Canada was the beneficiary. Photographer Roger Hooper generously donated all the profits from his Living Planet Exhibit to us.

“This exhibit reflects the critical balance between people, wildlife, and the environment, which is at the heart of WWF's work,” he explains. “My photos aim to provide a glimpse of the beauty that exists in the world and why we should do all we can to protect it.”

Gift to the Earth

The Great Bear Rainforest encompasses 74,000 square kilometres of B.C.'s Pacific Coast, including some of the largest tracts of ancient temperate rainforest in the

world. This year, its protection under land-use agreements earned international recognition from WWF as a Gift to the Earth – our highest international accolade for conservation achievements.

The gala ceremony took place at Vancouver's Pan Pacific Hotel at the closing of an international symposium on land use planning. Several hundred people were on hand, including B.C. Premier Gordon Campbell and representatives from the many conservation groups, First Nations, government ministries, and forestry companies that made the precedent-setting agreements a reality.

The Million-Dollar Climb

Our signature Canada Life CN Tower Climb broke records in 2007, as more than 6,500 climbers and 400 volunteers decked out in "hotter than I should be" T-shirts helped raise more than \$1 million for our fight against global warming. Many thanks to everyone who made the 17th annual event a seven-figure success!

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Black Clouds Over Toronto

In November, 3,000 black balloons descended on Toronto's Metro Hall – a very visible reminder of the amount of planet-warming carbon dioxide the average Canadian produces every day.

More than 100 staff and volunteers made the event a clear success, marking the launch of our national public awareness campaign on climate change and garnering extensive media coverage, including a segment on the Rick Mercer Show.

You Make It Possible

Our work relies on the generosity of many individuals, foundations, corporate partners, governments, and organizations. To all those who give to WWF-Canada: thank you.

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Donor Profiles

Donor Profile: Dr. Paul Loofs

*WWF-Canada donor since 1973 and a member of WWF's Living Planet Circle**

We caught Dr. Loofs for this interview just as he was packing for his next medical mission to Honduras. His extensive travel just increases his concerns about species loss and habitat destruction.

Q: Why did you choose to support WWF-Canada in particular?

A: I appreciate that WWF is an overarching organization, wide in scope, providing solutions that impact all aspects of conservation.

Q: You have been a long-time supporter of WWF-Canada, for over 30 years. What is it about WWF that has elicited such loyalty?

A: Everything WWF does is what I want to see done. My support began with Operation Tiger in 1973, having just returned from India where I saw first hand what was happening with the tigers. I returned to university in 1983 to pursue a degree in Environmental Studies. This degree, combined with my travels, really opened my eyes to the importance of WWF's work.

We are in a battle with time, and that time is starting to run out. I believe this work needs even more support now, and I was very happy to increase my part by becoming a Living Planet Circle member in 2005.

Q: Do you feel that WWF-Canada spends your money wisely? Do you feel you are getting good value for your dollar?

A: Yes - what would the price be if WWF were not active in conservation? I feel I get good information and updates of my gift at work.

Q: Has WWF-Canada provided you with information or inspiration to make changes in your personal life?

A: My involvement with WWF makes me more aware and concerned of the ongoing degradation of the world's natural resources. I live an environmentally friendly lifestyle and do my part to maintain a low footprint and encourage others to do the same.

Q: Would you recommend supporting WWF-Canada to others?

A: Of course. Absolutely.

** Living Planet Circle is an extraordinary community of donors at the forefront of conservation, donating between \$1,000-9,999 annually to support our vital conservation work.*

A Tribute to Glen Davis

The conservation community lost a generous champion and colleague in May 2007 with the tragic death of Glen Davis. He is remembered for his love of Canada's wild places, his support for conservation action, his great good humour, and his opinions on the state of our planet. Our hearts go out to his family and everyone in his circle, many of whom shared in his passion for the natural world.

Thank you to all who remembered Glen with a gift to the Glen Davis Fund for Canada's North. WWF-Canada will continue to press for land and water protection in his memory, and next fall Monte Hummel and Justina Rae will produce a seminal work on Canada's caribou dedicated to Glen.

Please Contact Us!

WWF is committed to keeping our members, donors, partners, and the general public informed about the work we do, how we do it, and what we think about issues that have a direct link to our work. This includes receiving constructive feedback when we could be doing a better job, or taking the time to respond to conflicting opinions about the nature and direction of our work.

