




Nature
Investment Hub

A Solution Space by
Generate Canada

Taking Stock of Nature Investment in Canada

Investor Survey 2025





The Nature Investment Hub is accelerating a fivefold increase in investments in nature—from \$5 billion to \$25 billion a year by 2030. We work towards mobilizing capital towards nature-positive activities that will result in inclusive economic, environmental, and social benefits. We deliver on this mandate through thought leadership, capacity building and market building initiatives.

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Overview

The race to 2030

There is a multi-billion dollar finance gap to meet national climate and biodiversity targets in Canada, and public funding alone will not get us there. There is a significant role for private sector capital allocators, ranging from institutional investors to impact investors to family offices, to assist in overcoming this gap. The Nature Investment Hub's annual survey helps to highlight trends, focal interests, and to identify actions that can help increase nature-related asset allocation by investors across the financial system.

Second Annual Survey

The survey findings highlight both the reality of the Canadian nature finance context, and opportunities to scale action and capital allocation.

Over the past year, other global issues have made headlines from tariff disputes to shifting geopolitical alliances, making it tempting to give in to fears that sustainability has been sidelined. However, as this report suggests, in a time of turmoil, stability is valued by markets – businesses and activities that regenerate, protect, and more sustainably manage nature support resilient economic systems and communities in which they exist.

Who is this for?

The findings in this report are intended to inform those directly investing in nature, those building projects, funds, and businesses seeking investment, and those with the ability and position to support capacity building efforts to support the emergence of a new market.

While this is not a nationally representative sample, where we find trends and commonalities across this range and size of investors suggests that there are some shared challenges and opportunities being faced by the investor community. Overall we aim to inform future conversations and strategies to engage investors, with the goal of encouraging capital investment into businesses, activities, and portfolios that support nature in Canada.

Key Takeaways

Capital allocation

Capital allocation to nature-related investments remains small relative to assets under management (AUM) across most respondents, with the majority signalling it's under 5% of AUM. However, compared to last year's survey, fewer respondents said it was less than 1% of AUM and in all but one case they expect to increase the quantum committed to nature in the next five years.

Vehicles and themes

For those investing in nature, capital is most frequently allocated via venture backed companies (45%), green/sustainability bonds (33%), carbon offset/credit markets (33%), and listed green equities (29%) with sustainable agriculture and forestry being the most common themes. This aligns with our 2024 survey findings and affirms that thematic nature strategies are likely to have a strong forestry and agriculture sector lean. This poses a challenge for investors looking for a greater sector spread to meet diversification thresholds for certain investment vehicles.

Additional themes where 50% or more respondents indicated they would be interested in more opportunities included ecological restoration, the blue economy, and Indigenous Protected and Conserved Areas (IPCAs). Attention to growing opportunities in these areas would be an efficient way to address the sector diversification risk noted above.

Biodiversity Commitments

Almost half (45%) of respondents have biodiversity commitments, and 25% are using at least one tool or framework to track and/or disclose their nature impact. Fifteen per cent were using two or more tools to track impact.

Nature impact measurement tools

The most *well-known* framework across respondents was the Taskforce on Nature-related Financial Disclosures (TNFD) (79%, with 15% using it), though the most *applied* was ENCORE (Exploring Natural Capital Opportunities, Risk, Exposure) with 17% of respondents using it.

Key Takeaways

Why invest in nature?

The top driving factor motivating nature investment was Indigenous Reconciliation, with 75% of respondents signalling this as an important or most important motivator. Portfolio diversification and short term profits were the next two most consistently stated motivators, with 65% of respondents indicating they were important or most important factors.

What's needed to increase – same as last year

The top three needs identified by survey respondents to scale nature investment are all related to the availability of investable opportunities:

- More investment ready opportunities that meet investor needs
- More examples with track records
- More public market opportunities

Within Canada and beyond our borders the need for an investment pipeline has been a consistent refrain, and its persistence is a reminder that it is not only opportunities themselves but a lack of enabling conditions and supports to incubate, develop, and incentivize the creation of market-ready products.

