## Table of Contents

### Innovation Happens Here
- Who we are 2
- Our mission 2
- What sets us apart 2
- Our North Star: Innovation happens here 3
- What our clients are facing 3

### Goals and Targets for 2022–2023
- The future will be very different than the past 6
- Goal 1: Investing from seed to success (portfolio investment strategy) 8
- Goal 2: Connecting and supporting our entrepreneurs and innovation ecosystems 10
- Goal 3: Timely information to inform decision making 12
- Goal 4: Talent, skills and diversity 13
- 2022–2023 targets 15
- SDTC portfolio results 16

### Interim Results: 2021–2022
- Investments 19
- Ecosystems 20
- Timely information to inform decision making 21
- Talent, skills and diversity 22
- Accountability 23

### Appendix A: Strategic Focus and Goals for 2022–2023
- Strategic focus 24
- Goals for 2022–2023 25

### Appendix B: Risks and Mitigations
- RISK: Applicant pool 28
- RISK: External changes 28
- RISK: Productivity and wellbeing 29
- RISK: COVID-19 impacts on companies 29
- RISK: Ecosystem connectivity 29
- RISK: Timely response to company needs 30
- RISK: Cash Flow Projections 30

### Appendix C: Performance Management Strategy Framework
- 31
Who we are

At SDTC, we support companies attempting to do extraordinary things.

From initial funding to educational support and peer learning to market integration, we are invested in helping our small and medium-sized businesses grow into successful companies that employ Canadians from coast to coast to coast. We are relentlessly focused on supporting our companies to grow and scale in an increasingly competitive marketplace.

The innovations we fund help solve some of the world’s most pressing environmental challenges: climate change, regeneration through the circular economy, and the well-being of humans in the communities they live in and the natural environment they interact with.

Our mission

Our mission is to identify and fund Canadian companies that are developing, demonstrating and commercializing new technologies with the potential to transform Canada’s environmental and economic prosperity. With our support and funding during seed, start-up and scale-up stages, we are accelerating Canadian companies’ ability to become global leaders in their fields.

What sets us apart

1. **We are relentlessly focused on entrepreneurs.** We look at the world through the entrepreneurs’ lens: Who are their customers? Who are their investors? What policies and trends impact their growth? To meet our shared outcomes of getting more sustainable solutions in the market, we continue to evolve our approaches to match entrepreneurs’ needs.

2. **With this focus, we move at the speed of business to support companies at all stages of their commercialization journey.** We are expanding our knowledge of the individual networks our companies work in—their suppliers, funders, customers—as well as how these networks evolve as companies progress through the stages of production (invention, design, product and component innovation and production and assembly). As we drill down and better identify the players, gaps and points of intersection, we get to the heart of what’s needed to overcome obstacles and help companies move forward.

3. **SDTC investments serve as a springboard to help companies unlock future investment, customers and support.** We are known for our thinking on innovation and for our excellence in due diligence of companies. We are often asked to share our ideas with our extensive network of partners. This collaborative approach helps our companies unlock future investment, customers and supports.

4. **We are technology diverse.** Our mission is to support entrepreneurs whose ideas have the potential to transform the environmental and economic outcomes of every sector. These kinds of ideas often disrupt traditional ways of doing things and are championed by innovators who challenge the status quo and look at difficult problems in new and different ways. For this reason, we support all types of technology. If a company can demonstrate that their idea has the potential to help us deliver on our mandate, we will consider it.

---

1  *Innovation in Real Places*, Dan Breznitz

2  As outlined in the book *The Innovator’s Dilemma* by Clayton Christensen, for example.
Our North Star: Innovation happens here

From coast to coast to coast, Canadians are coming up with novel ideas that have the power to solve our most pressing environmental problems. At SDTC, we recognize that innovation is happening everywhere including right here—in our communities large and small. This recognition that the next great idea can come from our own backyards is our North Star, driving us to find, fund and foster those ideas and bring them to market.

Entrepreneurs are driven locally, and their transformative ideas bring economic prosperity and environmental benefits to their communities. At SDTC, we are thinking about how we build and strengthen local ecosystems while also connecting them nationally.

Innovation Happens Here is a series of vibrant, regional innovation ecosystems, that are connected nationally, and have a critical mass of early stage, mid stage and globally competitive Canadian companies that are driving Canada’s environmental and economic prosperity.

To achieve true environmental and economic prosperity, ideas need to be deployed—not just once, but many times. This means we must also look to the journey after invention: what it takes to commercialize an idea and deploy it at scale.

The full potential of an invention can only be realized when it becomes part of this larger continuum. But this larger continuum exists only where local ecosystems have evolved beyond the invention stage of innovation.

Entrepreneurs are the agents of this change, but they cannot do it alone. They need the support of their local ecosystems and leadership. Our strength will come from recognizing and nurturing local potential, connecting it nationally and supporting it to go global.

What our clients are facing

2021 saw record global investment in sustainable technologies. In the United States, Lux Research reported USD $5.5 billion in venture capital funding in the climate tech/cleantech sector. Our portfolio showed similar results: in 2021, our companies collectively raised close to $3 billion in follow-on funding—roughly the same amount as the previous three years combined. This is very encouraging.
Clearly, there are ample sources of capital available. However, most of this investment has been directed to more mature companies operating in sectors that are now scaling globally, such as the electric vehicle supply chain.

For earlier stage start-ups or companies that have only just broken through commercially, fundraising can still be challenging. Yet growth capital is essential at this stage as companies strive to maintain momentum, capitalize on the competitive advantages they’ve created and scale their businesses.

Commercialization ($10 million in revenue or more) can take 13–15 years, and profitability even longer. This is too slow. Canadian companies will need to move faster in the future to achieve material progress toward net-zero emissions. By supporting companies over multiple years through their entire commercialization journeys, we seek to accelerate the time to impactful environmental benefits. We achieve this not only through funding, but also by facilitating post-investment support services to equip companies with the capacities they need to excel and break through.

*EBITDA = earnings before interest, depreciation and amortization
†FCF = free cash flow
GOALS AND TARGETS FOR 2022–2023

Over the last five years, we have enhanced our client-centric approach to innovation funding, seeking out entrepreneurs across Canada who are ready to tackle new ways of delivering long-term environmental and economic prosperity. We now serve more companies in more regions of the country and with more money than ever before.

We often hear from our clients that our entrepreneur-centric approach makes us unique among innovation programs. We are proud of this and will continue to embed in our culture the willingness to do the hard work to understand how we can accelerate collective action to increase the number of high-growth firms across Canada. The importance of our mandate to deliver environmental and economic prosperity for Canada has never been stronger.

Research conducted in 2021 (see sidebar) with SDTC clients, entrepreneurs and potential environmental solution providers revealed a high degree of awareness and confidence in the services we provide. It also validated that our future must include deliberate effort to build connections with potential partners who are looking for solutions across their supply chains to meet and deliver on sustainability commitments.

