



2024 IMPACT REPORT

INVESTING in NATURE

nature**Vest**

The Nature
Conservancy 

CONTENTS

MANAGING DIRECTOR’S LETTER..... 2

INTRODUCTION AND PORTFOLIO SUMMARY 6

NEW DEALS AND IMPACT TARGETS.....12

CONSERVATION UPDATES.....19

BUILT TO LAST 25

APPENDICES..... 28

 APPENDIX I: TNC IMPACT INVESTMENT PORTFOLIO
 TARGETS AND REALIZED IMPACT TO DATE..... 29

 APPENDIX II: CUMULATIVE IMPACT TO DATE 34

 APPENDIX III: EVOLVING IMPACT MEASUREMENT..... 35



Photo on cover: Seaweed Farmer Copyright © Anthony Into/TNC Photo Contest 2019

Photos on this page, from top: The biggest beetle in the world, the *Titanus giganteus*. They inhabit the tropical forests of South America, such as northern Brazil, Guianas, Ecuador, Peru and Colombia. © Patrick Costa De Holanda/TNC Photo Contest 2021; Cave, Southern Cumberland Plateau, Tennessee © Stephan Alvarez



MANAGING DIRECTOR'S LETTER

CELEBRATING A DECADE OF IMPACT

Welcome to NatureVest's 10th Anniversary Impact Report



**Dr. Catherine
(Cat) Burns**
INTERIM MANAGING
DIRECTOR, NATUREVEST

As we mark the tenth anniversary of NatureVest with this 2024 Impact Report, I am filled with immense pride and gratitude. Looking back at our first impact report, where we reported on numerous pioneering projects, I am so proud of how far we have come and grateful for all we have achieved together. This milestone is a testament to the collective dedication of our team, partners, investors, and collaborators. I want to thank you all for being an integral part of this journey.

In these times of uncertainty, it is more important than ever to pull together and continue to look for opportunities to mainstream impact investing strategies and sustainable practices. Our commitment to creating positive environmental and social outcomes remains steadfast, and together, we can navigate the challenges ahead and drive meaningful change amidst the uncertainties we face.

Uncertain Times

For all of us, no matter where in the world we live, 2024 was a year of change and uncertainty. With numerous elections and other leadership changes combined with increasing unrest and growing uncertainty in the future of many multilateral institutions and agreements, it appears that, as a global community, we are becoming progressively less equipped to tackle the pressing climate and biodiversity crises. These challenges not only jeopardize our children's future, but they also pose significant threats to our current way of life.

While government support for a more sustainable future via regulations and funding will certainly continue, it is clear that we cannot depend on the public sector to lead our efforts toward maintaining our planet's warming at 1.5 degrees.

Now more than ever, the private sector must play an active role in supporting the transition to a more sustainable future. While some business leaders are retreating from climate and biodiversity action due to political pressure or the desire to maximize near-term profits, these decisions are short-sighted and are actively driving up long-term business risk. Instead, we need to focus on preventing and reversing environmental degradation, which will help ensure that we as a planet have sufficient natural resources to feed, clothe, and maintain a comfortable living standard for a growing population. In these uncertain times, the private sector's proactive engagement is essential. By collaborating with private sector partners, we at NatureVest have demonstrated that prioritizing nature isn't just an ethical choice—it's a smart business strategy.

Photos, from top: Cheetah mother and cub, Kgalagadi Transfrontier Park © Claudia Lothering/TNC Photo Contest 2022; Tourists ride camels and then have a bush breakfast at Loisaba Wilderness in Laikipia, Northern Kenya. © Ami Vitale

Bold Actions

There are many things that we can do now, despite the headwinds, that have the potential to support the transition to more sustainable business models that protect or positively create biodiversity outcomes. At The Nature Conservancy (TNC), we have been engaging with the private sector for decades to deliver on our goals of long-term landscape and habitat protection and restoration. Since the launch of NatureVest a decade ago, we have been strategically building on that core TNC DNA to develop new and innovative market-driven solutions that can work within today's regulatory constraints and opportunities and deliver on a broader suite of outcomes.



Delivering Meaningful Biodiversity and Climate Outcomes

While this Impact Report provides details on the outcomes that we are delivering across our entire portfolio of investment collaborations, I'd like to highlight a few examples that specifically underscore how NatureVest is working proactively to develop investment models that deliver meaningful biodiversity and climate outcomes within the constraints of the current regulatory and market environments. The following two examples highlight the two different bookends of our strategy: (i) commercially structured products delivering a market rate risk-return profile designed to attract institutional capital and (ii) more catalytic products supporting high-impact/high-risk solutions targeted at blended capital or impact-first investors.

Water and Agriculture—The RRG Sustainable Water Impact Fund: In our collaboration with RRG Capital Management (RRG) on the RRG Sustainable Water Impact Fund (SWIF), we have adapted the standard real assets private equity investing model to build targeted conservation activities into investment decision-making and operational practices. This approach aims to reduce negative impacts on landscapes and biodiversity, while seeking targeted opportunities for biodiversity benefits, all within a market-rate risk/return profile for investors. To date, the collaboration has delivered compelling conservation outcomes, including (i) over 15,000 acres of habitat protected in places identified as high priority for biodiversity conservation in Chile, Australia and the U.S., and (ii) nearly 5,000 acres of wetland habitat created for the millions of migratory



birds using the Pacific Flyway, and many other outcomes. More specifically, in 2024, the SWIF completed the Koopartu Heritage Agreement, which is one of the largest land protection efforts in the history of South Australia, resulting in permanent protection and improved management of 12,822 acres of native mallee bushland designated by TNC as a Last Chance Ecosystem¹.

SWIF exemplifies how investment managers can integrate conservation into business models and investment practices that are familiar to investors in order to leverage traditional investment capital for biodiversity outcomes.

¹ The **Last Chance Ecosystems** is an initiative by TNC and collaborators to identify critical areas for land protection to preserve biodiversity and reduce extinction risks for threatened species. This initiative uses global assessments to prioritize habitats essential for ecological resilience and representation. [The web map](#) highlights key areas for conservation based on ecological importance and human impact.

Conservation Tourism—The Africa Conservation and Communities Tourism Fund:

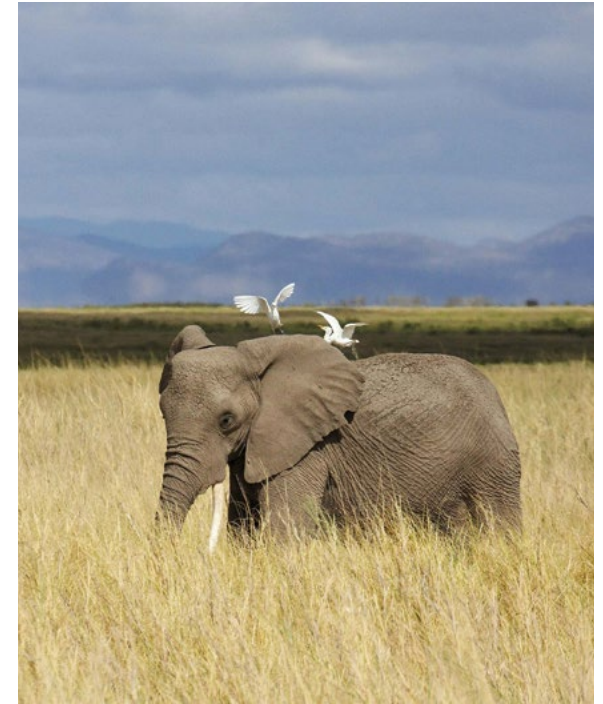
and Communities Tourism Fund: An equally distinct and impactful example of how NatureVest achieves biodiversity results through our portfolio is our collaboration with ThirdWay Partners on the Africa Conservation and Communities Tourism Fund (ACCT). The ACCT Fund is a catalytic blended finance vehicle that allocates capital in the form of flexible loans to conservation tourism operators throughout sub-Saharan Africa. This includes commitments to both conservation and social outcomes. In 2024, tourism operators supported by ACCT Fund loans paid lease, conservancy, park, and other fees amounting to USD 13.6 million to owners and managers of protected and conserved areas, providing sustainable funding to support the management of millions of acres of vital conservation land. Each ACCT Fund investment bolsters economic resilience through investee tourism operators employing local community members, supporting close to 1,800 jobs that benefitted nearly 13,000 people's livelihoods in 2024. Over its lifespan, the ACCT Fund is anticipated to contribute to the protection and management of 120 million acres of national and community conservation areas and to generate over 6,000 local jobs, supporting the livelihoods of more than 40,000 people. Investments made so far support parks and the wildlife that rely on them in Botswana, South Africa, Uganda, Tanzania, Namibia, Zambia, Mozambique, Zimbabwe, and Kenya.

This replicable model has the potential to inject capital into parks and conservancies across Africa and beyond. Through the ACCT Fund, we are demonstrating that private investment can play a key role in building a resilient future for some of the world's most iconic places.

Unwavering Commitment to Biodiversity and Climate Investment

The work we are doing at NatureVest provides examples of how we can proactively operate within current market and regulatory systems to develop investable opportunities that deliver meaningful and measurable biodiversity outcomes. We will continue to advocate for regulations that take biodiversity and climate into account, while also supporting market strategies that address biodiversity and climate challenges. This approach creates a vital pathway for increasing awareness and support for biodiversity protection and restoration.

Amid undeniable uncertainty, it is essential to remember that we can still achieve significant progress. By taking immediate action and leveraging our resources—capital, knowledge, experience, and collaboration—we can and will make a substantial impact together.





INTRODUCTION AND PORTFOLIO SUMMARY

About NatureVest

Established in 2014, NatureVest is TNC's in-house team for impact investing and sustainable finance. Working collaboratively with TNC colleagues and external partners around the world, the team sources and structures investment products, typically in coordination with third-party asset managers, that aim to generate environmental, social, and financial returns. All NatureVest projects are designed to leverage private capital to support [TNC's 2030 Goals](#) of addressing the biodiversity and climate crises.

NatureVest is one of several teams operating within TNC's Impact Finance and Markets (IFM) division, whose collective responsibility is to connect the private sector and markets with TNC's scientific conservation expertise and conservation projects. Interventions include working with the private sector to create value chain resiliency and sustainability, increasing transparency and access to quality carbon credit projects, sovereign debt solutions, and of course, impact investing via the NatureVest team.