At WWF-Canada, we communicate to the world in a number of ways, including the following:

- We send media releases to print and broadcast media;
- We mail or e-mail a quarterly newsletter (Living Planet Quarterly) to our membership;
- We send PandaMail e-mails once a month to keep members up to date on the progress of our work, as well as special ad hoc e-mails about significant events as they occur;
- Our Donor Relations team takes calls and answers questions from members, donors, and the general public every day;
- WWF-Canada staff in all departments maintain networks and open channels of dialogue with colleagues across the WWF network and with other partners in the environmental, business, and government communities;
- Under the federal government's privacy legislation (Personal Information Protection and Electronic Documents Act), WWF-Canada has a senior staff member responsible for overseeing our compliance with the laws associated with privacy and confidentiality that affect staff, donors, and the general public;
- Our website, wwf.ca, is routinely updated to give anyone who is interested the latest conservation, fundraising, and special events news available.

If you'd like more information, or have questions or concerns, please feel free to contact us at:

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245 Eglinton Avenue East, Suite 410
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FINANCIAL STEWARDSHIP FOR THE LONG TERM

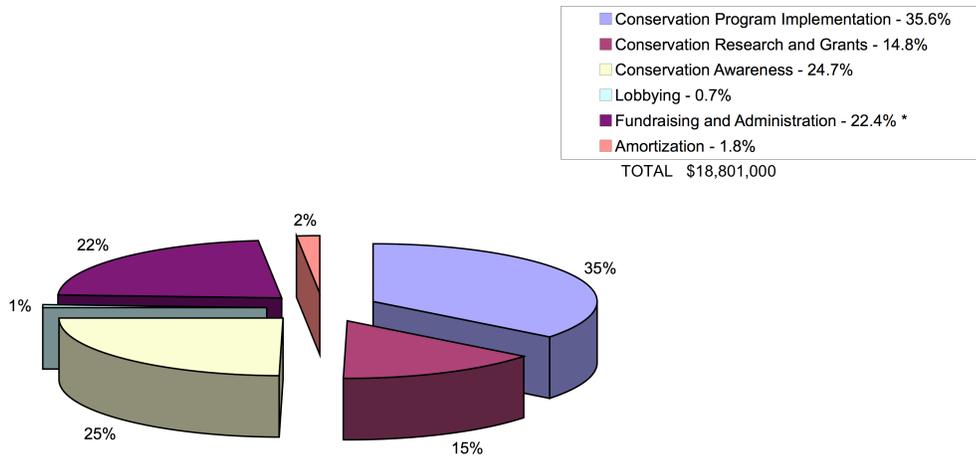
Financial stewardship is key to achievement of conservation and fundraising goals. We ensure we have:

- a strong internal control environment;
- effective governance over all operations; and
- a thorough annual independent audit of our financial records.

In addition to our annual report, we provide detailed reports to all our major donors that describe exactly how their money was spent and the conservation gains that were achieved with these funds.

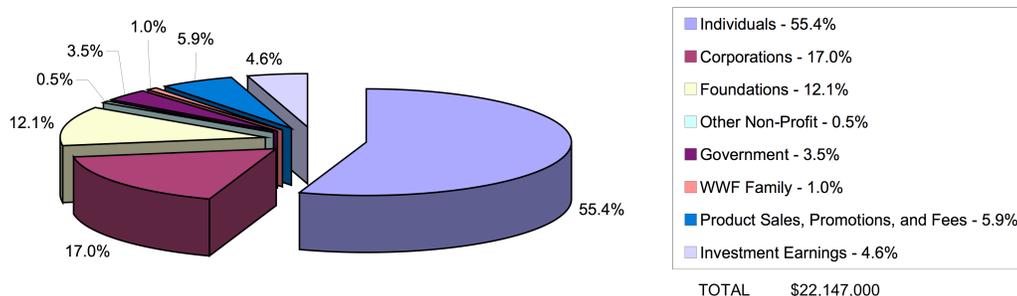
In 2006/07, investment made in prior years in our fundraising capacity and organizational infrastructure paid off with revenues of over \$22 million. This is a significant increase over the previous year and, as a consequence, our fundraising and administrative (FR&A) costs were only 19.0% of revenue. We were able to invest \$14.2 million (an increase of \$1 million) in our conservation work across the country.