The success of our differentiated approach is about more than just funding. It requires market research, networks, and a willingness to listen to and learn from all stakeholders to connect Canadian innovators to the key supports they need when they need them. In 2022–2023 we will continue to leverage our understanding of our clients’ commercialization journeys to further tailor how we work with our clients to meet their changing needs throughout those journeys.

Understanding our entrepreneurs

In 2019 we commissioned market research into the perceptions of Canadian climate tech entrepreneurs. This audience segmentation research has successfully informed our growth strategy and communications.

In 2021 we embarked on a second phase of research with Edelman Canada to deepen our understanding of SDTC’s reputation in the market among both entrepreneurs and potential climate tech solutions providers.

The findings showed SDTC stands above our peers in terms of positive perceptions, with respondents reporting high levels of trust in our organization. Among those familiar with SDTC, positive perceptions were driven by experience, reputation and commitment to sustainability.

The research also identified areas of opportunity to increase familiarity with SDTC’s mandate among the broader entrepreneur population, particularly among women, those at earlier stages of their tech journeys and those in regions outside central Canadian hubs.

These findings will further guide our ecosystem development and market strategy to enable us to reach potential partners and entrepreneurs more effectively.
The future will be very different than the past

We know that the future will require us to apply new ideas and solutions to issues that affect us all. For example, reaching net-zero emissions by 2050 requires further rapid deployment of available technologies as well as widespread use of technologies not even on the market yet. Most of the global reductions in CO₂ emissions by 2030 will come from technologies readily available today. But by 2050, almost half the reductions will come from technologies that are currently at the demonstration or prototype phase. Major innovation efforts must occur in the next decade to bring these new technologies to market in time.

At SDTC, we know that if we are to beat climate change and other environmental challenges, we will need a singular focus on getting companies to scale, commercialization and profitability. It is only when we are able to deploy these technologies, post production and at scale, that we will see a tangible impact on the environmental challenges we face.

However, climate change is just one of the environmental challenges the world is facing. For example, the “planetary boundaries” concept defines a set of nine environmental limits within which humanity can safely operate and thrive for generations to come, as well as the systems needed to regulate nature’s stability and resilience. Going past these limits increases the risk of irreversible damage to the planet’s ecosystems.

In keeping with our mission to enable environmental and economic prosperity for Canada, we struck a task force in 2021–2022 to look at the evolution of environmental priorities in the context of ongoing global discussions on climate change; the circular economy; environmental, social and corporate governance (ESG); the pandemic; and sustainable development. In consultation with external experts and our clients, we moved to modernize our approach to environmental benefits quantification and to focus our efforts in three key evolving priority areas:

- **Climate change**: Delivering GHG reductions
- **Circular economy**: Contributing to the recycling, regeneration and re-use of resources

Impact investing: The intersection of sustainability and innovation

SDTC plays a unique role in the Canadian innovation ecosystem.

We do one thing: support innovative Canadian companies with the potential to become world leaders and global champions in the development of sustainable solutions.

SDTC is a leader in understanding and investing in the innovative solutions required to reach net zero emissions by 2050. As well, our funding approach is unique in supporting companies over several years through their entire commercialization journey. We help them turn their breakthrough innovations into successful enterprises, delivering impactful environmental and economic prosperity to Canadians and the world.

6. The planetary boundaries concept was pioneered by John Rockström and his team at the Stockholm Resilience Centre.
People, communities and nature: Promoting well-being for humans and our environment, through sustainable agriculture and food production, clean water and air, resilient communities and cities, and the preservation and regeneration of our natural ecosystems.

We understand that the best technology in the world will not make a difference if it cannot be successfully commercialized. In 2021–2022 we deepened our research capacity and due diligence approaches to better assess the economic and market fundamentals of potential projects, as well as entrepreneur and management team potential. With this focus, we have begun a journey that will take a more holistic view to assessing applicants and their ideas.

The pandemic underlined the importance of communities, talent and teamwork. We have therefore also started shifting our approach to one that goes beyond funding. In the upcoming years, our goal is to provide services and insights to our entrepreneurs throughout their journeys, from seed through scale-up and beyond. Our ultimate vision takes us back to the idea that innovation happens here by fostering a series of vibrant, regional innovation ecosystems that are connected nationally and include a critical mass of early-stage, mid-stage along with globally competitive Canadian companies that are driving Canada’s environmental and economic prosperity.

Our goals are ambitious. But we have proven over the past five years that we can continue to meet and exceed expectations by keeping the needs of our companies front and centre. We achieve this by setting clear targets in our corporate plan, which are then operationalized in our business plan and through each team member’s individual objectives and key results.

The following sections outline our priority goals and targets for 2022–2023. These goals are in line with the strategic priorities outlined in the Prime Minister’s mandate letters to all federal cabinet ministers: to support the whole-of-government effort to reduce emissions, create clean jobs and address the climate-related challenges communities are already facing. They also align with the mandate of the Department of Innovation, Science and Economic Development (ISED) to build on existing advisory services to guide emerging clean technology firms from formation to export.

Evolving global discussions on climate change

Public policy on climate change is continually evolving.

Delivering GHG reductions is critical to meet Canada’s 2030 emissions target and Canada’s plan to reach net zero by 2050.

A circular economy will help Canada achieve these policy goals, while also providing economic benefits such as new revenue streams, reduced supply chain risks and improved brand reputation.

The pandemic has underlined the importance of food and water security, resilient communities, and even healthy buildings to better serve our people, communities and nature.

In light of these priorities, we have expanded our definition of environmental benefits to encompass all these critical elements when reviewing technologies to invest in.

---

7 Minister of Innovation, Science and Industry Mandate Letter (pm.gc.ca)
Our goals also build upon strategy discussions undertaken by our Board of Directors and management. In recent years the Board has engaged in a wide range of economic and innovation discussions with thought leaders including: Michael McCain (Maple Leaf Foods), Zita Cobb (Shorefast), Peter Tertzakian (Arc Energy), Michele de Vigna (Goldman Sachs) and Professor Dan Breznitz (University of Toronto).

Our priority goals for 2022–2023 are:

1. **Investing from seed to success** (portfolio investment strategy)
2. Connecting and supporting our entrepreneurs and innovation ecosystems
3. Timely information to Inform decision making; and,
4. Talent, Skills and Diversity.

See Appendix A for more details.

**GOAL 1: Investing from seed to success** (portfolio investment strategy)

In recent years, we have diversified our funding into three streams—seed, start-up, and scale-up—and tailored our processes and practices to align with client needs (see sidebar). Through this differentiated approach, we have expanded our perspective from “one project, one company” to a more in-depth portfolio view that will continue to inform future funding decisions alongside our efforts to support firms in their journeys to commercialization.

At the highest level, when we look at a project and company for investment, we focus on five key factors:

- The potential environmental and economic benefits
- The merits of the proposed idea
- The market potential of the idea (specifically, the potential to transform the idea into a profitable product on which to grow a business)
- The experience of the company’s management team and its investor support
- The degree to which the company has been able to align with customers and other strategic partners

When it comes to the ideas presented to us, we are truly technology diverse, funding the full spectrum of technologies through all stages of development. We are proud that our portfolio covers everything from agriculture to quantum computing.