A few examples of the types of investments we advise on include:

- » Investing in agriculture and forestry assets to maximize climate and biodiversity outcomes
- » Advising private equity funds to maximize protection and restoration outcomes
- » Sovereign debt refinancing to generate conservation funding as part of [TNC's Nature Bonds strategy](#)
- » Providing loans to ecotourism businesses to protect some of the world's great megafauna²

This report covers the TNC Impact Investment portfolio that is managed or supported by the NatureVest and Sustainable Debt teams and includes an update on each investment's progress toward its impact objectives.

² Megafauna refers to large animals, typically those weighing over 44 kilograms (about 100 pounds). This term is often used to describe large mammals like elephants, whales, and rhinoceroses, but it can also include large birds, reptiles, and fish. Megafauna are significant in ecological studies because they often play crucial roles in their ecosystems, such as being top predators or keystone species that help maintain the structure of ecological communities.

Report Contents



INTRODUCTION AND PORTFOLIO SUMMARY

Here, you will find all the essential information regarding NatureVest's investment focus, as well as an overview of the portfolio's financial, conservation, and geographic features.

NEW PROJECTS

TNC's newest impact investments:

- » Blue Revolution Fund (BRF): final close October 2024
- » The Bahamas Debt Conversion Project for Marine Conservation (Bahamas Nature Bonds): closed November 2024
- » The Ecuador Debt Conversion Project to Support Terrestrial and Freshwater Conservation in the Amazon (Ecuador Amazon Nature Bonds): closed December 2024³

CONSERVATION UPDATE

In this section, we share Conservation Update stories from our portfolio that show how environmental stewardship and economic success go hand in hand. By giving a voice to nature, we protect vital resources and enhance the long-term viability of the investments in our portfolio. By working closely with our partners,

we implement solutions that protect the environment and leverage finance, such as assisting our partners in identifying sources of funding to support more sustainable land management and permanent land protection. These stories highlight the positive impact of our collaborative efforts, proving that doing the right thing for nature can also be good for business.

Read the latest updates from the Cumberland Forest, the Sustainable Water Impact Fund, the Africa Conservation and Communities Tourism Fund, and the BTG Pactual Timberland Investment Group (TIG) and TNC Collaboration.

IMPACT INVESTMENT

Built to Last: Building Impact into Investment Structures: An Interview with Glen Jeffries

Creating investable impact projects for climate and biodiversity outcomes is a multi-step process involving identification, negotiation, innovation, and collaboration. At NatureVest, Glen Jeffries and his colleagues on the Impact Investments team skillfully guide this process. In this report, Glen shares his insights on deal structuring, explaining how we prioritize and incorporate outcomes for climate and biodiversity directly into our deal structures. By sharing the NatureVest approach, we aim to assist others in embedding similar outcomes into their own projects.

APPENDICES

- » **Appendix I:** Targeted and realized impact, to date, for each deal in the portfolio
- » **Appendix II:** TNC's Impact Investment portfolio aggregated against the United Nations' Sustainable Development Goals and the [Impact Reporting and Investment Standards \(IRIS\)](#) set by the [Global Impact Investing Network \(GIIN\)](#)
- » **Appendix III:** Supplemental information on how we evolve our impact management methodologies and our approach to reporting the conservation outcomes of impact investments



³ Given the mid-December close, the Ecuador Amazon Nature Bonds will be showcased in the 2025 NatureVest Impact Report. This timing will allow us to provide you with a detailed and comprehensive overview of this impactful initiative, which is expected to unlock approximately USD 460 million in funding for the Amazon Biocorridor Program over the next 17 years. For further information, please refer to the official TNC Press Release. [TNC Press Release here.](#)

TNC Mission and Priorities

TNC's Impact Investment portfolio includes investments designed to achieve conservation outcomes that align with [TNC's 2030 Goals](#). These investments, often managed in conjunction with an external asset manager, also aim to generate financial returns for investors. By developing and managing these transactions, NatureVest implements projects that further TNC's mission—to conserve the lands and waters on which all life depends.

Natural Capital

Biodiversity loss and climate change pose an existential risk that is impossible to overstate. The threat is real, and the potential consequences are devastating. At the heart of the problem are our extractive approaches and business-as-usual tactics. The solution, though sometimes complex, is clear: we must transform

our destructive approaches and outdated strategies. Fortunately, these changes are already underway. Innovation, dedicated leadership, and pioneering thinking are all contributing to a positive transformation of the global economic landscape. To create an economy that values nature, we must accelerate efforts to redefine business practices and increase private investment in natural capital.

Measurable Goals and Coordinated Action

TNC is a global environmental organization that has achieved many significant conservation victories. However, immense challenges still lie ahead. To guide organizational action and align with the latest climate science and global agendas, TNC has set ambitious 2030 Goals. These include removing an amount of carbon equivalent to taking 650 million cars off the road annually, conserving land twice the size of India, protecting over 10% of the

world's oceans, and helping 100 million people on the front lines of the climate crisis, among other initiatives. The route to achieving these goals lies in the organization's science and operational capacity, coupled with the development of strong partnerships with the private sector and governments to apply global capabilities and strategies that can shift our course.

Political and Market Shifts

2024 was a significant year for elections, with 76 countries containing half the world's population going to the ballot box. In the face of global political changes and uncertainty, it is more important than ever to employ the power of markets to finance and drive climate and biodiversity-positive action at the necessary speed and scale.

Over the last decade, consumer and investor preferences have driven a significant shift in the investment landscape, with sustainable investing emerging as a prominent and influential approach. Many investors are embracing the fact that all investments impact the environment and society to a degree—be it positive, negative, or neutral—and they are now looking for opportunities to integrate environmental and social impacts into their investment decision-making processes.

Despite this shift, we must also note that, while funds for impact investment through sustainable finance products in global capital markets are still growing, the pace is slowing. This slowdown has been led by the U.S. and has not been offset by market growth in Europe. According to the United Nations' ["World Investment Report 2024,"](#) sustainable bonds showed marginal growth in 2023, while inflows in sustainable investment funds dropped by 60% due to greenwashing fears and concerns about the reliability of sustainability reporting.



Although the sector faces some uncertainty from political and market shifts, we remain optimistic about the future of impact investing—and for good reason. First, political seesaws where power and policies shift back and forth are not new; they are a normal part of history that need not deter our decisions to invest in and protect nature. Second, investment fluctuations influenced by negative reactions, greenwashing and reporting standards indicate that decision-makers value transparency and genuine, lasting outcomes. Despite some negative trends in the market overall, there is a growing demand from investment managers and partners for NatureVest’s partnership. This increasing interest is evidence that the robust, science-based approach implemented by TNC is highly valued. Investment managers recognize the importance of integrating scientific rigor into their strategies, and they continue to seek partnerships that can provide this level of expertise. This trend underscores the critical role that science-based conservation plays in addressing environmental challenges and highlights the confidence that partners have in TNC’s methodologies.

NatureVest Focus and Outcomes

As a dedicated investment team, we possess functional expertise in debt and equity finance, deal structuring, business development and advisory, capital raising, legal matters, and asset management. NatureVest and the IFM division’s other private market-facing teams have significant flexibility to design projects that prioritize

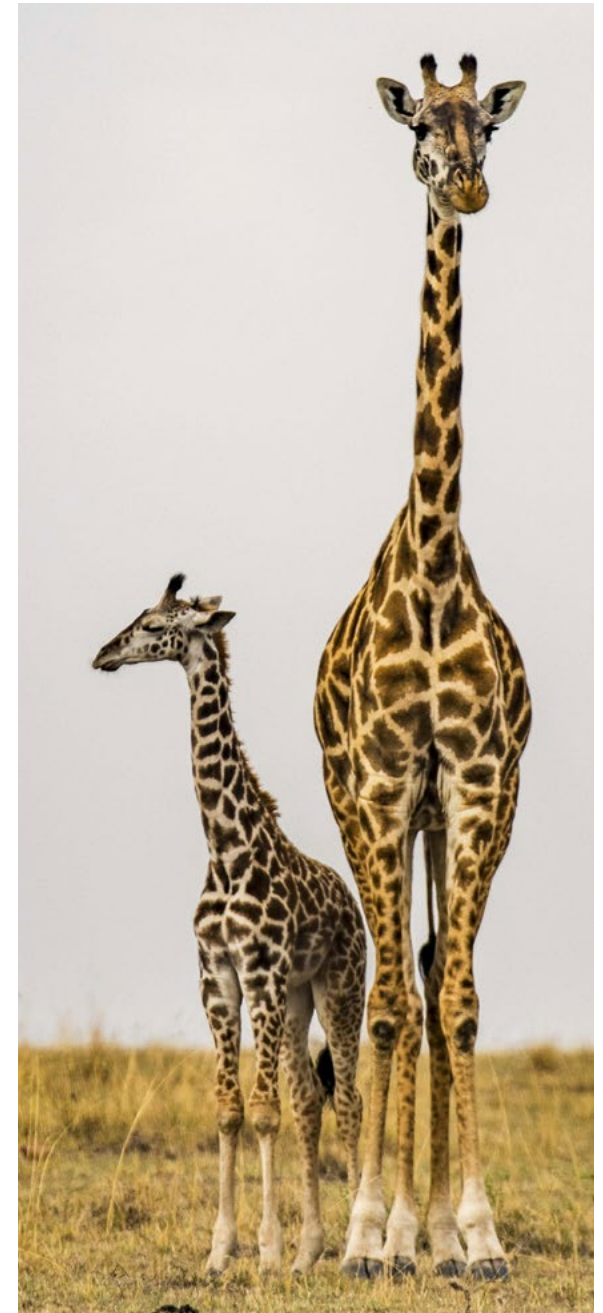
conservation. This includes our teams focused on the carbon markets, sovereign debt refinancing, and engagement with corporates. The resulting projects and structures typically deploy one or more of the following strategies to benefit nature:

- » Manage natural assets sustainably
- » Permanently protect the most environmentally significant portions of investment portfolios
- » Generate revenue streams that pay for protection, mitigation, or restoration
- » Demonstrate the viability of new markets for nature-based solutions
- » Provide scientific input on the positive or negative environmental impacts of investment decisions

Form and Function

The development of our impact investments can take various forms. From the creation of operating companies, special purpose vehicles, and investment partnerships to the exploration of private equity, commercial debt, and concessionary financing, the possibilities are vast. The scope of projects extends from the familiar, such as investments in established asset classes like commercial-scale forestland, to innovative new solutions that we hope will catalyze new ways of valuing nature in the future.