Ecosystem-wide needs

The limited number of investable opportunities that align with investor requirements points to the need for targeted enabling actions, regulatory reforms, and/or incentives that direct more capital toward capacity building and early-stage project or financial product development. Respondents specifically pointed to:

- Increased internal capacity building;
- Policy and regulatory conditions;
- Seed funding for investment readiness;
- Impact measurement standardization;

As foundational measures that are essential to establishing a stronger, more consistent pipeline of investable opportunities.

Survey Respondents

Investor type and assets under management (AUM)

Survey respondents (see Figure 1) included a range of investor types, including pension funds (4%), insurance companies (8%), endowments and foundations (20.8%), and investment management companies, which were the majority (58%).

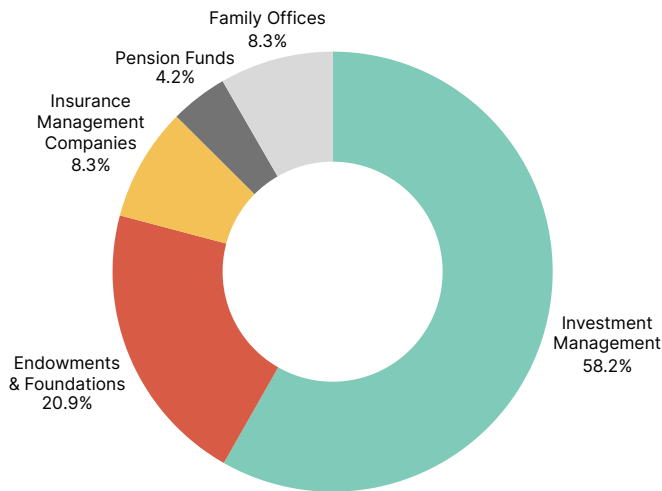


Figure 1: Investor type

Total assets under management were likewise across a wide range, from under 10M to over 50B, with half being in the 100-500M range (Figure 2). The majority of respondents being in the small-medium size of asset managers is likely a reflection of the still niche status of nature investing and the more actively engaged among those reached via Nature Investment Hub networks. This is also likely a reflection that scale requirements for larger players are not yet apparent, and there is a need for rapid innovation to address this challenge and draw larger asset managers into the space.

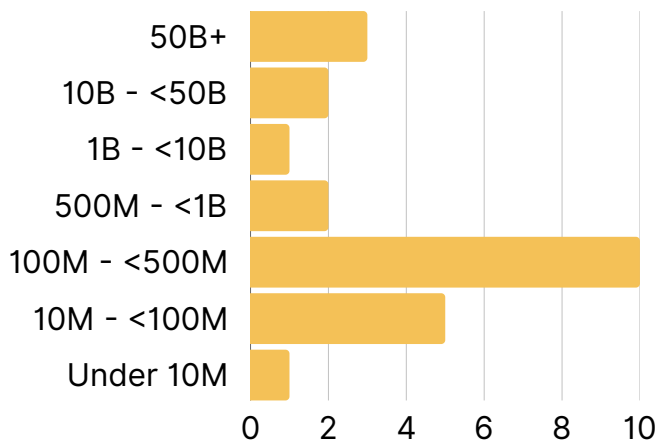


Figure 2: AUM across respondents

Current Status of Nature Investment

Nature finance remains on the agenda

When examining the percentage of assets under management that were deemed nature-related, consistent with our findings from last year's survey, nature finance is a relatively small percentage of total AUM. However, compared to last year, fewer said it was less than 1% of AUM (7 respondents), and only 3 respondents said they expected it to be less than 1% of AUM in five years.

The expectation in all but one case is that capital allocation to nature will continue to grow in the next five years. It is notable that two organizations indicated more than 50% of their investments could be considered "nature-based". These are investment firms that seek out and primarily focus on nature-related opportunities. This is certainly not the norm, but an important perspective to be represented.

Biodiversity data and impact assessment

Recognizing the need to report on impact as it relates to nature-positive, climate positive, and biodiversity outcomes, we asked whether investors had biodiversity/nature related goals, whether they were aware of and using existing assessment frameworks and if so which ones. These questions were not asked in the 2024 survey but will be tracked moving forward.

New question in 2025 survey

Does your organization have biodiversity-related goals or targets?