---

**Three types of SDTC funding**

SDTC’s **Seed Funding** provides early-stage founders with a one-time grant of $50,000 to $100,000 to validate an idea. Companies must be nominated by one of SDTC’s 68 accelerator partners and have raised $100,000 to $200,000 from accredited investors.

SDTC’s **Start-up Funding** is a non-dilutive grant, averaging between $2 million and $5 million and paid out over five years based on performance. Companies apply to SDTC directly and must have a well-defined project, line of sight to financing their company and the project, be engaged in discussions with potential customers, and be working with customers to test business model viability assumptions.

SDTC’s **Scale-up Funding** is similar to Start-up Funding but targeted to more advanced, high-growth companies with track records of success that are looking to scale, strengthen their competitive advantage and/or unlock a larger customer base.

We’re ready when and where entrepreneurs are. We fund at all stages of innovation to help Canadian companies build a robust, sustainable economic future.
Once a company is approved for funding, our relationship with them enters a new phase. We work alongside them to provide the support they need to succeed—that is, to commercialize their ideas and grow their business, eventually becoming a vibrant and profitable entity, independent of SDTC.

By broadening our view of innovations and their potential environmental benefits and expanding our funding focus to fill gaps and meet needs, we have expanded the number of firms we support. In the upcoming year, we will continue to expand and hone our seed-to-success approach.

### Strategic focus

- Grow an expanding cohort of Canadian companies, progressing from seed to scale-up. The successful commercialization and scale-up of these firms will lead to an acceleration of environmental outcomes for Canada.
- Drive a high-level of client-centric service and operational excellence across the entire client lifecycle, with a focus on client relationships beyond initial funding approval.
- Continuously evaluate value for money, with respect to how SDTC’s portfolio is delivering on net Canadian benefits.

### Goals for 2022–2023

- Implement an updated governance approach to portfolio-based approvals, performance monitoring and outcomes assessment, including a refined approach to our enterprise risk management.
- Maintain a diverse pool of applicants from across Canada, with particular focus on client discovery efforts, to:
  - Seek out entrepreneurs who have the highest potential to make the most meaningful impact in our three sustainability impact areas.
  - Diversify and expand our applicant pool with the target of ensuring at least 25% of newly funded portfolio companies are woman-led.
  - Expand our brand awareness (including through company profiles) across seed, start-up and scale-up entrepreneur populations.

---

What does it mean to be technology diverse?

We know that to be truly transformational, all sectors must be highly innovative—everything from agriculture to transportation to quantum computing to planetary mapping.

As technologies multiply, so do the environmental benefits gained through their application.

That is why we fund all these technologies and more, through all stages of their development.

We have modernized our approach to assessing environmental benefits in three sustainability impact areas: climate change; circular economy; and people, communities and nature.

These categories allow us to reach further into the ecosystem, support even more Canadian entrepreneurs and help them achieve a global footprint.
• Identify two to four ecosystem-building opportunities across the various stages of innovation that will enable entrepreneurs to succeed.
  • This includes piloting new approaches to shared infrastructure, prototyping services and shared resources accessible to companies.
• Develop and implement a multi-year approach to client surveys throughout our operations to further inform our strategic direction.

**GOAL 2: Connecting and supporting our entrepreneurs and innovation ecosystems**

Enabling environmental and economic prosperity requires more than just funding. It takes an ecosystem of investors, customers and public institutions to help companies grow and scale here at home.

Our approach to ecosystem development has two parts: one focused on strengthening the supports for early-stage innovators, the other on helping companies looking to scale.

**Building capacity for early-stage innovators**

Three years ago, we embraced a new strategy to work with partners in communities across Canada. Together we recognized there are differences in local capacity and innovators need different supports depending on the community they live in, the sector they are trying to break into, and the stage of innovation they are targeting.

As a starting point, we focused on providing companies with one-window access to multiple funding sources. We then strengthened our local networks and relationships, seeking out new innovators in cities and regions of Canada that had not previously applied to SDTC.

In 2020–2021 we made our first investment in ecosystem capacity, partnering with the Saskatchewan Indian Institute of Technologies (SIIT) to develop the first Indigenous-led innovation accelerator in Canada. This initiative, and others like it, will lay the foundation for emerging Indigenous entrepreneurs to build high-growth, Indigenous-led businesses.

In 2022–2023 we will continue to invest in local ecosystem capacity, partnering with educational institutions and other non-profit organizations seeking to accelerate local innovation outcomes by leveraging local talent, assets and capacity.

---

**Innovation is more than invention**

Why do we keep having the wrong conversations about innovation—and what should we be talking about instead?

In his book *Innovation in Real Places*, Dan Breznitz proposes that there are four unique stages of innovation.

All regions have certain advantages in at least one stage of the global production process. The trick is in recognizing it. By focusing on where they fit within the four stages, communities can foster surprising forms of specialized innovation.

<table>
<thead>
<tr>
<th>Novelty</th>
<th>New technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Prototype development, production engineering</td>
</tr>
<tr>
<td>2nd Generation Product &amp; Component Innovation</td>
<td>Expansion and refinement of a product</td>
</tr>
<tr>
<td>Production &amp; Assembly</td>
<td>Profitable production</td>
</tr>
</tbody>
</table>
Building capacity for companies looking to scale

The question of scale-up goes beyond any one company or technology. The urgency of climate change requires us to scale emissions reduction and net-zero solutions in every industrial sector. And successful deployment at scale depends on how well a company understands the complexities of its market and customer base and what it takes to serve them.

In 2021–2022 we began work to create linkages between domestic demand for made-in-Canada solutions and our portfolio of companies. This market-driven approach brings together knowledge from public and private sector customers, our companies, and other partners and investors needed to support companies as they grow.

Market and customer development is as important as technology and product development. Firms face many challenges when selling into either established markets with strong incumbent technology or fragmented and highly differentiated markets, or when they are creating new markets altogether. To support companies developing solutions that have never been deployed at scale, we must continue to grow our networks and explore opportunities to use our domestic market as a springboard to meet global demand.

There are many ways Canada’s scale-ups can contribute to the Canadian economy.8 Our priority in 2022–2023 is to focus on the journey after invention and explore new approaches to support companies as they commercialize their ideas and deploy them at scale.

Strategic focus

- Connect local and regional innovation ecosystems to their national counterparts, creating targeted and differentiated supports based on local skills, assets and capacity.
- Partner with scale-up companies and global market leaders with later-stage innovation resident in Canada to identify opportunities to foster growth across the four stages of innovation.9

Goals for 2022–2023

- Facilitate post-investment support services to equip companies with the capacities they need to excel, including access to talent, training, investment and customers. To do this, we will:
  - Develop an alumni mentoring program to connect experienced and emerging entrepreneurs and advance the business and leadership skills of the portfolio as a whole.
  - Support the development of ongoing board governance education in continued partnership with the Council of Canadian Innovators.
  - Identify and develop commercial market opportunities within Canada to create stable local demand that can serve as a platform/beachhead for a critical mass of globally exporting companies.
  - Become a leader in intellectual property (IP) education in continued partnership with the Innovation Asset Collective (IAC), developing at least two to three IP workshops with peer-to-peer learning for every stage of our clients’ commercialization journeys.
- Launch a new private equity partners group.
- Continue collaboration with Business Development Bank of Canada (BDC), Export Development Canada (EDC), Strategic Innovation Fund, the Canadian Infrastructure Bank and provincial partners to build cross-organizational strategies for leading firms.