TNC’s Impact Investment portfolio currently focuses on the following categories. Exited investments are also noted below.⁴



⁴ This report covers TNC’s Impact Investment portfolio, which is managed or supported by the NatureVest and Sustainable Debt teams. Impact investments not managed or supported by NatureVest and Sustainable Debt teams are excluded. Notably, Checkerboards and Pacific Island Tuna are investments excluded here that were included in our 2023 report.

TNC's Impact Investment portfolio currently focuses on the following categories. Exited investments are also noted below.

Forestry and Carbon	<ul style="list-style-type: none"> • BTG Pactual Timberland Investment Group (TIG) and TNC Collaboration • Cumberland Forest, L.P.
Water and Agriculture	<ul style="list-style-type: none"> • Sustainable Water Impact Fund (SWIF) • Murray-Darling Basin Balanced Water Fund
Fisheries and Aquaculture	<ul style="list-style-type: none"> • Blue Revolution Fund (BRF)
Conservation Tourism	<ul style="list-style-type: none"> • The Africa Conservation and Communities Tourism Fund (ACCT)
Infrastructure and Renewable Energy	<ul style="list-style-type: none"> • Kenya Vulture Conservation LLC
Sovereign Debt Solutions	<p>Blue Bonds/Nature Bonds projects are structured/closed by IFM's team focused on developing sovereign debt financing solutions for TNC's Nature Bonds Strategy:</p> <ul style="list-style-type: none"> • Ecuador Amazon Nature Bonds • Bahamas Nature Bonds • Blue Bonds in Gabon • Blue Bonds in Barbados • Blue Bonds in Belize • Seychelles Debt Conversion
Exited Deals (Not shown on map)	<ul style="list-style-type: none"> • Brightstorm Infrastructure Group • District Stormwater, LLC • Olympic Peninsula Acquisition Project • Livestock-to-Markets

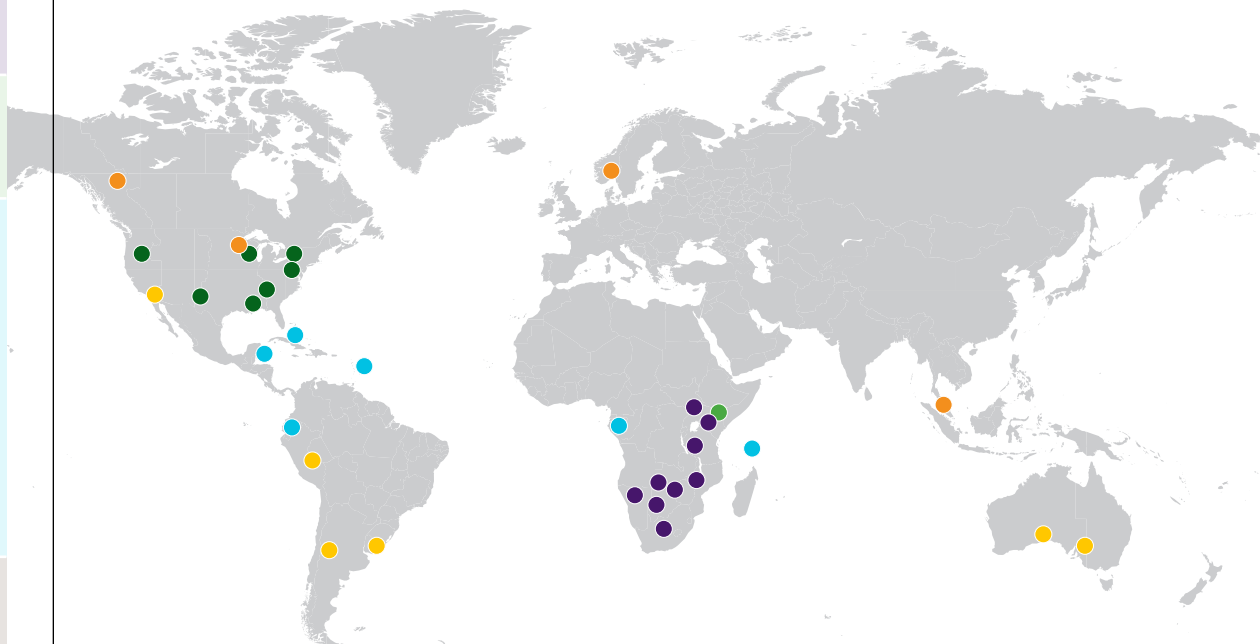
Portfolio Summary

Investments in the impact portfolio span four continents and have generated compelling conservation outcomes toward TNC's priorities.

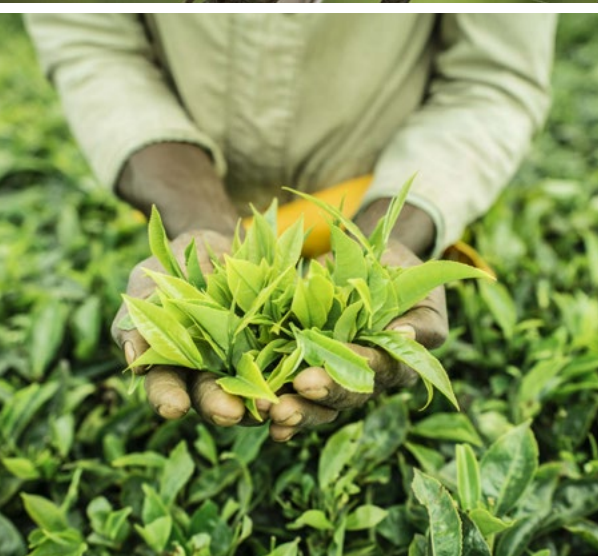
Each deal has identified specific targets, and as detailed in the Appendices, these projects are actively contributing to outcomes and will continue to expand on these achievements. With these targets in sight, the portfolio is expected to significantly increase its reach and outcomes, underscoring the potential of investments in natural assets and nature-based solutions to deliver positive impact alongside financial returns.

Cumulative Impact to Date (Includes exited projects)

3.5B	5.1M	7.5M	154K	172K
Committed Capital (USD)	Tons of CO ₂ Emissions Avoided	Acres of Land Sustainably Managed	Acres of Land Protected	Square Miles of Ocean Protected



Note: map data reflects active portfolio as of 12/31/2024; markers may include active projects not yet publicly reported. Projects may be represented by multiple markers based on the location of underlying investments. Each marker represents one impact project or underlying investment in that country, or region in the case of N. America.



TNC's 2030 Goals

NatureVest only pursues deals that align with TNC's 2030 Goals below, because we have years, not decades, to tackle the interlinked climate and biodiversity crises.

NatureVest Impact Investments: Changing the Way We Value Nature

CARBON EMISSIONS

→ *Reduce or store 3 gigatons of CO₂ emissions yearly*

We will use the power of nature and the strength of policy and markets to reduce emissions, support renewable energy, and store carbon to reach our goal of avoiding or sequestering 3 billion metric tons of carbon dioxide emissions each year.

HELPING PEOPLE

→ *Benefit 100 million people*

We will help 100 million people at severe risk of climate-related emergencies by protecting and restoring the health of natural habitats—from mangroves and reefs to floodplains and forests—that help protect communities from storm surge, extreme rainfall, severe wildfires and sea level rise.

FRESHWATER

→ *Conserve 1 million kilometers and 30 million hectares of rivers and lakes*

We will conserve 1 million kilometers (621,000 miles) of river systems and 30 million hectares (74 million acres) of lakes and wetlands by engaging in collaborative partnerships, promoting innovative solutions, and supporting policies that improve the quality and amount of water available in freshwater ecosystems and to communities.

OUR OCEAN

→ *Conserve nearly 4 billion hectares of ocean*

We will conserve 4 billion hectares (9.9 billion acres) of ocean through new and better-managed protected areas, global-scale sustainable fishing, innovative financing, and positive policy changes to how the world governs the seas.

HEALTHY LANDS

→ *Conserve 650 million hectares of land*

We will partner with communities around the globe to conserve 650 million hectares (about 1.6 billion acres) of land. Together we will restore and improve management of working lands, support the leadership of Indigenous Peoples as land stewards, and conserve critical forests, grasslands and other habitats rich in carbon and biodiversity.

LOCAL LEADERS

→ *Support 45 million local stewards*

We will support 45 million people whose well-being and livelihoods depend on healthy oceans, freshwater, and lands. We will partner with Indigenous People and other local communities to learn from and support their leadership in stewarding their environment, securing rights to resources, improving economic opportunities, and shaping their future.

Photos, from top: White Tern, Seychelles © Jason Houston; tea leaves, Upper Tana Watershed, Kenya © Nick Hall; Andros Island in The Bahamas © Erika Nortemann/TNC



NEW DEALS AND IMPACT TARGETS

Fisheries and Aquaculture

Blue Revolution Fund (BRF)

CLOSED October 2024

FUND EUR 92 million

The Problem

Seafood plays a significant role in meeting global protein needs. Our [World in Data](#) reports that it accounts for about 15% of the average daily protein intake per person globally. This includes wild-caught and farmed fish, with aquaculture becoming increasingly important as wild fish stocks face crushing strain from overfishing.

According to the United Nations report “[The State of World Fisheries and Aquaculture 2024](#),” 50% of fish stocks are already fished at their maximum sustainable level, and 38% are overfished. This means nearly 90% of global fish stocks are at or beyond their limit⁵, making it impossible for wild fisheries to support the growing global population. Aquaculture has rapidly grown over the past few decades in response to surging seafood demand. The results can be positive for the environment and the economy but not always, as rapid growth and unsustainable practices can undermine aquaculture’s potential. In some cases, unsustainable aquaculture practices have contributed to eutrophication⁶, land conversion, and reduced genetic fitness of wild species populations.

⁵ A caveat to the data is that only about 75% of the World’s fisheries are reported on. We note that this data is widely used and accepted in the sector.

⁶ Eutrophication is the process in which a water body becomes overly enriched with nutrients, leading to the plentiful growth of simple plant life. The excessive growth (or bloom) of algae and plankton in a water body are indicators of this process.

Aquaculture seafood production is expected to grow by 20% from 2024 to 2033, according to the OECD and FAO [“Agricultural Outlook 2024-2033”](#) report, and aquaculture production of aquatic animals exceeded wild capture for the first time in 2022 (by weight)⁷. As we rely more on aquaculture for protein, sustainability must be prioritized.

The Solution

While poorly managed aquaculture can lead to negative impacts, well-managed sustainable practices can transform it into a beneficial solution that helps meet food demand, reduce ecosystem strain, and support economic development. These benefits collectively offer billions of dollars in value to both people and nature every year.