How we applied our funds



* This shows Fundraising and Administration expenditure as a proportion of the \$18.8 million spent by the organization in FY07. Our Fundraising and Administration costs were only 19% as a proportion of our overall annual revenue of \$22.1 million.

Our sources of donations and other revenues



Report of the Vice-President, Finance and Administration

It is important to us that our members and donors feel well informed about the financial affairs of the organization. To that end, we include the following comments on the financial statements.

- 1) Overall revenue for 2007 at \$22.1 million is a record (see chart “Our sources of donations and other revenues”), with \$18.8 million being spent (see chart “How we applied our funds”) and \$3 million remaining in reserves.
- 2) The increase in revenue compared to 2006 is \$4.1 million. It is worth noting:
 - a. Revenue from our membership and from broad-based support increased \$1.2 million;
 - b. Revenue from major donors (\$10,000 and over) increased \$2.5 million, and
 - c. Investment earnings were \$350,000 higher.
- 3) We spent \$14.2 million on conservation, with most of the increase occurring in our Pacific program as a result of significant fundraising success.
- 4) We continued to invest in our fundraising capacity and structure, which is producing results as our increased donations revenue shows.

As stated above, we have improved our operating fund balance by \$3 million. This improvement enables us to plan, with confidence, engagement on urgent conservation issues over the longer term, and gives us the flexibility we need to respond aggressively to emerging issues in the short to medium term. We have already expanded our efforts to address the impacts of climate change, as well as the over-exploitation of ocean and freshwater resources. These matters are not only of concern to Canadians, but to the global community at large.

Grahame J. Cliff, CA
October 4, 2007

Financial Statements

For copies of the combined financial statements, including a letter from the auditor, please go to:

<http://wwf.ca/AboutWWF/WhoWeAre/AnnualReport/2007/media/WORLDWILDLIFEFUNDCANADACombinedFinancialStatements2007.pdf>

or contact our Finance Department at ca-panda@wwfcanada.org.

WWF-Canada and WWF-Canada Foundation Summarized Combined Statement of Financial Position

As at June 30, 2007

(in thousands of dollars)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
ASSETS			
Current Assets	9,536	6,087	5,927
Investments at Cost	7,207	7,267	7,274
Property and Equipment	595	549	722
	17,338	13,903	13,923
LIABILITIES			
Current Liabilities	1,193	1,104	1,774
TOTAL ASSETS & LIABILITIES	16,145	12,799	12,149
FUND BALANCES			
Operating Funds			
Unrestricted	1,415	671	657
Restricted	5,540	3,169	2,774
	6,955	3,840	3,431
In Trust and Other Capital Funds	7,515	7,417	7,416
Planned Giving Fund	1,080	993	580
Property and Equipment Fund	595	549	722
TOTAL	16,145	12,799	12,149

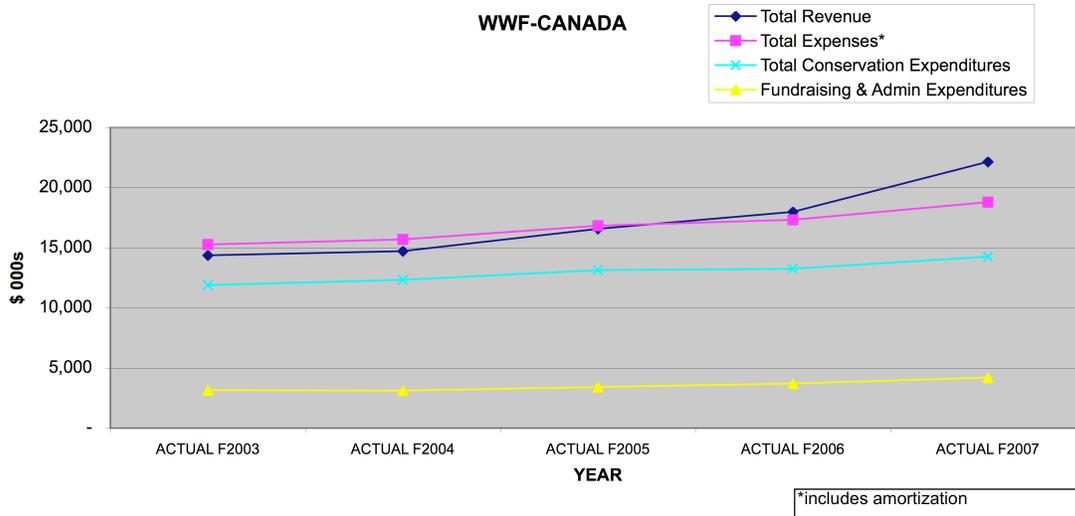
WWF-Canada and WWF-Canada Foundation
Summarized Combined Statement of Operations and Changes in Fund
Balances