44%
Yes

55%
No

2%
Unsure

Among those that responded to the survey, 72% were responsible for biodiversity related decision-making within their organization as it pertains to investment decisions.

Nature-related impact measurement and frameworks

Figure 3 illustrates awareness and application of biodiversity and nature impact measurement tools and frameworks. It is illustrative of the variety of activities and impacts being measured that we found many frameworks being applied even among a small sample

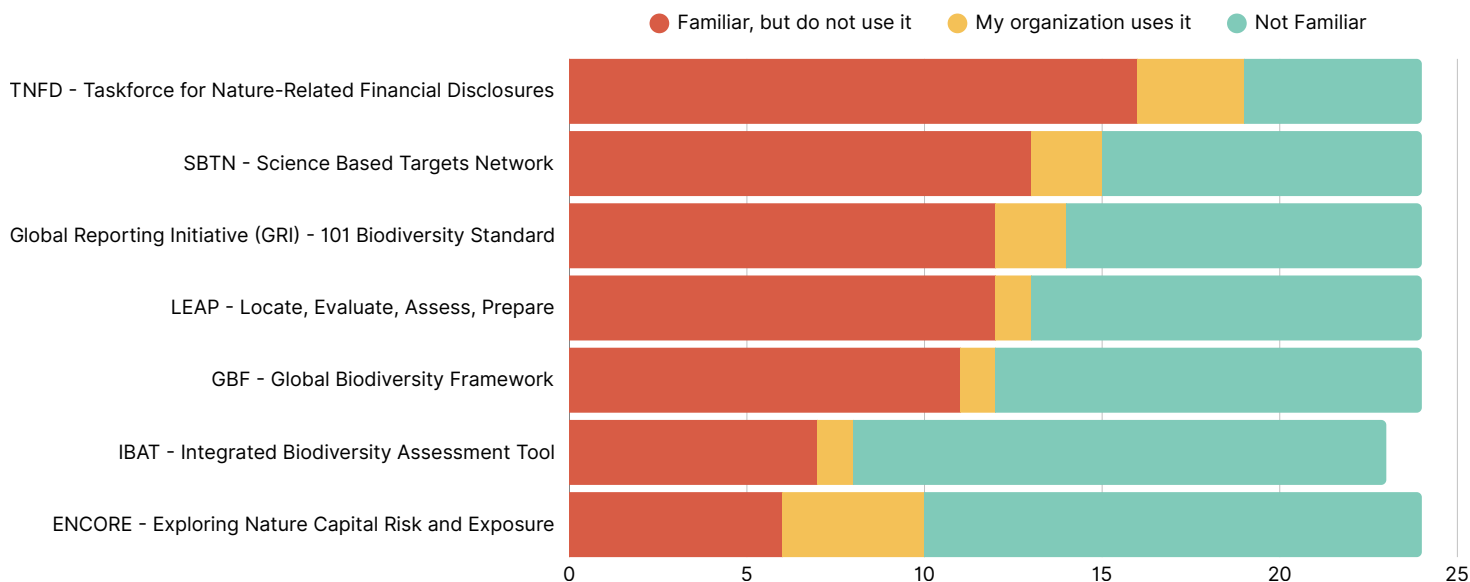


Figure 3: Familiarity and applicability of various nature impact tools and frameworks

Every tool on the list was used by at least one organization, and of the organizations surveyed 25% are currently at least using one of these tools, and 15% using two or more. The most familiar to all respondents is TNFD, and it is being applied by different types and scales of asset manager, including an endowment fund as well as investment firms in the 50-100M and 10-50B AUM levels.

The framework being applied the most is ENCORE, which examines nature-related risks, and users included investment management firms of multiple sizes, including several in the 10B and 50B+ range. The least well-known among surveyees is the Integrated Biodiversity Assessment Tool framework (IBAT), which is a biodiversity data repository hosted by four major global conservation organizations to support a range of risk related decision-making, including investment and supply chain concerns.