Research by TNC and Encourage Capital, published in 2019 in [“Towards a Blue Revolution,”](#) confirmed aquaculture’s untapped potential. For instance, many impact-oriented investors had previously not invested in aquaculture due to a limited understanding of how to assess the environmental sustainability of aquaculture investments. Another disincentive has been the absence of a financial track record for the farming systems and technologies that show environmental promise.

After screening and evaluating potential partners that align with its objectives, TNC chose to collaborate with Hatch Blue, a company specializing in aquaculture and alternative seafood, to promote a sustainable and equitable transition in the seafood industry. The flagship solution, aptly named The Blue Revolution Fund (BRF) is a closed-ended private equity investment fund, which aims to support food security, coastal

communities, and conservation efforts by investing in sustainable aquaculture farms and related technologies. Hatch Blue led the development of the Fund’s investment thesis and collaborated with TNC to formulate BRF’s impact thesis; establishing the goals, metrics, and targets that BRF aims to achieve. This collaboration harnesses TNC’s impact management capabilities alongside Hatch Blue’s investment experience to create a portfolio of aquaculture investments with compelling impact potential. BRF supports innovative technologies that tackle challenges in sustainable aquaculture production, while providing investee companies with more efficient routes to market.

TNC and Hatch Blue announced the EUR 92 million final close of BRF in October 2024. BRF is now an integral part of TNC’s Global Aquaculture Strategy, which aims to ensure that at least 20% of aquaculture growth comes from sustainable production by 2030.

Fund Structure

BRF is a closed-end impact investment fund, managed and operated by Hatch Blue, with TNC serving as Impact Manager. BRF has an expected portfolio size of 15-20 companies.

TNC chairs BRF’s Impact Committee, which reviews every investment to ensure alignment with BRF’s impact objectives and holds the majority of voting seats. The Impact Committee meetings are led by a member of TNC’s Global Aquaculture team. TNC also has an observer seat on BRF’s Investment Committee but does not hold voting rights.

Impact Management

As Impact Manager, TNC conducts pre-investment impact screenings and performs aquaculture sector-specific assessments of companies’ environmental and social performance and potential contributions to the BRF impact metric targets. Investments that are approved by the Impact Committee are then reviewed by the Investment Committee, which evaluates the financial merits of each project. Post-close, TNC provides portfolio companies with assistance designed to help them avoid, minimize, and/or mitigate any possible negative outcomes associated with their operations, and set and achieve positive impact targets.

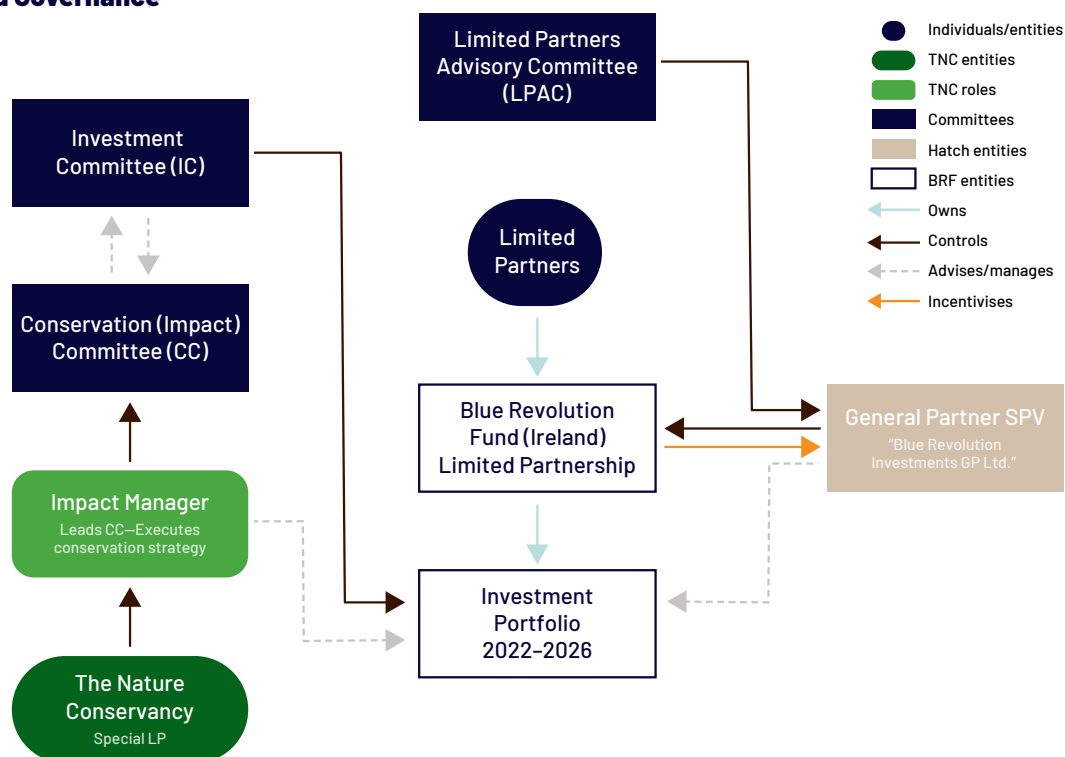
To incentivize the achievement of impact outcomes, 50% of the carried interest available to be earned by Hatch Blue is withheld until the delivery of agreed-upon, portfolio-wide impact outcomes, as reported by the Impact Manager.

“The Blue Revolution Fund is an example of a scalable investment solution that not only delivers a financial return to investors but also models a more sustainable approach to aquaculture investing by building measurable conservation outcomes into every investment.”

CAT BURNS
Interim Managing Director of NatureVest

⁷ [United Nations report “The State of World Fisheries and Aquaculture 2024”](#)

Fund Governance



BRF's Impact Strategy

The BRF was co-developed by Hatch Blue and TNC with the primary goal of delivering on the following impact strategy:

- » Regenerate our oceans by creating sustainable aquaculture farms that remediate water pollution and rebuild fish habitat.
- » Provide a sustainable source of seafood as an alternative to overexploited wild fish stocks.
- » Provide a source of protein with fewer GHG emissions per tonne than other forms of animal protein production.
- » Improve the environmental performance of existing aquaculture farms.
- » Empower coastal communities by providing equitable, nature positive jobs.
- » Provide access to impact diligence and measurement processes and guidance to investors.⁸

To meet these objectives, BRF invests in aquaculture farms and adjacent companies in the following categories:

1. Next-generation aquaculture systems
2. Regenerative aquaculture
3. Enabling technologies (to lower impact of conventional aquaculture)
4. Aquaculture nutrition, health, and genetics
5. Alternative ingredients and seafoods

⁸ TNC's report, "Towards a Blue Revolution," noted that many ESG-oriented investors are interested in aquaculture but have not invested due to a limited understanding of which aquaculture projects are environmentally responsible. BRF will engage with investors interested in the aquaculture sector and provide guidance on best practices in the application of sector-specific ESG principles during the pre-investment diligence stage, as well as portfolio impact measurement techniques and approaches. In doing so, we aim to increase ESG investor confidence and capital deployment into sustainable aquaculture.



Photo: Alaria seaweed being harvested from the Pacific Ocean © iStock

Tracking Progress: Key Targets and Metrics

As Impact Manager for the BRF, TNC will track and report out on progress towards BRF’s impact targets using six key metrics.

Metric	Fund Target
Habitat producing farm area	1,580 acres
Nitrogen removed from coastal waterways	2.7 million kilograms
Avoided emissions	1.20 million metric tonnes CO ₂ equivalent
Area affected by aquaculture with improved environmental performance	1.24 million acres
Sustainable seafood	500 million portions
Jobs created	3,200 jobs



Photo: Harvested oysters © Hannah Letinich

Investments to Date

As of January 2025, the BRF has executed on eight investments. Below are three examples illustrating the diversity of these projects.

- » **CageEye:** A Norwegian company focused on improving feeding processes in aquaculture. CageEye uses echo-sounding devices to monitor fish behavior in real-time resulting in less wasted feed, subsequently improving efficiency in the use of feed ingredients (e.g., soy, fishmeal, etc.).
- » **Chucaotec:** An Irish-Chilean company producing nanobubble oxygenation technology for the salmon and shrimp farming sectors. Chucaotec’s technology will greatly improve how oxygen is managed, enhancing sustainability and efficiency by improving water quality and supporting healthier ecosystems.
- » **New School Foods:** A Canada-based food technology company focused on developing new plant-based seafood alternatives. New School Food’s unique technology delivers an animal-like structure and a familiar cooking experience without many of the impacts associated with conventional food protein production.

Example Outcomes to Date

While BRF is still in the early stages of its maturity, TNC is already beginning to report progress towards the fund’s impact targets, particularly in the area of CO₂ equivalent avoided. TNC and Hatch Blue expect the BRF portfolio to continue to grow through 2025 and beyond, with outcomes continuing to accumulate over time. For greater detail, see the [BRF Impact Report on the NatureVest website](#).

- » **CageEye:** Avoided emissions are 8,880 metric tonnes CO₂ equivalent to date, with an expected increase to 348,000 metric tonnes cumulatively over the life of the Fund (29% of the total Fund target).
- » **Chucaotec:** Avoided emissions are 109,080 metric tonnes CO₂ equivalent to date, with an expected increase to 1.38 million metric tonnes cumulatively over the life of the Fund (115% of target).
- » **New School Foods:** Avoided emissions at 1 metric tonne CO₂ equivalent and ~850 portions of sustainable seafood produced to date. It is projected that the company will contribute 2,325 mt of avoided emissions and 2,995,529 seafood portions cumulatively over the life of the Fund (0.2%, and 0.6% of each target, respectively).

Into the Blue

In 2025, BRF aims to execute on a pipeline of investments that align with the six impact objectives outlined above. Additionally, TNC and Hatch Blue will jointly publish guidance materials for pre-investment conservation diligence and portfolio impact measurement and reporting in the aquaculture impact investment sector. These materials aim to help investors identify investment opportunities outside of the BRF that create positive environmental impacts alongside financial returns. Stay tuned—we look forward to sharing updates on BRF’s impact achievements in the years to come.



Photo: Coral nursery established off Andros Island in The Bahamas to help restore critically endangered *Acropora* coral species. © Erika Nortemann/TNC

The Bahamas Debt Conversion Project for Marine Conservation

CLOSED November 2024

DEBT USD 300 million

The Bahamas Debt Conversion Project for Marine Conservation is the fifth transaction to reach financial close under TNC's Nature Bonds Program. The USD 300 million transaction involved a first of its kind credit enhancement structure comprised of a USD 200 million guarantee from the Inter-American Development Bank (IDB), a USD 70 million guarantee from Builders Asset Management (the impact investing arm of Builders Vision family office), and a USD 30 million insurance policy from AXA XL. This new credit enhanced financing allowed The Bahamas to replace external commercial debt through a liability management exercise that is expected to unlock approximately USD 132 million for marine conservation activities.