---

8  Into the Scale-up-verse (brookfieldinstitute.ca)
9  Innovation in Real Places, Dan Breznitz
GOAL 3: Timely information to inform decision making

The pace of innovation continues to accelerate, which requires SDTC to be focused, client-centric and data-driven. The gap between large and small companies continues to grow, with entrepreneurs enduring challenges in accessing customers both domestically and globally.

Only 1 in 100 young firms will reach scale-up status within their first 10 years. Nonetheless, their contributions to Canada’s economic growth are substantial and invaluable.¹⁰

SDTC was created to provide funds to companies just starting out—before it becomes clear whether their ideas will be transformed into reality. In many ways, what SDTC does is analogous to picking the players on a Major League Baseball team during Spring Training, in February and March. One makes choices based upon potential, but no one really knows if the skills and talents of the individuals will come together in a team that can deliver a winning season, or against all odds, win the World Series.

Research and analysis

Picking the best prospects requires in-depth, thoughtful research and analysis of the companies and their external environments. By drawing on our unique insights into and relationships with our companies and their operating environments, we gain a complete understanding of the challenges and issues they face. Combined with our knowledge of industry trends, we use this data to better support our companies and build an ecosystem they can thrive in, centered on Canadian knowledge and skills development.

Our research and analysis team also tracks our portfolio successes: companies that become Canadian global market players thanks to our support and are now making an environmental impact while becoming economically successful. Analyzing these companies, talking to them regularly and tracking their progress can help us determine the traits we need to identify so we can nurture early ideas into fruition.

Intellectual property and data

At SDTC, we know that data and related IP assets are foundational to growth—which is evident today with the rapid shift of market value toward intangibles. McKinsey & Company reports that top growing companies are investing 2.6 times more in intangibles than low growers.¹¹

Developing the skills and knowledge necessary to create effective IP and data strategies is an ongoing process. Our partnership with the IAC is critical in this learning. We hold regular training sessions for our employees and companies covering topics from IP basics to developing robust IP strategies. The Board of Directors recently held a working session with our portfolio companies and IP experts to explore the policies and supports our companies need to protect their ideas. We will continue to focus on the creation and protection of data and to support our companies’ growth.

Internal infrastructure and capacity building

To support the research and analysis of our portfolio companies and their environments, our own technology infrastructure must have the capacity to absorb and analyze large volumes of data. For this reason, we are in the process of updating our IM/IT tools to enable us to become a more data-centric organization.

¹⁰ Into the scale-up-verse (brookfieldinstitute.ca)
¹¹ Getting tangible about intangibles: The future of growth and productivity? (mckinsey.com)
Beyond technology infrastructure, we must also build the capacity in our talent pool to use these IM/IT tools to provide analytical supports to our companies. The challenge for our talent is to listen to our companies, aggregate the appropriate data, create the relevant and timely research, and use this knowledge to support our companies through their commercialization journeys.

In 2022–2023 we will increase support for our employees through targeted internal training, special projects and cross-functional collaborations. We will also encourage development opportunities that focus on business and market analytics and IP in conjunction with partners.

**Strategic focus**

- Translate our ability to use our data and that of our portfolio companies into a significant competitive advantage for Canadian entrepreneurs.
- Leverage our knowledge and information to support innovation and decision making within our organization and among our portfolio companies and key stakeholders.
- Understand emerging ecosystems of competitive advantage for Canada that will create jobs for the future and build economic resiliency.

**Goals for 2022–2023**

- Collect, leverage and gain insight from portfolio companies for portfolio companies by leveraging their data (e.g., financial, environmental, diversity) as well as aggregated external data sources to inform decision making, portfolio performance monitoring and outcomes assessment. This will include:
  - Publishing quarterly portfolio performance and outcomes indicators.
  - Developing a framework to assess portfolio companies annually against their global competitors.
- Partnering with the IAC and others to undertake two to three competitive and IP landscape reviews and evaluate areas of threat and opportunity.
- Provide portfolio insights and market intelligence to our clients on a quarterly basis to allow greater understanding of macro factors affecting them and inform their decision making.
- Continue our business transformation into a data-centric organization by renewing our IM/IT infrastructure, with two planned releases of our internal software platform:
  - Release 1 will improve process efficiency and finish migration operations to new cloud-based software platform.
  - Release 2 will deliver tools to enhance understanding of our portfolio companies by collecting more relevant data elements specific to portfolio management and ecosystem supports.
- Continue to partner with the University of Toronto’s Munk School of Global Affairs and Public Policy to monitor accelerator success in nominating and supporting seed companies.

**GOAL 4: Talent, skills and diversity**

During the pandemic, we have become acutely aware of how critical culture is to engage and support our talent. We have been and continue to be consultative and responsive to the concerns and issues raised by our team and our companies. In August 2021 we implemented a remote-first work philosophy, empowering our employees to do their best work regardless of location and providing the flexibility required to support them and their families. This philosophy, born of trust and empowerment, has positively affected productivity and morale while attracting talent from across the country as we grow and strengthen our team.
We have also strengthened our employee value proposition, helping us attract and retain the talent we need to be successful. In addition to the modernization of our compensation and incentives frameworks to ensure our total compensation is within market, we have also enhanced employee benefits and wellness offerings. We have increased learning and development opportunities, shifting to an approach that promotes frequent touchpoints and coaching between leaders and their direct reports. We have introduced an objective and key results (OKR) goal-setting framework, and we offer various opportunities including special projects and cross-functional collaborations to develop top talent.

**Strategic focus**

- Identify, grow and highlight the talent, leadership and diversity within our team and our entrepreneurial community.
- Challenge our companies to join us in adopting the [50–30 Challenge](#), in recognition of the relationship between diversity on leadership teams and the likelihood of financial outperformance, which grows stronger over time.

**Goals for 2022–2023**

- Focus on supporting our team to build critical skills and expertise in support of our mandate including:
  - Ensuring personalized learning plans are in place for all team members.
  - Ensure all team members are trained and feel confident in the use of the new digital tools.
- Promote and develop the leadership skills needed to create a positive, diverse, and vibrant culture in our remote-first work environment.
- Continue to actively monitor our team wellness and maintain focus on the health and safety of our people. Continue to provide employees with the individual support they require through existing health and wellness initiatives.
- Continue to raise awareness of EDI through training sessions and by highlighting best practices, and by ensuring best practices are integrated into our recruitment, leadership development, ecosystem and project selection processes.

**Equity, diversity and inclusion (EDI)**

SDTC recognizes that equity, diversity and inclusion enable organizations to leverage the range of perspectives needed to address today’s complex challenges.