It is not unexpected that a variety of tools are being applied, not all have the same purpose and investors have different needs. In some cases geographic specificity is critical while in others tracking trends at a larger spatial resolution over time is more important. It was somewhat surprising how tool application was so evenly distributed, and no particular tool/framework rose to the top. It remains to be seen whether this is a function of the each of these tools being best suited to particular domains, or if as organizations test different tools that some will be preferred among certain investor types or asset classes in time.

Vehicles and Themes

The investment areas and types of vehicles in which investors are allocating capital are identified in Figure 4. The figure includes a comparison to 2024 results. The 2025 bars are orange with the darker bar indicating they are currently invested, and the lighter bar indicating they intend to invest, with the cumulative bar signalling the popularity/interest of that particular vehicle and theme. In most cases the 2024 cumulative bar is larger, meaning overall a higher percentage of respondents said they were either invested or interested in investing.

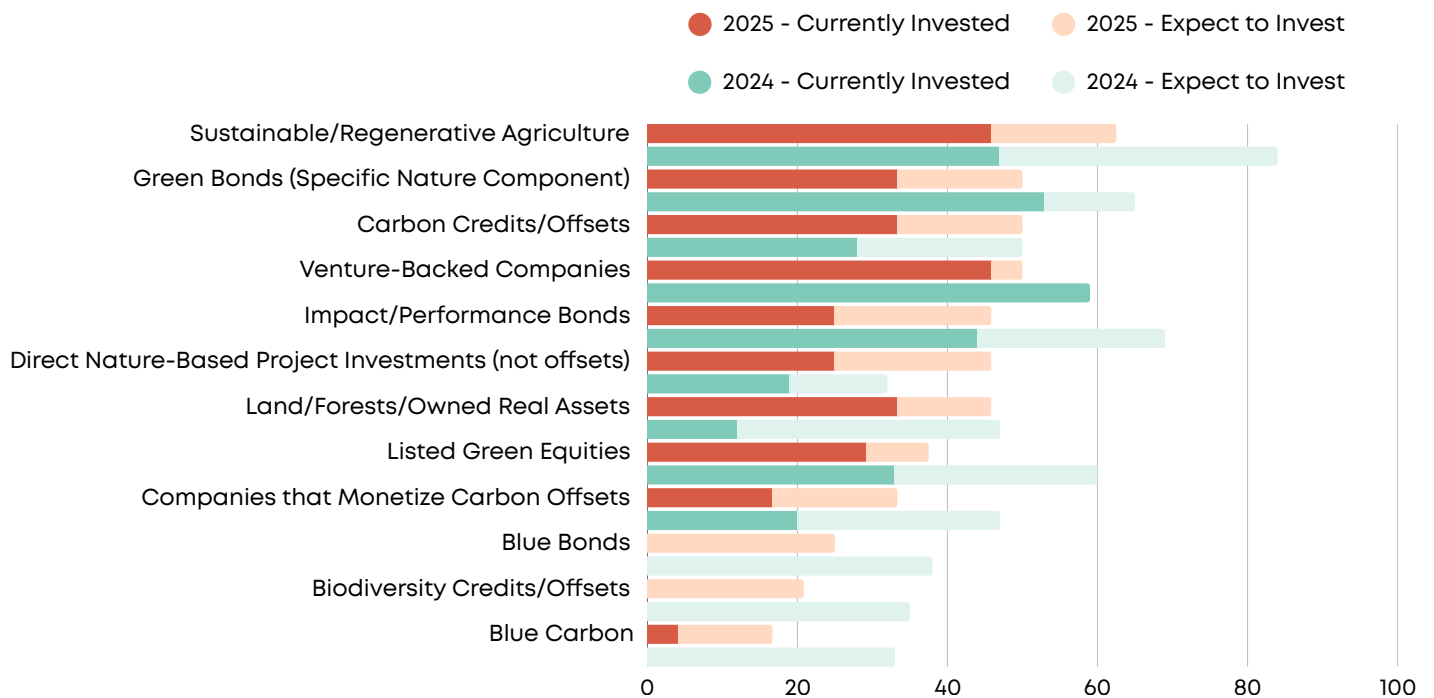


Figure 4: Investment themes and vehicles for nature-related investments. A comparison of 2024 and 2025, both current investments and expected future investments.