Problem

In 2016, TNC and partners embarked on a three-year initiative called Bahamas Protected, supporting the government's commitment to protect 20% of its nearshore environment by 2020. By 2021, The Bahamas had expanded its National Protected Area System to include 71 Marine Protected Areas (MPAs) spanning nearly 6.8 million hectares (ha) and 17.3% of the nearshore environment (10.9% of The Bahamas' total ocean area). Despite this progress, many of these MPAs lack management plans, financial resources, and the technical capacity necessary to achieve their intended conservation potential.

Solution and Deal Structure

The Debt Conversion

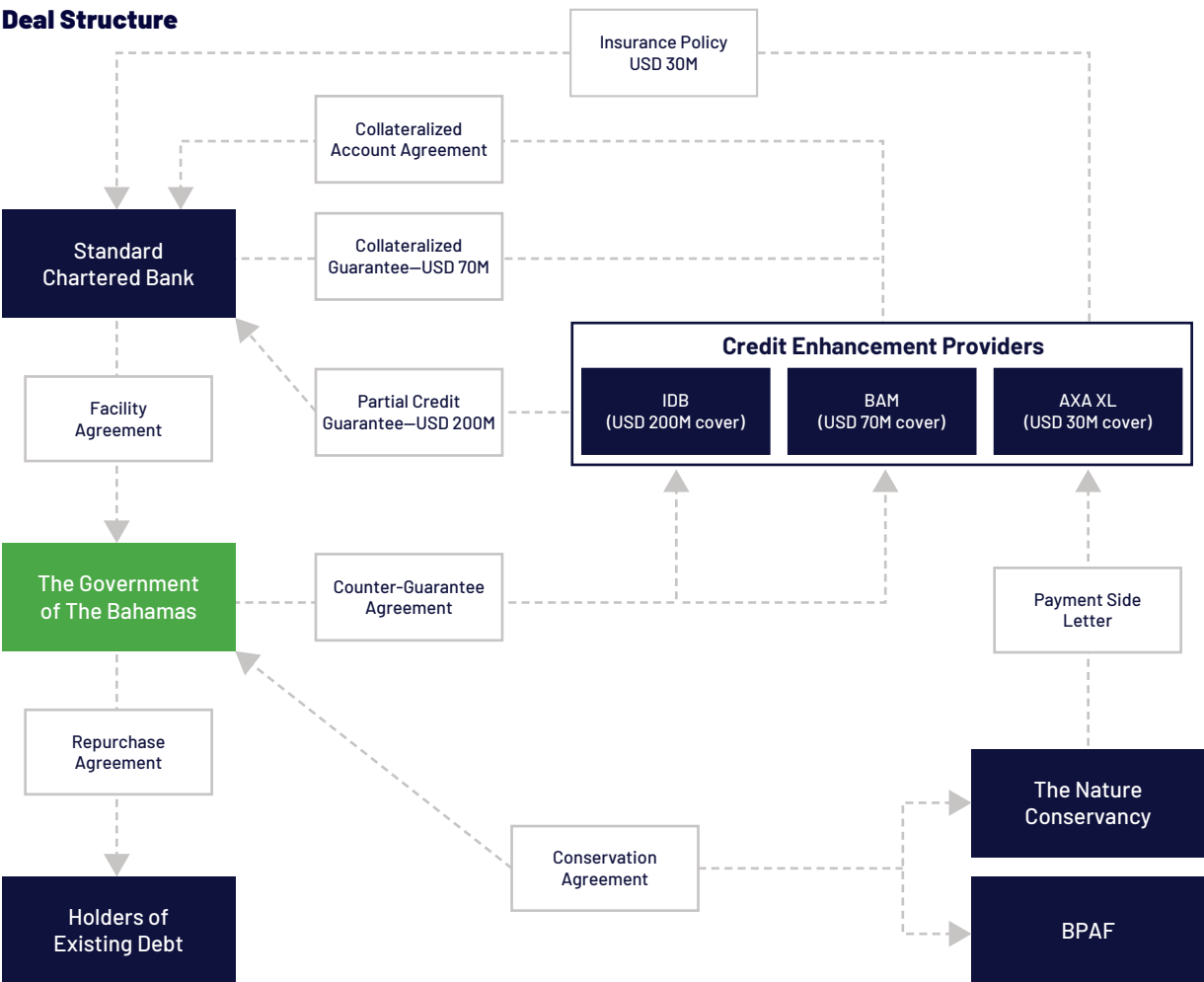
The debt conversion (see diagram at right) followed a similar approach to prior TNC Nature Bonds projects where a new financing that is supported by credit enhancement allows a government to obtain funds on more favorable terms that are used to refinance or repurchase pre-existing more expensive sovereign debt.

In this transaction, The Bahamas raised a total of USD 300 million via a commercial loan from Standard Chartered. This loan has a 15-year tenor and comes at a far lower interest rate than The Bahamas' unsecured cost of financing due to credit enhancements and efficient structuring. The Bahamas was able to tender its existing more expensive debt with funds from the new loan, co-guaranteed by IDB (USD 200 million) and Builders Asset Management (USD 70 million), and credit insured by AXA XL (USD 30 million).

Transaction Firsts

This Nature Bonds project builds off prior transactions by introducing a number of firsts. This is the first debt conversion with an impact investor providing a co-guarantee and the first with a private insurance company directly participating in the structuring of the transaction and directly insuring the lender of record. Builders Asset Management and AXA XL provided USD 100 million of the credit enhancement package complementing IDB's USD 200 million anchor guarantee. By combining private investment and insurance, the project demonstrates how public-sector guarantees and insurance can be layered with public sector support. This project builds on the pioneering role of TNC's co-guarantee in Barbados. Additionally, this is the first Nature Bonds project

Deal Structure



to partner with an existing Conservation Trust Fund (CTF), The Bahamas Protected Areas Fund (BPAF). Finally, the new financing was provided in a loan format rather than a bond. Standard Chartered arranged the new USD 300 million amortizing loan and funded the entire facility on its balance sheet at close. This approach exemplifies the flexibility and adaptability of TNC's Nature Bonds model.



Expected Impact and Key Commitments

Financial

100% of the debt service savings achieved by The Bahamas are channeled through a Conservation Agreement into a CTF that receives, manages, and disburses the funding according to certain agreed criteria and goals. The Bahamas is expected to fund a total cash amount of USD 124 million in conservation funding over the next 15 years (USD 8.2 million per year). The contributions to the endowment are expected to generate approximately USD 8 million in investment returns, bringing the total funds for conservation unlocked by the project to USD 132 million.

Key Commitments

As part of the debt refinancing, The Bahamas has committed to:

- » Improve management of its ocean, inclusive of zoning and management plans for the existing MPAs.
- » Amplify regional Caribbean marine conservation efforts, building capacity for effective MPA management, marine spatial planning, and biodiversity conservation financing.
- » Complete a national mangrove management plan, crucial for carbon sequestration, coastal protection, and biodiversity.
- » Promote sustainable growth of The Bahamas' blue economy while supporting The Bahamas National Protected Areas System and its ocean governance commitments.
- » Projects focused on improving conservation and management of The Bahamas' ocean will help protect the second largest coral reef area in the Atlantic Ocean, extensive seagrass meadows, and mangrove forests—all of which

provide critical habitats for diverse species, protect coasts from storms, and sustain local livelihoods.

- » Complete and implement a MSP, following global best practices. The development and implementation of a Marine Spatial Plan aimed at addressing increasing demands for the use of The Bahamas' ocean, using a transparent, participatory and science-based process with local communities and other stakeholders.

Conservation Trust Fund

BPAF will receive, manage, invest, and disburse the conservation funding generated through the debt conversion. This is the first Nature Bonds project for TNC in which the CTF assuming this role is an existing organization present in the country and not newly created as part of a project.

BPAF is mandated to support areas within The Bahamas National Protected Areas System established for biodiversity conservation through grants to protected area managers. Both government and non-governmental actors—including non-profit organizations, community-based organizations, academia, and the private sector—are eligible to apply for funding. A portion of the funding is earmarked for government agencies to carry out the MSP and enhance management of MPAs. BPAF will monitor supported projects and track their results.

BPAF was selected due to its track record of good governance and successful experience providing funding to The Bahamas and non-government grantees, particularly after Hurricane Dorian. These grants have delivered projects such as coral disease recovery research, MPA management and enforcement, forest recovery on Grand Bahama, and community-based mangrove restoration training.



Nature Bonds Program: Scale and Impact

The Bahamas Nature Bonds project was one of two closed by TNC in 2024. Through six projects (inclusive of the Ecuador *Biocorredor Amazónico* transaction which closed in December 2024, one month after The Bahamas transaction), TNC has facilitated the refinancing of USD ~3 billion in sovereign debt at reduced costs, generating approximately USD 1 billion for conservation across three biomes.

CONSERVATION UPDATES

Good for Business and Good for Nature

There is a common and frustrating misconception that sustainable practices can't align with profitable business models. The NatureVest portfolio tells a different story. Our partnerships with the private sector demonstrate that, through strategic investments and dedicated efforts, doing good for nature can also be good for business.

The stories below from our portfolio provide a few examples that illustrate how conservation efforts can diversify revenue streams while achieving significant and lasting environmental and social outcomes. These examples highlight that it is possible to deliver outcomes effectively by intentionally integrating impact into investment decisions and business strategies.

These successes have been made possible through collaboration with our dedicated partners. Together, we are proving that sustainable practices are a viable and effective strategy for people and nature to thrive.

Photo: Rainbow over dry wetland area at Backwater Lagoon, an area that will be watered as part of the Murray-Darling project in the future, Australia. © Andrew Peacock

Cumberland Forest L.P.

VIRGINIA, KENTUCKY, AND TENNESSEE, U.S.

Sustainable forest management across 253,000 acres for biodiversity and carbon benefits, land protection, recreational access and economic development.