We are proud to have gender parity at all levels of our organization. We are also actively working to increase our significant representation of under-represented groups, with initiatives such as our adoption of the Government of Canada’s [50–30 Challenge](#).

It is by thoughtful design that SDTC has become increasingly diverse. We continue to build a team that will challenge the status quo and push the boundaries of what is possible for Canadian entrepreneurs. We commit to continuing to expand our thinking, abilities and actions.

EDI is an important consideration for optimal operation of our organization as well as for SDTC-funded companies.

**Equity:** We ensure equal opportunities to be successful are provided for all.

**Diversity:** We value diversity because it generates more ideas and possibilities for improvements.

**Inclusion:** We encourage collaboration to optimize inclusion in all that we do, internally and externally.
2022–2023 targets

These targets are in addition to a further 19 performance metrics that are reported to the Government of Canada annually (see Appendix C).

Funds and Operations

- Approve $190–210 million in new investments
- Disburse $125–150 million to funded projects
- Approval and contracting timelines:
  - Seed: less than 45 days
  - Start-up and scale-up: eight months

Ecosystem and Markets

- Follow-on financial support from EDC and BDC: $250 million
- Private sector funders group launched
- Total portfolio: 25% of portfolio companies are majority-led by women

Culture, Capacity and Talent

- Employee engagement: above industry benchmark for comparative group
- Diversity: best practices in place to collect data and track progress

Clients and Partners

- Use the Edelman Trust survey results to continue to assess and benchmark our reputation and reach with key stakeholders and clients.
- With our ecosystem strategy, form new partnerships, deepen existing relationships and extend our reach further across Canada.
SDTC portfolio results
January 2022

TOTAL DOLLARS DISBURSED

Accelerated disbursements means more money faster in the hands of Canada’s innovators.

COM COMPANIES APPROVED

Supporting the emergence of a more robust and vibrant entrepreneurial ecosystem and delivering results with a growing cohort of globally competitive companies.
The green engine of economic recovery: supporting the entrepreneurs that can grow domestic and exporting climate tech business and aid the economic recovery.

Meeting all our targets and more: improved disbursement times.

SDTC has become one of Canada's most crucial actors in the effort to get to net zero.
INTERIM RESULTS: 2021–2022

Our annual report is published each August, providing the full results from the fiscal year (April 1–March 31). In accordance with our contribution agreement with the Government of Canada, we report our interim results from our 2021–2022 corporate goals and targets here. These results are subject to change.

Over the past year we have witnessed unprecedented investments across all sectors around the world, including record investment in the companies SDTC supports. However, we have also witnessed the predatory behaviour toward small and medium-sized enterprises that comes with success as they commercialize and scale. We have seen first-hand the challenges our portfolio companies have faced as they continue to deal with the fallout of the pandemic, from delays due to pervasive supply chain issues to fierce competition for talent.

As a result of these external forces, some of our portfolio companies have revised their initial project planning, which delays our milestone disbursement payments. Our team is in regular contact with our companies to best understand their current realities, challenges and most realistic projections. We pivot with them and continue to offer the right supports at the right time based on their individualized needs.

But through it all, their resiliency has shone through as they navigate these and many more dynamics in our ecosystem and continue to scale up, commercialize, search for and secure markets, and deliver environmental benefits to Canada and the rest of the world.
Investments

What we said in 2021

CORE GOALS

✔ Monitor the resiliency of portfolio firms to better understand emerging challenges and how ongoing disruptions from COVID-19 are impacting outcomes. Design targeted supports, as required.

✔ Approve $140–160 million in new investments with disbursements of $126 million to funded projects. The distribution of these new investments is anticipated as follows:
  • Seed funding: $8–10 million
  • Start-up funding: $85–95 million
  • Scale-up funding: $45–55 million

✔ Diversify and expand our applicant pool through targeted marketing, outreach and continued implementation of our EDI strategy.

✔ Implement an updated approach to environmental and sustainability-focused assessment and outcomes reporting that builds on our strong record of environmental reporting and incorporates global best practices.

GROWTH STRATEGY

✔ In 2021–2022, we will work with partners to:
  ✔ Enable pathways for firms to export into priority international markets.
  • This was not completed, as anticipated government funding was not made available.

✔ Enhance cooperation with BDC, EDC, Strategic Innovation Fund and provincial partners to build cross-organizational strategies for leading firms.

Current status

✔ We provided $20 million in pandemic recovery funding in March 2021. Ongoing portfolio monitoring continued through the fiscal year.

✔ We approved $87 million in funding (23 start-up and scale-up companies + 38 seed companies), with a total of $150–170 million in approvals forecast by end of fiscal year.

✔ We disbursed $55 million, with a total of $98 million forecast by year-end. This is lower than the $126 million initially anticipated. COVID-19 is impacting companies’ ability to progress at the same pace as previously projected.

✔ 32% of firms approved in the first 2021–2022 seed round are led by women.

✔ Building on our 2019 market research study, we completed the second phase of research into trust and reputation. Findings confirmed superior reputation levels among those familiar with SDTC. Further opportunities to build awareness of SDTC and refine target messaging were identified and applied to target stakeholder ecosystem-building efforts in support of commercialization and innovation market development.

✔ We modernized our approach to assessing environmental benefits in three sustainability impact areas: climate change; circular economy; and people, communities and nature.

✔ $170 million in follow-on financial support provided by BDC and EDC to SDTC portfolio companies from January to August 2021.

✔ We established a new working group with BDC, EDC and the Strategic Innovation Fund.

On hold: Our initiatives related to enabling pathways in priority international markets.
Ecosystems

What we said in 2021

CORE GOALS

✔ Create a leading network of mentors, partners, accelerators and entrepreneurial support organizations to drive the success of our firms.
✔ Host our 6th Annual Leadership Summit, with a focus on accelerating firms’ post-pandemic growth and creating opportunities for mentorship and ecosystem connections.
✔ Pilot a new approach to grow Indigenous entrepreneurship in Canada.
✔ Profile the extraordinary work of our portfolio companies to support efforts to attract funding and customers.

GROWTH STRATEGY

✔ Pilot the Integrated Marketplace, a demand-driven approach that will break down barriers and accelerate the procurement and adoption of sustainable innovations in Canada.
✔ Pilot new approaches to shared infrastructure for demonstration and piloting.
✔ Build capacity in entrepreneurship and technology development in the areas of convergence between environment and health.
✔ Strengthen our network of private sector funders that work closely with SDTC and our public sector funding partners to fill gaps in the Canadian public-private innovation ecosystem.

Current status

✔ We increased the number of accelerator partners to more than 65.
✔ We provided 2021–2022 seed funding recipients with warm hand-offs to the Innovation Asset Collective (IAC).
✔ In the absence of an in-person summit, we hosted a series of virtual events with external stakeholders targeting the issues companies were facing in a post-pandemic economy.
✔ Our pilot initiative with Saskatchewan Indian Institute of Technology to grow Indigenous entrepreneurship in Canada is underway.
✔ We launched our new and expanded marketing strategy, Innovation Happens Here, with multimedia outreach efforts.
✔ We initiated the first project of the Innovation Marketplace pilot through our collaboration with CanHealth Network.
✔ We continue to expand the ecosystem in which we operate, including private sector funders. In BC, we recently undertook discovery sessions with a number of venture capital and angel investors and are exploring how we can further leverage those pilot findings in other regions across Canada.