For the years ended June 30, 2007
(in thousands of dollars)

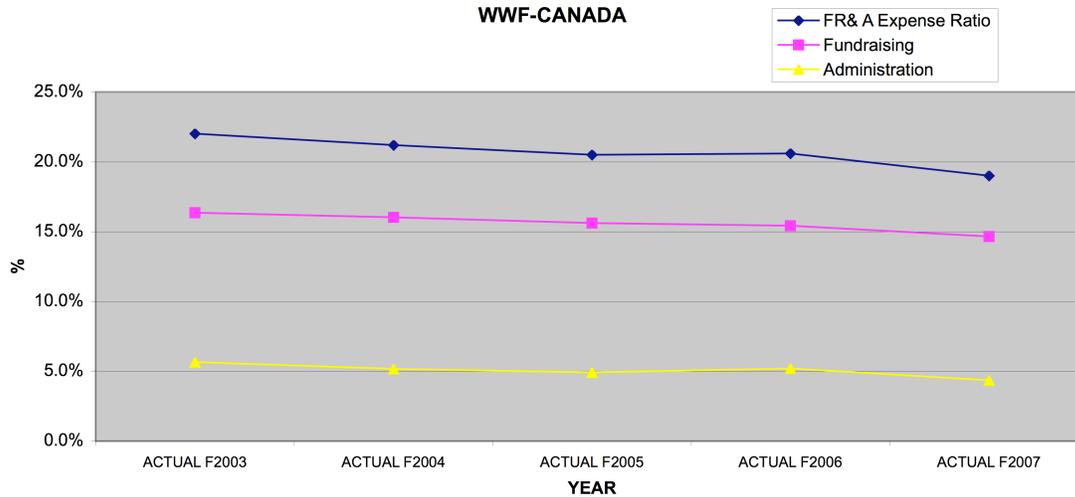
	<u>2007</u>	<u>2006</u>	<u>2005</u>
REVENUE			
Donations and Grants	19,817	16,063	14,680
Product Sales, Promotions, and Fees	1,312	1,248	1,364
Investment Earnings	1,018	670	535
TOTAL REVENUE	<u>22,147</u>	<u>17,981</u>	<u>16,579</u>
EXPENSES			
Program Implementation	6,705	6,505	6,462
Research and Grants	2,775	2,340	2,648
Conservation Awareness	4,649	4,254	3,809
Lobbying	127	157	217
Total Conservation Expenditure	14,256	13,256	13,136
Fundraising and Administration	4,209	3,708	3,406
Amortization	336	367	292
TOTAL EXPENSES	<u>18,801</u>	<u>17,331</u>	<u>16,834</u>
Excess (Deficiency) of Revenue over Expenses	3,346	650	(255)
Fund Balances – Beginning of Year	<u>12,799</u>	<u>12,149</u>	<u>12,404</u>
Fund Balances – End of Year	<u>16,145</u>	<u>12,799</u>	<u>12,149</u>
Deficiency of Revenue over Expenses Comprises			
Operating Activities	905	(1,317)	(1,364)
Capital Funds	2,441	1,967	1,109
	<u>3,346</u>	<u>650</u>	<u>(255)</u>

Additional Financial Information

WWF-Canada Revenue and Expenses Over Five Years



Fundraising and Administration Cost Ratios as a Percentage of Revenue Over Five Years



Staff Salary and Expenditure for 2006 and 2007

	Headcount	F'06 Salaries	%	Headcount	F'07 Salaries	%
CEO and Vice- Presidents reporting to the CEO	5	790,284	16.26%	8	1,073,426	16.51%
All staff members, including the CEO and Vice Presidents above	87	4,859,944		104	6,501,035	
Average salary		55,861.43			62,509.95	

Average salary increase from F'06 to F'07 is 11.9%

WWF-Canada is a federally registered charity (no. 11930 4954 RR0001), and an official national organization of World Wide Fund For Nature, headquartered in Gland, Switzerland. WWF is known as World Wildlife Fund in Canada and the US.

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