COMMITTED CAPITAL USD 134.4 million equity and debt

GENERATING REVENUE THROUGH LANDMARK CONSERVATION EFFORTS

Historic Easement Achievement

In December 2023, TNC, the Kentucky Department of Fish and Wildlife, and Rocky Mountain Elk Foundation successfully closed on the largest conservation easement in Kentucky state history—an area of almost 55,000 acres. This easement covers the entirety of Cumberland Forest in Kentucky and is a monumental accomplishment for conservation and communities. In addition, the easement also provides cash flows that help support the broader Cumberland Forest investment.

Conservation and Public Access

This easement, located within the 16-county Eastern Kentucky elk restoration zone, is a big win for conservation. It ensures sustainable forest management, limits future subdivision, and allows the Kentucky Department of Fish and Wildlife to engage in habitat management efforts. The easement also safeguards

permanent public access for local community members. Already a popular hunting destination for elk and other wildlife species, the property is now permanently open to the public.

Business Benefits: New Partnerships, New Revenue and Funding for Conservation

In addition to generating approximately USD 16 million in direct revenue from the sale of the easement, this initiative has the potential to create long-term economic benefits for Kentucky. According to a recent report prepared for the Kentucky Department of Tourism titled [“Economic Impact of Visitors in Kentucky 2023,”](#) tourism had a statewide total economic impact of USD 13.8 billion in 2023 with 10% of that total attributed to the recreation and entertainment sectors. With this easement now providing permanent public access, outdoor recreation



opportunities, wildlife watching and hunting, Cumberland Forest is poised to become a significant driver of both direct and indirect tourism dollars for local communities.

Moreover, this easement creates new opportunities for conservation funding and partnerships. For instance, a recent grant from Rocky Mountain Elk Foundation will support targeting invasive species on up to 3,700 acres, enhancing wildlife habitat. Additionally, Green Forest Works, a non-profit dedicated to reforesting minelands, has secured funding for tree planting within the easement boundaries. These efforts collectively enhance the economic and environmental value of the easement, benefiting both the local economy and the environment.

RRG Sustainable Water Impact Fund

THE U.S. WEST, SOUTH AMERICA, AND AUSTRALIA

A collaboration with RRG Capital Management

SWIF aims to demonstrate how water and land can be managed to better meet the needs of both people and nature. Focused on areas of land, water, and energy stresses and transition, SWIF seeks to restore and protect terrestrial and freshwater ecosystems, enhance management of working lands to support biodiversity and habitat for wildlife, and improve environmental flows and water quality in rivers and streams.

COMMITTED CAPITAL USD 926.8 million equity

THE GREAT WETLAND REVIVAL

In 2024, over 3,000 acres of temporary wetlands for birds were created on one of the SWIF assets in the Central Valley of California—River Garden Farms—a row crop production farm. The majority of these wetlands were also managed to produce essential food supplies for endangered juvenile winter-run Chinook salmon.

The Innovative Program Bringing Wetlands Back to Life

This was made possible through a collaboration with California Trout and the University of California at Davis's Center for Watershed Sciences, who run a habitat creation program for private landowners. Participating landowners voluntarily flood fields, usually in the off season from farming, and receive grant funding to cover expenses. River Garden Farms has participated in this program for several years, including in 2024, by flooding fallowed rice fields during the winter months to a depth of ~10 inches. This depth of water replicates natural wetlands that historically occurred seasonally in California's Central Valley, providing habitat to wintering waterbirds and

forage for juvenile Chinook salmon. The natural seasonal flooding that once occurred is now rare, making programs that replicate these conditions crucial for maintaining wetland habitat.

Importance of Seasonal Habitat

In California, 95% of historical natural wetlands have been converted to agriculture or disconnected from rivers by levees, leading to a severe deficit of habitat for millions of migratory birds and thousands of salmon. Historically, these seasonal wetlands were fed by snowmelt from the Sierra Nevada mountains. Wintering birds and juvenile salmon that spend the winter months inland utilize the floodplains for their primary food source—bugs! The loss of wetlands has



placed immense pressure on these species; for example, leading to a severe drop in the winter-run Chinook salmon population that was once abundant in the Sacramento Valley. Participation by landowners, like SWIF, in habitat creation programs is essential to reversing this cycle.

Business Benefits: Leveraging Grant Funding

By securing grants from NGO programs, SWIF has accessed a new funding source that specifically supports the creation of wildlife habitat. Furthermore, these initiatives successfully sustain migratory bird and fish populations without interfering with farming operations or impacting other revenue streams.

BTG Pactual Timberland Investment Group (TIG)/TNC Collaboration

MULTIPLE LOCATIONS IN THE U.S.

A collaboration with the BTG Pactual Timberland Investment Group

As Conservation Advisor to TIG's million-plus acre core U.S. timberland portfolio, TNC is developing and managing initiatives to deliver biodiversity and climate benefits through permanent protection, enhanced forest management, and carbon project development.

COMMITTED CAPITAL USD 1.33 billion portfolio*

Fires to Foster Growth

In 2024, Caddo Sustainable Timberlands (Caddo), a TIG forest asset in Texas associated with the collaboration, treated nearly 8,000 acres with prescribed fire. About half of these acres are in an area of recognized biodiversity and were

targeted based on TNC forest management recommendations. Several months after the prescribed burning, TNC scientists conducted a plant biodiversity assessment and observed native understory plant communities regenerating, including the Federally Endangered Texas Trailing Phlox.



Enhancing Biodiversity

Prescribed fire can be an effective component of a treatment plan for controlling unwanted invasive species and promoting biodiversity among native, fire-dependent plant communities. The open forest conditions created by regular use of prescribed fire also provides habitat for a wide variety of wildlife species and improves the health and resilience of forests.

Business Benefits: Risk Mitigation and Lower Operational Costs

Removing unwanted understory vegetation from managed forests is important for reducing the risk of catastrophic fires that can destroy valuable forest resources. Prescribed fire is also often an effective and affordable method of controlling dense understory vegetation that can compete with commercial trees, and the open forest conditions it creates can also improve the efficiency and safety of fieldwork, thereby providing operational benefits to forestry operations.

Long-term Thinking

Based on TNC identifying prescribed burning as a top management priority for this asset, TIG has further integrated the practice into their forest management strategy, with a particular emphasis on areas of recognized biodiversity. This approach aims to reduce the long-term risk of uncontrolled wildfires, which can be costly to manage and mitigate, while also maintaining or enhancing biodiversity in these working forests.

*as of Dec 31, 2024



Africa Conservation and Communities Tourism Fund (ACCT)

MULTIPLE LOCATIONS IN AFRICA

A collaboration with ThirdWay Partners

The ACCT Fund provides loans to responsible tourism operators that create local jobs and support long-term conservation efforts in some of sub-Saharan Africa's most ecologically important landscapes and their surrounding communities.

COMMITTED CAPITAL USD 70 million equity



WILDPLACES AFRICA: PIONEERING CONSERVATION AND COMMUNITY UPLIFT IN UGANDA

Expanding Business Horizons

In 2017, Uganda's government, recognizing the potential of sustainable tourism to fund conservation efforts, launched an initiative to attract private sector investment in its protected areas, with the aim of helping the country to manage its conservation areas effectively.

Enter Wildplaces Africa, a Ugandan conservation tourism operator with over 30 years of experience. In 2022, after a tendering and due diligence process interrupted by the Covid-19 pandemic, Wildplaces signed lease agreements with the Uganda Wildlife Authority (UWA) for two significant concessions: the southern bank of Murchison Falls National Park, and Kyambura Game Reserve, part of the greater Queen Elizabeth National Park

landscape. Covering 964,000 and 1.8 million acres respectively, these parks are vital for conservation and hold great tourism potential.

Contributing to Conservation and Community

Historically, these two landscapes have had low levels of tourism, which means they have received far fewer fees or revenue from tourism than better visited parks in other countries. With a loan from the ACCT Fund, Wildplaces is developing 30 new beds in each concession. A 10-bed tented camp at each location was completed in late 2023, and The River Station, a higher end 20-bed camp opened in Kyambura in late September 2024. Kulu Ora, the second 20-bed camp, is expected to open in Murchison Falls in mid-2025.

Wildplaces estimates that, once steady state occupancies are achieved, these camps could generate over USD 500,000 annually in lease and park fees per concession for UWA. Under UWA's progressive revenue-sharing program, 80% of this revenue will fund protected area management while 20% will go to community projects aimed at reducing human-wildlife conflict and improving livelihoods. In 2024, Wildplaces contributed USD 67,000 to UWA, a number expected to increase dramatically over time as the camps start to achieve mature occupancies.

Creating Local Employment

The new camps currently employ 45 staff, which is expected to increase to almost 100 people at full operational capacity, with the majority of staff coming from local communities near the parks. In addition to the direct financial benefits of employment, Wildplaces has implemented a Conservation and Community Levy for guests of USD 25 per person per day, funding a new local non-profit dedicated to delivering conservation and community benefits.

Business Benefits: Developing Sustainable Tourism

The ACCT Fund's investment in Wildplaces shows how sustainable tourism can achieve conservation outcomes alongside economic growth and community benefits. By creating new revenue streams through tourism and conservation levies, Wildplaces not only supports conservation efforts but also creates a positive cycle of investment, employment, and community development.



BUILT TO LAST

BUILDING IMPACT INTO INVESTMENT STRUCTURES



Glen Jeffries
SENIOR DIRECTOR
OF IMPACT INVESTMENTS
AT NATUREVEST

Meet Glen Jeffries, Senior Director of Impact Investments at NatureVest. Glen leads the team in creating innovative investments that aim to deliver both conservation and social outcomes as well as returns to investors. At events and during meetings with

potential partners, the NatureVest team is often asked how we integrate impact into our investments. Below, Glen provides insights into this process and addresses some of the key questions the team navigates when developing a new investment.

Photos, from left: A young woman picking tea leaves on a tea plantation in the Upper Tana Watershed, Kenya. © Nick Hall; Glen Jeffries © Glen Jeffries



1. How does NatureVest originate impact investments?

Our North Star is that all of our impact investments—for us, that usually means an investment vehicle, like a fund, but we are constantly exploring new structures and financial solutions—must contribute meaningfully towards TNC’s 2030 Goals.

Our conservation colleagues at TNC frequently present us with early-stage ideas for evaluation. This often involves a conservation challenge they have identified that they hope the financial markets, rather than philanthropy or other forms of conservation funding, can help address.

We also source opportunities externally through active engagement with the private and public sectors. Sometimes we approach an investment manager directly, and other times they—along with other impact finance stakeholders—might contact us. Recently, we have begun issuing public RFPs (requests for proposals) to identify investment management partners for specific opportunities that we consider organizational priorities. We have found this to be an effective way to expedite finding a well-aligned partner.