The highest number of 2025 respondents are invested in venture backed companies, as well as sustainable/regenerative agriculture, green/sustainability bonds, and carbon offsets. It is notable that compared to 2024, there are the same investment vehicles at the top of the list, but in the 2025 results there is a lower total percentage in each.

Since this is not a representative sample we cannot say that across the board there is less participation (especially since overall we see more AUM allocated to nature in 2025 results than in 2024), but we note that the areas where current investment is at a higher percentage than 2024 are carbon credits/offsets, nature-based project finance, and real assets.

The findings in Figure 4 are not only a signal of preference, it is also due to availability. For those expecting to invest in nature in the future, it is clear there are areas where viable options are lacking. When looking specifically where dollars are currently invested, many remain within a few percentage points compared to last year’s findings and the increase in direct project support and real assets is likely to do with the types of investors represented.

Themes

When asked where they are interested in allocating investment capital to nature, forestry and agriculture remain at the top of the list (Figure 5). Availability of investable opportunities are likely tied to this finding, and is in line with other analysis of market trends that show an uptick in agriculture investments – which can include agricultural businesses, as well as tech and other adjacent companies developing that can monitor and evaluate landscape level impacts, including those that are tied to nature-related outcomes. In the less developed thematic areas, restoration, IPCAs, and the blue economy are the themes that 50% of more respondents indicated were of the most interest.

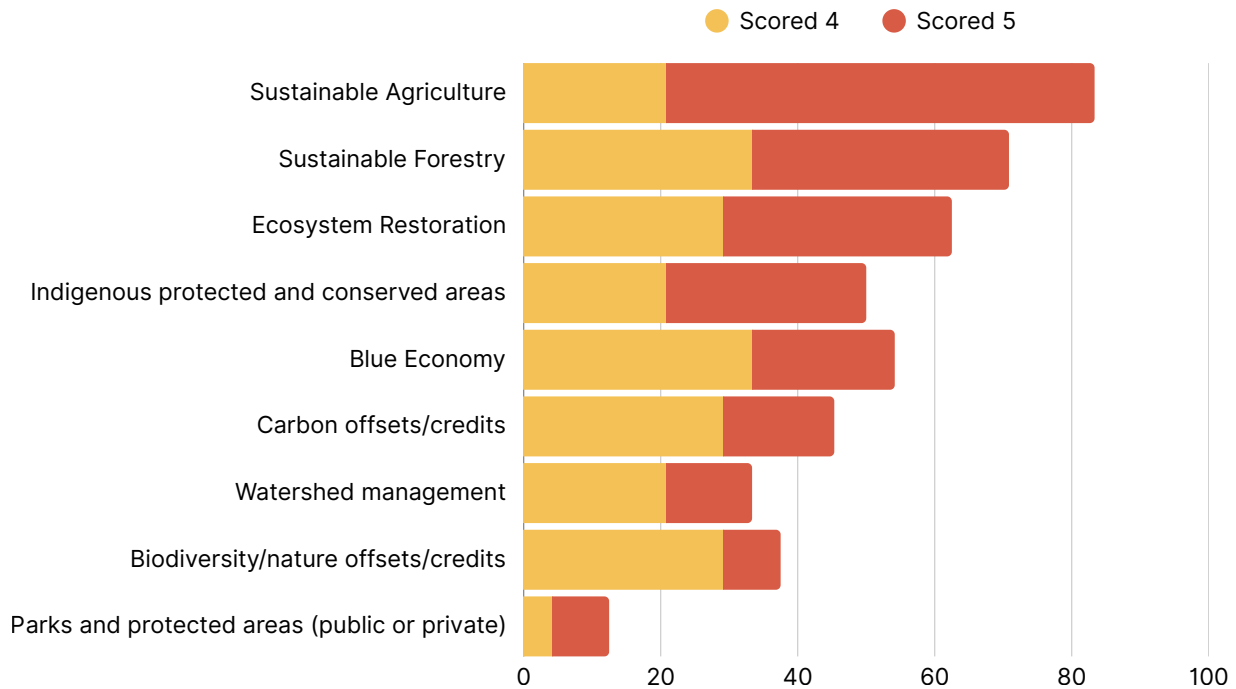


Figure 5: Thematic areas where investors are interested (4) or most interested (5) in allocating capital.