Awaiting approval: Funding for a shared infrastructure initiative is expected to be approved prior to end of fiscal year.
Timely information to inform decision making

What we said in 2021

CORE GOALS

✔ Continue to modernize the IM/IT infrastructure and systems to augment our capabilities as a data-enabled organization.
✔ Mine the rich financial, environmental and business performance data of funded companies, along with ecosystem data to provide greater understanding and insights.
✔ Support companies as they experiment with data sharing and other data-centric pilot projects.
✔ Collaborate with the IAC to provide regular, tailored seminars and learning opportunities on intellectual property for our companies.

GROWTH STRATEGY

✔ Conduct a series of environmental and competitive landscape scans to better understand areas of rapid commercialization.
✔ Benchmark our portfolio against the global competitive landscape.
✔ Conduct intellectual property reviews and use the findings to strengthen the ability of our companies to defend against predatory actions from competitors and non-Canadian investors.
✔ Assess and evaluate the needs of key stakeholders through client surveys to enable better decision making and prioritize actions that will move the needle with employees and portfolio companies.

Current Status

✔ We released the first version of our centralized investment management platform, providing a solid foundation to build upon in future years.
✔ We focused on quality data collection for meaningful portfolio performance reporting, sector trends and other analysis. We are holding ongoing lookback sessions, including success and failure case analysis.
✔ We hosted peer-to-peer intellectual property workshops in collaboration with the IAC.
✔ In collaboration with the Council of Canadian Innovators, we launched governance training for Canada’s fastest-growing innovators.
✔ We advanced our security platform and continuous training in support of security-minded culture.
✔ We completed an intellectual property review of sectors affected by potential predatory behaviour.
✔ We gathered CEO insights twice during the year to assess and evaluate the needs of key stakeholders and better understand their rapidly changing environment.
✔ We completed two industry deep dives (electric vehicle supply chain and agriculture) to understand competitive landscapes and evolve our portfolio.
✔ We benchmarked our agricultural companies against global peers.
✔ We are working with Statistics Canada to assess our aggregate portfolio performance against a broader set of small and medium-sized enterprises in Canada.
✔ We compiled aggregate results of a client survey into a peer learning document shared with all CEOs in our portfolio to enable better decision making.
Talent, skills and diversity

What we said in 2021

**WITHIN SDTC WE WILL:**

✔ Continue to keep the health and safety of our employees at the forefront of all that we do by providing employees with the individual support they require. This will keep our team healthy, stable and productive while managing the impacts of COVID-19.

✔ Continue to make meaningful advancements to advance equality, diversity and inclusion within our workplace.

✔ Ensure we continue to have the skills, expertise and culture needed to execute strategic internal and external initiatives.

**FOR OUR CLIENTS WE WILL:**

✔ Collect diversity data on applicant and portfolio companies to understand the representation and success rates of diverse groups and develop strategies to enhance the inclusion of under-represented groups.

✔ Develop new tools to better assess the skills and capability of management teams needed to advance commercialization.

Current status

✔ Our leadership culture during pandemic has been focused on consulting, listening to employees and adapting to ensure the wellbeing and productivity of our teams.

✔ We implemented a remote-first work philosophy allowing employees to work where they can be most productive. This philosophy also allows us to hire and retain the right diversity of people and skills regardless of where they are located, and provides flexibility for effective work-life integration.

✔ We enhanced our wellness and benefits offerings and modernized our compensation and incentives frameworks to ensure compensation is within market.

✔ We adopted the Government of Canada’s 50–30 Challenge as a framework to accelerate diversity actions already taking place in many Canadian companies and to encourage other organizations to adopt equity-improving practices.

✔ We implemented an Objectives and Key Results (OKR) methodology, with frequent touchpoints and performance coaching between leaders and team members, including enhanced learning and development opportunities.

✔ We continued to advance EDI within our workplace through team-specific case study sessions and resources building on all-staff training.

✔ We have undertaken a review to develop an initial baseline portfolio snapshot of the representation of various diverse populations on leadership teams and boards of our portfolio companies, which will inform next steps on developing strategies to enhance inclusion efforts.

✔ We developed and are testing a skills gap matrix, and a management strength and governance dashboard. Our team will use these tools to better assess the skills and capability of applicant management teams.
Accountability

SDTC is accountable to Parliament through the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry.

Our Board of Directors is responsible for the strategic vision of the foundation and provides fiduciary oversight through four sub-committees: Audit, Governance and Nominating, Human Resources, and Project Review.

Collectively, the Board of Directors brings experience and expertise from multiple sectors and represents diversity in gender, language, ethnicity and region. For the current list of Directors, visit: www.sdtc.ca.

Performance reporting and targets

SDTC has three main annual reporting requirements to the Minister of Innovation, Science and Industry: corporate plan, performance measurement strategy and targets (Appendix C), and annual report.

As a leading funder on climate change, we also provide information in support of annual government reporting requirements.

For further details on the risk management and financial performance on which this corporate plan is based, please refer to the appendices.
### APPENDIX A: STRATEGIC FOCUS AND GOALS FOR 2022–2023

#### Strategic focus

<table>
<thead>
<tr>
<th>GOAL 1: Investing from seed to success: portfolio investment strategy</th>
<th>GOAL 2: Connecting and supporting our entrepreneurs and innovation ecosystems</th>
<th>GOAL 3: Timely information to inform decision making</th>
<th>GOAL 4: Talent, skills and diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow an expanding cohort of Canadian companies, progressing from seed to scale-up. The successful commercialization and scale-up of these firms will lead to an acceleration of environmental outcomes for Canada.</td>
<td>Connect local and regional innovation ecosystems to their national counterparts, creating targeted and differentiated supports based on local skills, assets, and capacity.</td>
<td>Transform our ability to use our data and that of our portfolio companies into a significant competitive advantage for Canadian entrepreneurs.</td>
<td>Identify, grow, and highlight the talent, leadership and diversity within our team and our entrepreneurial community.</td>
</tr>
<tr>
<td>Drive a high-level of client-centric service and operational excellence across the entire client lifecycle, with a focus on client relationships beyond first funding approval.</td>
<td>Leverage our knowledge and information to support innovation and decision making within our organization and throughout our portfolio companies and key stakeholders.</td>
<td>Challenge our companies to join us in adopting the 50–30 Challenge, in recognition of the relationship between diversity on leadership teams and the likelihood of financial outperformance, which grows stronger over time.</td>
<td></td>
</tr>
<tr>
<td>Continuously evaluate value for money, with respect to how our portfolio is delivering on net Canadian benefits.</td>
<td>Partner with scale-up companies and global market leaders with later-stage innovation in Canada to identify opportunities to foster growth across the four stages of innovation.</td>
<td>Understand emerging ecosystems of competitive advantage for Canada that will create jobs for the future and build economic resiliency.</td>
<td></td>
</tr>
</tbody>
</table>
## Goals for 2022–2023