2. NatureVest often collaborates with partners to execute our impact investments. Can you describe TNC/NatureVest’s role in deal development compared to our partners’ role?

I’m often asked this question. It’s essential for those of us in the impact finance sector to define our roles and responsibilities clearly. By better articulating what we do in a transaction, we enhance our effectiveness and credibility.

In broad terms, NatureVest typically has three core roles:

- » Developing the overall impact strategy for the investment: We outline the target impacts, design features necessary to reach those targets, identify what impact success looks like, and how that success will be measured and reported. The details are then memorialized in a formal ‘Impact Strategy’ that is incorporated into the impact investment’s decision-making processes and legal documents.
- » Collaborating with our partner on the detailed structuring of the investment product and designing the decision-making protocols to maximize the likelihood of impact delivery and investment execution.
- » Supporting our partner in the crucial work of investor market testing and fundraising.

3. How do you ensure that impact considerations are built into the investment decisions of your investment products?

‘Built into’ is a great way to phrase it. This is a step that distinguishes our role from some other organizations that provide traditional conservation advisory services in the impact investments arena. In our collaborations, we require impact to be considered in the investment process with a legal obligation to follow through.

This is typically achieved by adding an Impact Committee into the governance architecture of an investment vehicle—just like an Investment Committee, the Impact Committee must review and approve decisions and actions from the all-important impact perspective. We connect the two committees so they work together; the fundamental idea is that no investment vehicle can proceed with an investment that does not meet the impact requirements established from the outset (both minimum criteria and impact upside).

We also incorporate financial incentives into our impact investment vehicles. We look to build on what the market already knows and understands as a route to mainstream our work and make it replicable.

Lastly, we promote accountability through robust reporting and knowledge-sharing, highlighting both successes and areas for improvement. This step is central to our role as a non-profit.

4. How do you balance financial returns with impact objectives when structuring an investment?

Generally, I see three types of correlation between financial returns and impact returns: strong positive correlation (“impact is free”), negative correlation (“impact is a cost”), and moderate positive correlation (for example, additional upfront costs with a positive correlation over a longer time horizon). Unfortunately, I don’t think the market talks enough about the reality: most impact investments are in the second or third category!

We typically like to focus on that third category (moderate positive correlation) as that’s where the scale and replicability can exist and I believe telling that story compellingly and transparently for each

opportunity set is the best way to balance impact and financial expectations from the outset.

For certain investments, when appropriate, we may implement a blended finance strategy to achieve structural balance, ensuring a better alignment of risk and reward. We also consider including other structural solutions in the investment design, such as financial incentives for investment managers based on 'stretch' impact performance, or dedicated funding pots for high-impact, relatively low-cost activities adjacent to the investment's day-to-day work (e.g., research studies or pilots). Lastly, monitoring and reporting is key, because arguing the case in those 'moderate positive correlation' scenarios is much easier when an investment has a track record demonstrating this in practice.

5. What factors do you think contribute to structuring a successful impact investment?

It's what I call the 3P's (and 1A).

- » An aligned and motivated partner.
- » A strong, investable, and scalable product.
- » And underpinning all that is a clear purpose—an ambitious but achievable impact that is unambiguously explained and then quantified.

The only other element I'd add is a keen eye on the audience: as we seek to mainstream impact investing, we must convince those who may not consider themselves impact investors that this approach 'makes sense'. I like to focus on this point because it helps with fundamental structuring and storytelling.

6. Can you provide an example of a deal where impact considerations significantly influenced the structure or terms?

Just a few months ago, we celebrated the closing of The Blue Revolution Fund, a collaboration between TNC and Hatch Blue. BRF is investing in sustainable aquaculture systems and technologies with the goal of accelerating the industry to provide a low-carbon food source while actively supporting ocean health. At its core, BRF is structured around impact. For example, BRF has committed to a set of environmental and climate targets that it must achieve, and, as a result, measurable outcomes are built into every investment it makes. Additionally, we structured the fund manager carry pool to include impact-linked compensation, which means that a portion of the carry can only be earned if the fund achieves all its impact targets. We also included a fund-level requirement to promote learning and knowledge building to advance the aquaculture impact investment sector. This year, TNC and Hatch Blue will publicly release guidance resources for pre-investment conservation diligence and impact measurement and reporting. These resources will support others in the sector to replicate and build on what we are doing.

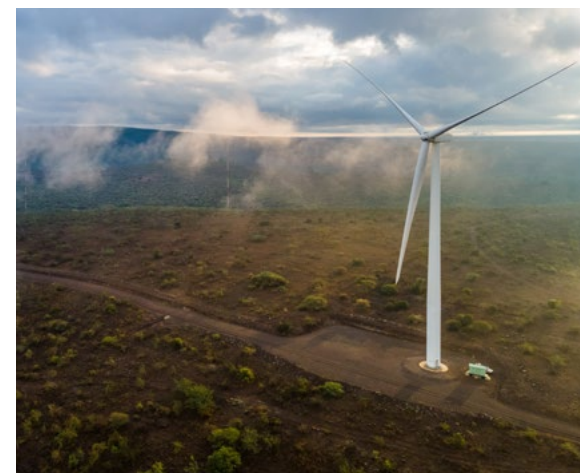
7. How do you monitor and measure the impact of an investment post-close?

At TNC, we are proud to have an exceptional Impact Management team. This team manages and reports on NatureVest's portfolio of investments post-close. The team's actions include establishing metrics to measure and promote environmental impact, identifying opportunities to deliver impact, advising our partners on the best practices for land and water management, and measuring and reporting on each

investment's climate and biodiversity outcomes. In short, this dedicated team drives our mission forward by taking us from transaction to action.

The 2023 NatureVest Impact Report includes an article by Dr. Cat Burns, Managing Director of the Impact Management Team at the time of publication and current Interim Managing Director of NatureVest, on page 25. Titled ["Where the Rubber Meets the Road"](#) highlighting lessons learned in managing partnerships and achieving lasting conservation outcomes through impact investment projects.

The Impact Investments team I lead is dedicated to developing new investments and handing them over to the Impact Management team for post-close management, with defined conservation targets and agreed-upon practices for working with our partners. This helps facilitate the implementation and management process and makes the "how" in your question as straightforward as possible. Getting this right is what motivates me: creating the right environment for impactful change—which is why we do what we do.



“We must recognize that the environment is the foundation of our economy and our society. Without healthy ecosystems, we cannot have a healthy economy.”













ACHIM STEINER Administrator of the United Nations Development Programme

APPENDICES















Photo: An Eastern Newt exhibits its Red Eft state © Steven David Johnson

APPENDIX I: TNC IMPACT INVESTMENT PORTFOLIO TARGETS AND REALIZED IMPACT TO DATE













Table 1

Deal Name	Closing Date ¹	SDGs Targeted	Impact Targets (over investment term)	Realized Impact (as of Dec-24)
The Africa Conservation and Communities Tourism Fund (ACCT)	May-21	   	<ul style="list-style-type: none"> » Support 53.5M hectares (132.2M acres) of conservation area » Contribute to retaining 5,300 local staff members » Benefit 37,100 community members from downstream flow of income » Financial flows to conservation landscape owners/ managers of USD 31.5M per year and USD 2.5M to local communities 	<ul style="list-style-type: none"> » Generated USD 13.6M of annual funding to support 14.3M hectares (35.2M acres) of protected areas » Supported the retention of 1,768 jobs » Benefited 12,376 community members from downstream flow of USD 12.1M of annual salary and non-salary financial flows
Blue Bonds in Belize	Nov-21	   	<ul style="list-style-type: none"> » Generate USD 180M in funding for conservation over the next 20 years » Expand Biodiversity Protection Zones covering 30% of its ocean » Improve ocean management 	<ul style="list-style-type: none"> » Funding payments made per schedule » Expanded Biodiversity Protection Zones to 25% of Belize's ocean » In process of developing a Marine Spatial Plan (MSP) for Belize's ocean » Launched Ocean Use Survey to inform siting of biodiversity protection zones
Blue Bonds in Barbados	Sept-22	   	<ul style="list-style-type: none"> » Generate USD 50M in funding for conservation over the next 15 years » Expand Biodiversity Protection Zones covering 30% of its ocean » Improve ocean management 	<ul style="list-style-type: none"> » Funding payments made per schedule » In process of developing a Marine Spatial Plan (MSP) for Barbados' ocean
















¹ Represents the first closing date for deals with multiple closings.

Deal Name	Closing Date ¹	SDGs Targeted	Impact Targets (over investment term)	Realized Impact (as of Dec-24)
Blue Bonds in Gabon	Aug-23	   	<ul style="list-style-type: none"> » Generate USD 163M in funding for conservation over the next 15 years » Expand Biodiversity Protection Zones from 26% to 30% of its ocean » Implement effective management for existing 26% in Biodiversity Protection Zones » Improve ocean management 	<ul style="list-style-type: none"> » Funding payments made per schedule » Process of developing a Marine Spatial Plan (MSP) for Gabon's ocean initiated
Bahamas Nature Bonds	Nov-24	   	<ul style="list-style-type: none"> » Generate USD 124M in funding for conservation over the next 15 years » Develop and implement a Marine Spatial Plan » Develop and implement a national mangrove plan » Improve ocean management 	<ul style="list-style-type: none"> » Planning with the Government on schedule
Blue Revolution Fund (BRF)	Sept-22	     	<ul style="list-style-type: none"> » Improve ocean health by creating 640 hectares (1,581 acres) of new farms that remediate 2.7M kg of nitrogen and provide habitats for fish » Create a source of protein that avoids 1.2M tCO₂e emissions » Improve management of 500,000 hectares (1.2M acres) of ocean area by advancing technologies that improve performance of existing aquaculture farms » Provide 500M portions of sustainable seafood » Provide 3,200 direct and indirect jobs compatible with nature 	<ul style="list-style-type: none"> » Avoided emissions of 129,323 tCO₂e » Improved the management of 1,041 hectares (2,572 acres) of oceans » Delivered 2,707 portions of sustainable seafood to date

¹ Represents the first closing date for deals with multiple closings.