Motivation

When evaluating the drivers for investing in nature, **Indigenous reconciliation topped the list with 75% of respondents indicating this was either very or most important** (see Figure 6). Risk reduction in terms of portfolio diversification was second highest (71%). Indigenous reconciliation was a top three finding last year while risk reduction did not rise to the top in 2024. Risk reduction is often identified as a benefit of nature investment since many nature-related opportunities do not correlate to other market trends. In an era of particular volatility, this type of diversification may be more valued.

Short term profit is not a surprising priority regardless of investment theme, though it speaks to the necessity for opportunities to meet investor return criteria if the nature finance market is to grow. And since investable opportunities remain relatively limited– the findings suggest that if more short term opportunities become available finance may follow.

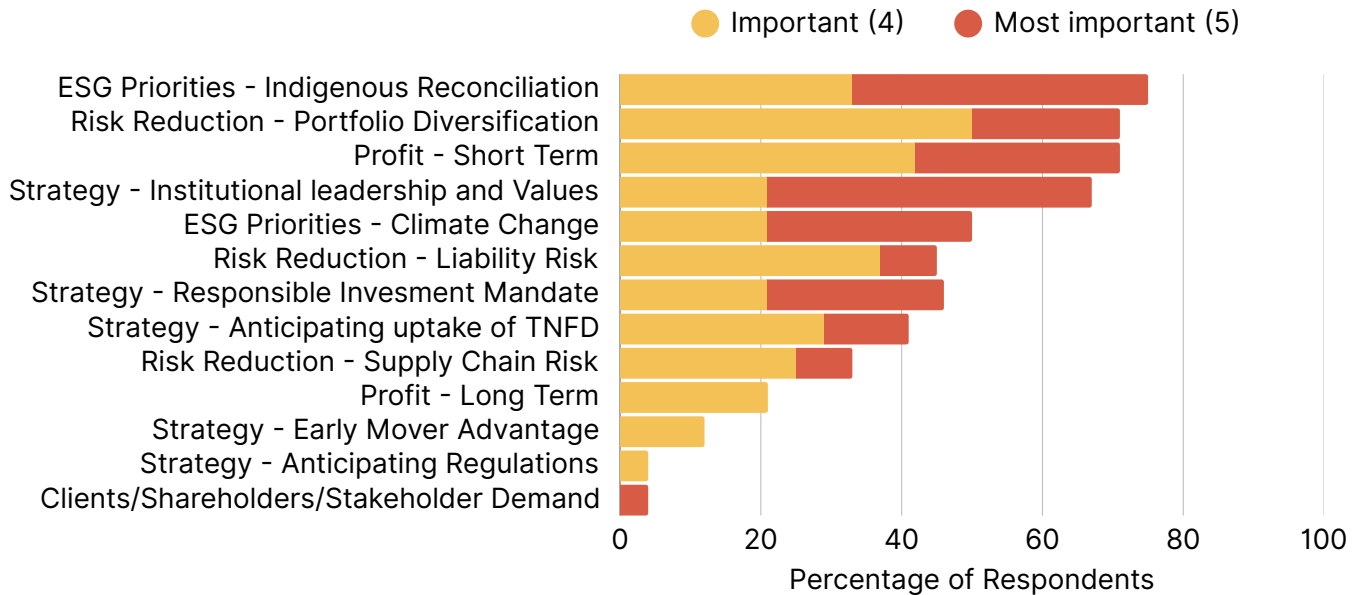


Figure 6: Top motivators for investing in nature

A change in ESG priorities?

We were curious whether Bill C-59 and other global pressures that have impacted the extent ESG reporting and disclosure are made public have also reduced pressure on ESG investing. Climate change was still a driving force for nature investment for more than 50% of respondents, though it is down compared to 68% in 2024. Last year climate change was the top motivator, tied with responsible investment strategy or mandate, which has moved down to 7th place. Rising to the top, Indigenous reconciliation was the most consistent motivator, with 75% indicating this is a driver for nature investment. Overall this suggests that while public declarations and mandates may have less influence, dimensions of ESG and risk reduction remain at the forefront for many.