<table>
<thead>
<tr>
<th>GOAL 1: Investing from seed to success: portfolio investment strategy</th>
<th>GOAL 2: Connecting and supporting our entrepreneurs and innovation ecosystems</th>
<th>GOAL 3: Timely information to inform decision making</th>
<th>GOAL 4: Talent, skills and diversity</th>
</tr>
</thead>
</table>
| Implement an updated governance approach to portfolio-based approvals, performance monitoring and outcomes assessment, including a refined approach to our enterprise risk management. | Facilitate post-investment support services to equip companies with the capacities they need to excel, including access to talent, training, investment and customers. To do this, we will:  
  - Develop an alumni mentoring program to connect experienced and emerging entrepreneurs and advance the business and leadership skills of the portfolio as a whole.  
  - Support the development of ongoing board governance education in continued partnership with the Council of Canadian Innovators.  
  - Identify and develop commercial market opportunities within Canada to create stable local demand that can serve as a platform/beachhead for a critical mass of globally exporting companies.  
  - Become a leader in IP education in continued partnership with the IAC, developing at least two to three IP workshops with peer-to-peer learning for every stage of our clients’ commercialization journeys. | Collect, leverage and gain insights from portfolio companies for portfolio companies by leveraging portfolio company data (e.g., financial, environmental, diversity) as well as aggregated external data sources to inform decision making, portfolio performance monitoring and outcomes assessment. This will include:  
  - Publishing quarterly portfolio performance and outcomes indicators.  
  - Developing a framework to assess portfolio companies annually against their global competitors.  
  - Partnering with the IAC and others to undertake two to three competitive and IP landscape reviews and evaluate the areas of threat and opportunity. | Focus on supporting our team to build critical skills and expertise in support of our mandate including:  
  - Ensuring personalized learning plans are in place for all team members.  
  - Ensuring all team members are trained and feel confident in the use of the new digital tools. |
<table>
<thead>
<tr>
<th><strong>GOAL 1:</strong> Investing from seed to success: portfolio investment strategy</th>
<th><strong>GOAL 2:</strong> Connecting and supporting our entrepreneurs and innovation ecosystems</th>
<th><strong>GOAL 3:</strong> Timely information to inform decision making</th>
<th><strong>GOAL 4:</strong> Talent, skills and diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain a diverse pool of applicants from across Canada, with particular focus on client discovery efforts, to:</td>
<td>Build on the Innovation Happens Here campaign by continuing to profile the strengths of companies and regions, and expanding the focus to include, for example:</td>
<td>Provide portfolio insights and market intelligence to our clients on a quarterly basis to allow greater understanding of macro factors affecting them and inform their decision making.</td>
<td>Promote and develop the leadership skills needed to create a positive, diverse and vibrant culture in our remote-first work environment.</td>
</tr>
<tr>
<td>• Seek out entrepreneurs with the highest potential to make the most meaningful impact in our three sustainability impact areas.</td>
<td>• Curated events such as our Annual Leadership Summit.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Diversify and expand our applicant pool with the target of ensuring at least 25% of companies funded are led by women.</td>
<td>• Investor and alumni events that connect companies with start-up and scale-up investors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Expand our brand awareness (including through company profiles) across seed, start-up and scale-up entrepreneur populations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identify two to four ecosystem-building opportunities across the various stages of innovation that will enable entrepreneurs to succeed.</td>
<td>Launch a new private equity partners group.</td>
<td>Continue our business transformation to a data-centric organization by renewing our IM/IT infrastructure, with two planned releases of our internal software platform:</td>
<td>Continue to actively monitor our team wellness and maintain focus on the health and safety of our people. Continue to provide employees with the individual support they require through health and wellness initiatives.</td>
</tr>
<tr>
<td>• This includes piloting new approaches to shared infrastructure, prototyping services, and shared resources accessible to companies.</td>
<td></td>
<td>• Release 1 will improve process efficiency and finish migration operations to new a cloud-based software platform.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Release 2 will deliver tools to enhance understanding of our portfolio companies by collecting more relevant data elements specific to portfolio management and ecosystem supports.</td>
<td></td>
</tr>
<tr>
<td>GOAL 1: Investing from seed to success: portfolio investment strategy</td>
<td>GOAL 2: Connecting and supporting our entrepreneurs and innovation ecosystems</td>
<td>GOAL 3: Timely information to inform decision making</td>
<td>GOAL 4: Talent, skills and diversity</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Develop and implement a multi-year approach to client surveys throughout our operations to further inform our strategic direction.</td>
<td>Continue collaboration with BDC, EDC, Strategic Innovation Fund, the Canadian Infrastructure Bank and provincial partners to build cross-organizational strategies for leading firms.</td>
<td>Continue to partner with the University of Toronto’s Munk School of Global Affairs and Public Policy to monitor accelerator success in nominating and supporting Seed companies.</td>
<td>Continue to raise the awareness of EDI through training sessions and by highlighting best practices and ensuring they are integrated into our recruitment processes, leadership development, ecosystem initiatives and project selection processes.</td>
</tr>
</tbody>
</table>
APPENDIX B: RISKS AND MITIGATIONS

This section focuses on the key risks facing SDTC and the strategies in place to mitigate these risks to an acceptable level. Several strategies presented in this corporate plan will also further mitigate our key risks.

In addition to these risks, we understand that external market factors affect the success of the companies we fund. To help companies develop market-ready technologies, we are diligent in ensuring our program delivery model is impactful and focused on providing companies with the support they need to commercialize successfully.

**RISK: Applicant pool**

Risk that our applicant pool is constrained, resulting in our being unable to fund companies with the greatest potential (e.g., potential applicants do not know about SDTC, we are unable to find companies, COVID-19-related challenges, etc.)

**Mitigation**

- Risk-based approach and streamlining of internal processes to reduce administrative burden. Targeted outreach and communications to potential applicants.
- Continuous intake process with timelines tailored to applicant readiness for approval and contracting.
- Ecosystem strategy that considers regional nuances and ecosystem maturity and defines target audiences.
- Partnerships with federal and provincial agencies leading to referrals from other programs.
- EDI strategy that includes employee training and engagement, guidance for data collection best practices, and outreach to identify diverse applicants.
- Option for companies to apply to both SDTC and provincial cleantech organizations at the same time, eliminating multiple applications and streamlining due diligence processes and project reporting.

**RISK: External changes**

Risk that external changes in the business environment affect project costs and/or timelines, resulting in expected environmental or economic benefits not being achieved.

**Mitigation**

- Portfolio and project monitoring to identify when challenges emerge.
- Ongoing environmental scans of the external environment and monitoring of leading indicators for changes in business environment to ensure early identification of possible impact to portfolio.
- Financial forecasting that takes into account latest project information.
- Due diligence process at approval stage that considers project risks and exposures.
RISK: Productivity and wellbeing

Risk that new ways of working (e.g., remote working, home spaces for work, coping with the pandemic) have adverse effects on employee health, wellbeing, motivation, innovation or energy, affecting operations and/or productivity.