Deal Name	Closing Date ¹	SDGs Targeted	Impact Targets (over investment term)	Realized Impact (as of Dec-24)
BTG Pactual Timberland Investment Group (TIG) and TNC Collaboration	Aug-23	    	<ul style="list-style-type: none"> » Sustainably manage 1M+ acre portfolio in accordance with standards that prevent negative environmental and social impact » Contribute to increasing habitat connectivity, climate resilience, and protection of the most biodiverse regions of the U.S. » Sequester up to 6M tCO2e over the next 10 years 	<ul style="list-style-type: none"> » All land currently in the portfolio (approx. 469,000 hectares or 1,160,000 acres) meets agreed-upon minimum standards for management » Permanently protected 278 hectares (687 acres) through conservation sales » Enhanced biodiversity on 3,599 hectares (8,893 acres) through prescribed burning, restoration, and retained forest buffers » Improved water quality among 54 miles (87 kilometers) of rivers and streams » Avoided emissions of 17,537 tCO2e through retained forest buffers
Cumberland Forest, L.P.	Apr-19	    	<ul style="list-style-type: none"> » Sustainably manage all forested property » Maximize long-term forest protection » Sequester 5M tCO2e » Provide recreational access » Donate mining royalties to local community development organizations 	<ul style="list-style-type: none"> » All 102,385 forested hectares (253,000 acres) are certified by the Forest Stewardship Council » Permanently protected 49,158 hectares (121,472 acres) through conservation easements » Sequestered 4.5M tCO2e » Donated USD 550,000+ to community economic development projects
Kenya Vulture Conservation LLC	Nov-20	 	<ul style="list-style-type: none"> » Dedicate USD 500,000 proceeds annually to making a positive overall contribution to the conservation of threatened vultures and other birds of prey » Provide local community benefits » Provide clean energy essential for Kenya's economic development 	<ul style="list-style-type: none"> » Continued anti-poisoning campaign activities to educate over 135,000 local community members to date » Constructed 92 predator proof bomas, resulting in fewer lethal retaliatory incidences, especially poisoning » Developed 60 wind turbines with the capacity to generate 100MW of clean, renewable energy

¹ Represents the first closing date for deals with multiple closings.

Deal Name	Closing Date ¹	SDGs Targeted	Impact Targets (over investment term)	Realized Impact (as of Dec-24)
Murray-Darling Basin Balanced Water Fund ²	Dec-15	 	<ul style="list-style-type: none"> » Donate a portion of annual water allocation for targeted environmental watering to restore threatened wetlands, support threatened fresh-water dependent species and achieve biodiversity improvements 	<ul style="list-style-type: none"> » Donated water to nature according to schedule through 87 watering events benefitting 1,383 hectares (3,417 acres) of wetlands » Fourth consecutive year of delivering Australia's largest private water donations » Supported habitat needs for 57 rare and threatened species » Supported habitat needs for 59 waterbird species
Ecuador Amazon Nature Bonds	Dec-24	   	<ul style="list-style-type: none"> » Generate USD 460M in funding for conservation over the next 17 years » Improve management of 4.6M hectares (11.4M acres) of existing protected land » Protect an additional 1.8M hectares (4.4M acres) of forests and wetlands » Protect 18,000 kilometers (11,185 miles) of rivers 	<ul style="list-style-type: none"> » Planning with the Government on schedule
Seychelles Debt Conversion	Feb-16	   	<ul style="list-style-type: none"> » Protect 30% of Exclusive Economic Zone (EEZ) as Marine Protected Area (MPA), 50% no-take » Generate USD 12.2M proceeds for marine conservation 	<ul style="list-style-type: none"> » 32% MPA (50% no-take) areas demarcated by government in 2020 » Funding payments made per schedule
Sustainable Water Impact Fund (SWIF)	Jul-19	    	<ul style="list-style-type: none"> » Protect terrestrial and freshwater ecosystems » Create temporary habitat through improved management of working lands 	<ul style="list-style-type: none"> » Permanently protected 6,411 hectares (15,843 acres) of terrestrial habitat and 405 hectares (1,002 acres) of freshwater habitat to date » Restored and improved management of 1,025 hectares (2,533 acres) of terrestrial habitat and 36 hectares (89 acres) of freshwater habitat » Created 930 annual hectares (2,298 annual acres) of terrestrial seasonal habitat and 3,352 annual hectares (8,282 annual acres) of wetland seasonal habitat for target bird species

¹ Represents the first closing date for deals with multiple closings.

² Murray-Darling Basin Balanced Water Fund impact targets based on AUD 100 million target fund size, actual invested capital AUD 30.4 million as of March 2021.

Deal Name	Closing Date	SDGs Targeted	Impact Targets (over investment term)	Realized Impact (as of exit date)
Exited Investments ¹				
Brightstorm Infrastructure Group ²	Apr-19	 	<ul style="list-style-type: none"> » Remove at least 20% of pollution (sediment, nitrogen and phosphorus) per project 	<ul style="list-style-type: none"> » Project met its targets in reducing sediment pollution by over 80% and nitrogen and phosphorus pollution by at least 20% at exit » Created 48,000 lbs. of sediment, 500 lbs. of nitrogen, and 70 lbs. of phosphorous annual retention capacity
District Stormwater, LLC ³	Mar-16	  	<ul style="list-style-type: none"> » Treat 7.65 additional acres annually through 2025 » Retain 4.5M gallons annually through 2025 	<ul style="list-style-type: none"> » Treated 17.62 acres annually, thus exceeding impact targets by 2.3 times » Retained 8.4M gallons of stormwater annually, thus exceeding impact targets by 1.9 times
Livestock-to-Markets ⁴	Feb-14	   	<ul style="list-style-type: none"> » Improve herding practices across 19 local conservancies » Improve management of 1.25M acres of grassland habitat » Improve household incomes in the region » Scale grant-funded cattle sales by 10x annually 	<p>Impact targets not met, however:</p> <ul style="list-style-type: none"> » Pilot program started in exit year with goal to reduce reliance on open pastures » Average sales price per cattle increased throughout the project, but remained under target » Grant-funded cattle sales increased 1.5x per year through exit
Olympic Peninsula Acquisition Project ⁵	Dec-14	  	<ul style="list-style-type: none"> » Sustainable forest management for habitat » Restoration, water improvement » Exit to a conservation buyer 	<ul style="list-style-type: none"> » Targets partially met as forest management and restoration were both on plan at exit » No land sales as of exit date

¹ Note: Exited Investments reflect impact investments that TNC has exited from its impact investing program through NatureVest. Realized impact is as of the NatureVest exit date.

² In November 2022, TNC purchased all outstanding shares in Brightstorm from its joint-venture partner and effective December 31, 2022 TNC transitioned this project to a philanthropy-funded program that continues to be managed by TNC. We consider this to be an exited transaction with continued TNC ownership and impact outcomes are noted through the Dec. 2022 exit date.

³ Effective June 30, 2023 TNC transitioned this project to a philanthropy-funded program that continues to be managed by TNC. District Stormwater, LLC was liquidated as of June 30, 2023. We consider this to be an exited transaction with continued TNC ownership and impact outcomes are noted through the June 2023 exit date.

⁴ In Jan. 2021, TNC fully exited the Livestock-to-Markets transaction.

⁵ In December 2019, TNC retired the outstanding debt for the Olympic Peninsula Acquisition Project and continues to sustainably manage the property with the goal of long-term protection. We consider this to be an exited transaction with continued TNC ownership and impact outcomes are noted through the Dec 2019 exit date.

APPENDIX II: CUMULATIVE IMPACT TO DATE

NatureVest tracks or will track multiple metrics that align with globally recognized impact reporting standards. The table to the right details NatureVest's progress against relevant metrics identified by the Sustainable Development Goals (SDGs) formulated by the United Nations General Assembly, as well as select metrics defined by the Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS). **Generally, NatureVest's strategy supports the following SDGs:**



Table 2: Standardized Impact Metrics

GIIN IRIS	December 31, 2024 ¹	Transaction(s)
Charitable Donations (NatureVest core funding, transaction partners, and deployed alongside transactions, (USD))	27,631,434	Blue Bonds in Belize, Cumberland Forest L.P., Kenya Vulture Conservation, LLC, Seychelles Debt Conversion, Blue Bonds in Gabon, Blue Bonds in Barbados
Greenhouse Gas Emissions Avoided due to Carbon Offsets Sold (tons CO ₂ e)	4,640,000	Cumberland Forest L.P., Olympic Peninsula Acquisition Project
Land Directly Controlled: Sustainably Managed (acres)	281,519	BTG/TIG TNC Collaboration, Cumberland Forest L.P., Olympic Peninsula Acquisition Project, Sustainable Water Impact Fund (SWIF)
Land Indirectly Controlled: Sustainably Managed (acres)	37,227,661	Africa Conservation and Communities Tourism Fund (ACCT), Kenya Vulture Conservation, LLC
Protected Land Area: Permanent (acres)	153,635	BTG/TIG TNC Collaboration, Cumberland Forest L.P., Olympic Peninsula Acquisition Project, Sustainable Water Impact Fund (SWIF)
Protected Ocean Area: Permanent (square miles)*	171,552	Seychelles Debt Conversion, Blue Bonds in Belize
Ocean under improved management (square miles)*	4	Blue Revolution Fund (BRF)
Stormwater Runoff (gallons/year)	98,300,000	District Stormwater LLC, Brightstorm
Value of Loans Disbursed (USD)	10,000,000	Kenya Vulture Conservation, LLC
Water Conserved (gallons)	5,257,000,000	Murray-Darling Basin Balanced Water Fund

¹ Includes exited deal outcomes through exit date

* This is not a GIIN IRIS metric



APPENDIX III: EVOLVING IMPACT MEASUREMENT

At NatureVest, one of our goals is to advance the impact investing field by closely assessing, quantifying, and reporting the conservation outcomes our investments are achieving.

We acknowledge the numerous and evolving methodologies available for identifying the conservation outcomes of impact investments. Our method of measurement is based on the IRIS+ system, managed by the [Global Impact Investing Network \(GIIN\)](#). This enables us to compare the outcomes of our investments with those of other impact investments. As the portfolio grows, we continuously review our methods and data to improve metrics, as explained in more detail below.



Improved Ocean Management

Several adjustments have been made to align with the GIIN IRIS+ system. For example, this year the area of oceans sustainably managed has been adjusted to account for only those square miles where improved management practices have been implemented under a Marine Spatial Plan or the creation of new regenerative aquaculture farms.

NatureVest and Sustainable Debt Managed Deals

Certain impact investment deals were not structured and overseen by NatureVest. These deals have been removed from this report.



Photos, from top: Kipeto Wind Farm in Kipeto, Kenya © Sarah Waiswa; Rialto Beach, Olympic National Park, Washington © Mark Wolsky; A millipede crawls on a moss-covered log near Little Stony Falls in Jefferson National Forest, Virginia © Steven David Johnson

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