Overcoming Barriers

Evaluating on a five point scale the importance of different interventions

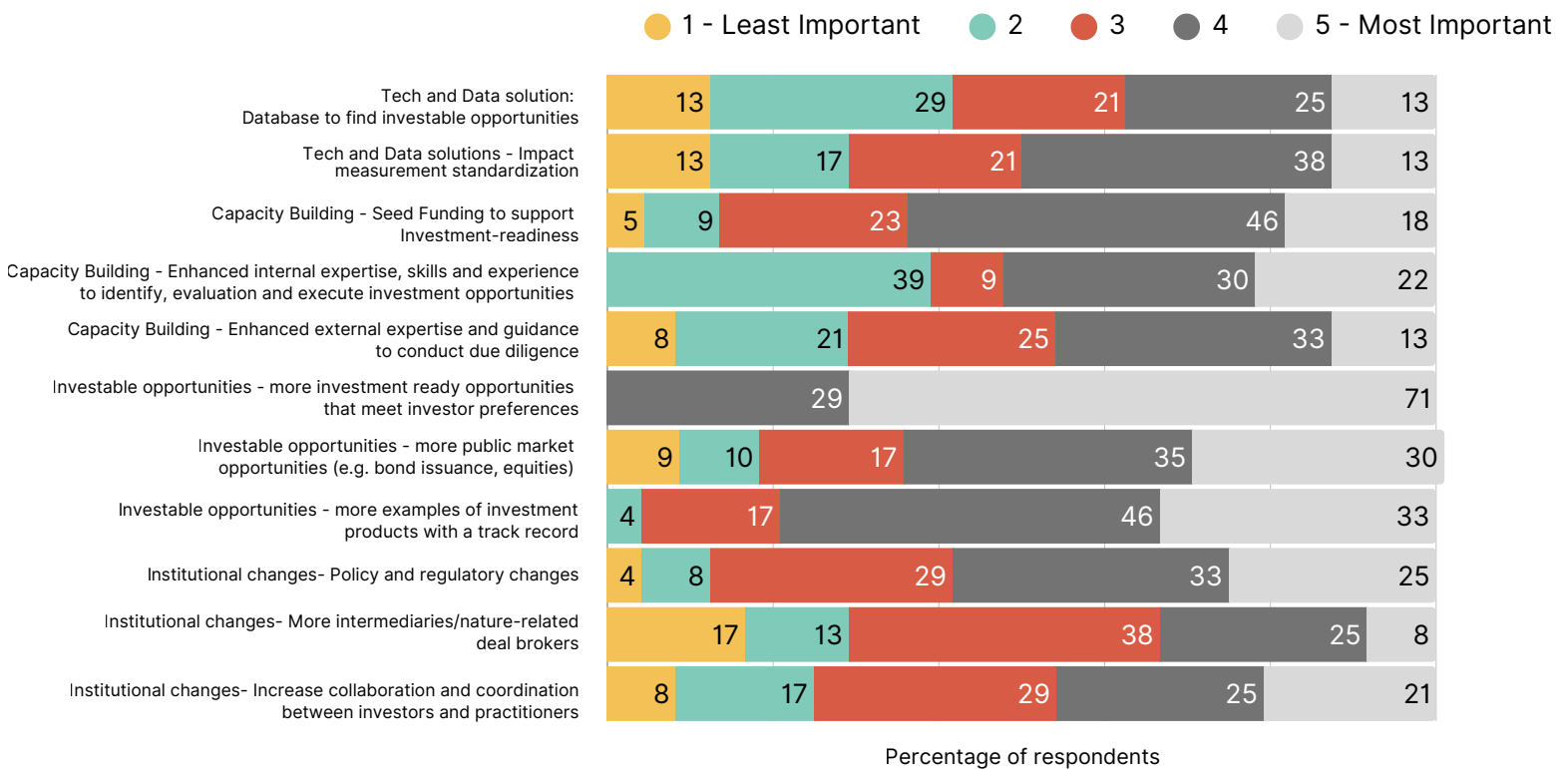


Figure 7: Importance of different factors to overcome nature investment barriers

Notably, 100% of respondents scored *more investment-ready opportunities* as 4s and 5s. This is by far the top priority across the board and was also the top priority in 2024.

When respondents were asked to only pick three priorities from the list of actions that could help them increase their allocation to nature, and are ranked in order below. The top 5 rated rankings in 2025 are the same top five as 2024, though in a slightly different order.

2024 Ranking

1. Higher Returns
2. More risk sharing opportunities
3. Improved data
4. More liquid opportunities
5. More investment-ready opportunities

2025 Ranking

1. More investment-ready opportunities
2. More liquid opportunities
3. Higher returns
4. More risk sharing opportunities
5. Improved data

The top priorities speak to what make organizations more able to invest themselves. However, there are also ecosystem-level needs that enable the creation of more opportunities. The top ecosystem-level priorities, which over 50% of respondents agreed or strongly agreed with the need for include:

- Increased internal capacity building
- Certainty on policy and regulatory conditions
- Seed funding for investment readiness
- Impact measurement standardization

Additional points of note that either came through from the survey responses directly or additional comments from survey participants:

- **Indigenous leadership and Indigenous-led projects.** This was discussed in short responses as an area of specific interest as well as the top motivator for nature investment across investors (75%), and IPCAs were signalled as a specific theme of interest. Non-carbon market related investment opportunities with Indigenous communities and businesses were also identified as an area of interest.
- **More structured investment opportunities.** While the need for more investment opportunities comes across clearly in the data, some investors require these opportunities to be structured such that they are financeable by banks and insurable - this is not currently the norm.
- **Potential for Canadian leadership in systemic investing.** At the international level we are seeing more organizations enabling visibility on trends and investable opportunities for nature. Larger investors are expressing curiosity about investing in nature, but have usually not developed a thesis or allocation strategy. There is a growing interest among practitioners and pioneers in how systemic investing methodologies and collaborations can be applied to investing in nature, including in regenerative agriculture.
- **Enthusiasm for more holistic approaches.** The shift from 'climate only' impact and ESG to a more holistic 'nature' approach is exciting, there is room for more solutions that try to create clear commercial co-benefits vs. relying on the creation of voluntary or regulatory markets. It was also noted that while intuitively this makes sense, to tap into new investors, the investment thesis needs to be crystal clear. "Even those of us who get it cannot pass on the argument to peers and decision-making governing bodies."



WHAT NEXT?

As the Nature Investment Hub and its partners work to close the nature finance gap in Canada, we recognize that collaboration and data are key to understanding how close we are to achieving our goals. We will continue this annual survey to track progress, identify emerging trends, and capture a clearer picture of the capital flowing into nature.

We invite more investors to join us in this effort, as a larger dataset will enable us to better assess the needs of the investment ecosystem and pinpoint the actions required to accelerate funding. These survey findings have also helped inform the Nature Investment Hub roadmap, a co-created effort to identify instruments and ecosystem-level needs to advance market building for nature finance in Canada to be released later this year

Appendix

Survey scope

'Investment' refers to both private asset classes and public (listed) investments. Nature investment 'in Canada' means capital directly allocated to activities within Canada. For example, investments in a green bond managed by a Canadian firm with international issuances is not considered in scope, unless those issuances specifically target Canada-based activities. Many investors are making nature-related investments beyond Canadian borders, in part because there are more and different opportunities, in the United States in particular.

Methodology

This 19 question survey included multiple choice, preference scales, option ranking, and optional short answer questions. It was created in Typeform and distributed to the broader Nature Investment Hub network. The survey sought to capture insights from a diverse range of investors, including banks, pension funds, investment and wealth management firms, and foundations. The survey targeted key decision-makers within these organizations, including titles such as Chief Investment Officer, Head of Responsible Investing, and Director of Sustainable Investment. To avoid the double counting of invested assets, one individual per institution was invited to respond, with the exception of large financial institutions that operate multiple lines of business, each managing separate pools of assets. The survey ran from October 20, 2025- January 31 2026, and a total of 26 responses were received. We are grateful to all participants for sharing their perspectives in the survey.



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