Mitigation

- Ongoing leadership, communications, check-ins and flexible work arrangements offered to employees, as well as empathy toward their personal challenges. Health and safety of employees is our top priority.
- Continual provision of our employee assistance program, wellness workshops, encouragement for taking vacation and resources to promote mental health.
- Mandated vaccine policy, with 100% response rate by employees and Board of Directors.
- Future of Work Committee and remote-first work philosophy, which provide an excellent foundation to support employees through the ever-changing environment associated with the pandemic and with working in a hybrid model.
- Proper technologies that support the hybrid environment, ensuring high level of security for our systems and related data.
- Strengthened employee value proposition that helps us attract and retain the top talent we need to be successful.

RISK: COVID-19 impacts on companies

Risk that our programs do not effectively support the needs of companies progressing along the commercialization lifecycle as they experience challenges resulting from the COVID-19 pandemic (and related downstream impacts of the pandemic).

Mitigation

- Portfolio and project monitoring to identify when challenges emerge.

RISK: Ecosystem connectivity

Risk that our portfolio companies are unable to access the ecosystem supports needed to help build capacity and access customers and investment to scale up, resulting in key medium- and long-term environmental and economic benefits (e.g., sustainability, IP retention, critical skills, jobs, revenues) not being realized and/or retained in Canada.

Mitigation

- Partnerships and outreach strategy that identifies key partners in each region.
- Network of referral partners within the federal government to provide supports.
- Ongoing stakeholder mapping to inform targeted outreach.
- Established network of approximately 50 accelerators to better understand emerging areas of innovation.
RISK: Timely response to company needs

Risk that we are not sufficiently nimble or positioned to move fast enough to support the build of companies in the emerging climate technologies market.

Mitigation

- Lookbacks, learnings and CEO outreach to identify areas that need to be proactive, and the implementation of actions.
- Partnership with BDC, EDC and SIF for follow-on funding.
- Diversified employee skill set and access to strong network of consultants that allows for rapid response and implementation of new initiatives.

RISK: Cash Flow Projections

Risk that we cannot effectively forecast cash requirements given the diversity and uniqueness of funded companies, timing of proposal submissions and approvals, and/or changes that could occur over project lifespans, resulting in SDTC having insufficient funds to meet its needs.

Mitigation

- Forecasting methodology/process in place with periodic review of model assumptions.
- Investment Leads forecast the cash flow needs of each funded project. This information is updated on a monthly basis.
- Close collaboration with ISED to ensure funds are sufficient to meet cashflow needs.
APPENDIX C: PERFORMANCE MANAGEMENT STRATEGY FRAMEWORK

Detailed information on these metrics can be found in recent copies of our annual report and funded project list, both of which are available on [www.sdtc.ca](http://www.sdtc.ca)

<table>
<thead>
<tr>
<th>#</th>
<th>TYPE OF INDICATOR</th>
<th>OUTPUTS AND OUTCOMES</th>
<th>PERFORMANCE INDICATORS</th>
<th>2021-2022 PERFORMANCE TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Activities/outputs outputs</td>
<td>Applications Board approved</td>
<td>Approvals and investments in new sustainable development projects</td>
<td>Approve $140 million</td>
</tr>
<tr>
<td>2</td>
<td>Activities/outputs outputs</td>
<td>Applications Board approved</td>
<td>Number of new clean technology projects approved for funding</td>
<td>Approve 28 new projects</td>
</tr>
<tr>
<td>3</td>
<td>Activities/outputs outputs</td>
<td>Applications Board approved</td>
<td>Number of days from initial application to Board approval</td>
<td>Maintain intake average below 200 days</td>
</tr>
<tr>
<td>4</td>
<td>Activities/outputs outputs</td>
<td>Contribution agreements signed</td>
<td>Number of days from Board approval to contractual agreement signed</td>
<td>Reduce time-to-contract year-over-year by 5%</td>
</tr>
<tr>
<td>5</td>
<td>Activities/outputs outputs</td>
<td>Claim disbursement</td>
<td>Claim disbursement turnaround timing</td>
<td>Process 80% of contracted project funding claims within 45 calendar days</td>
</tr>
<tr>
<td>6</td>
<td>Activities/outputs outputs</td>
<td>Post-project questionnaires</td>
<td>Percentage of recipients who complete post-project questionnaires</td>
<td>Maintain improvement of 5% per year for post-project reporting</td>
</tr>
<tr>
<td>7</td>
<td>Immediate outcomes (0–3 years)</td>
<td>Recipients awarded SD Tech Fund contracts</td>
<td>Funding disbursed to contracted recipients</td>
<td>Disburse $126 million to recipients</td>
</tr>
<tr>
<td>8</td>
<td>Immediate outcomes (0–3 years)</td>
<td>SD Tech Fund-supported technologies are advancing toward successful demonstrations</td>
<td>Percentage of active projects advancing toward successful demonstrations</td>
<td>Maintain a 90% minimum average</td>
</tr>
<tr>
<td>9</td>
<td>Immediate outcomes (0–3 years)</td>
<td>Recipients form collaborative partnerships that create/demonstrate new technologies across the innovation chain</td>
<td>Dollars leveraged from all partners (public and private) relative to SD Tech Fund dollars</td>
<td>Maintain $2 leverage funding for each $1 of SDTC funding</td>
</tr>
<tr>
<td>10</td>
<td>Immediate outcomes (0–3 years)</td>
<td>Recipients form collaborative partnerships across the innovation chain</td>
<td>Dollars leveraged from private sector partners and collaborators</td>
<td>Maintain $1.63 leverage funding for each $1 of SDTC funding</td>
</tr>
<tr>
<td>11</td>
<td>Intermediate outcomes (4–7 years)</td>
<td>SD Tech Fund-supported technologies are successfully demonstrated</td>
<td>Percentage of approved projects that reached completion within the past five years</td>
<td>Achieve a rate of 80% of all approved projects</td>
</tr>
<tr>
<td>#</td>
<td>TYPE OF INDICATOR</td>
<td>OUTPUTS AND OUTCOMES</td>
<td>PERFORMANCE INDICATORS</td>
<td>2021–2022 PERFORMANCE TARGETS</td>
</tr>
<tr>
<td>----</td>
<td>------------------</td>
<td>----------------------</td>
<td>------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>12</td>
<td>Intermediate outcomes (4–7 years)</td>
<td>GBA+: Diverse people start businesses</td>
<td>Percentage of SD Tech Fund supported technologies whose firms are majority-led by women</td>
<td>Achieve a rate of 25% of SD Tech Fund-supported firms majority-led by women</td>
</tr>
<tr>
<td>13</td>
<td>Intermediate outcomes (4–7 years)</td>
<td>SD Tech Fund-supported technologies make substantial advancements toward commercialization</td>
<td>Percentage of projects that advance by two technology readiness levels by the time of project completion</td>
<td>Achieve a rate of 75% of all supported completed projects each year</td>
</tr>
<tr>
<td>14</td>
<td>Long-term outcomes (7+ years)</td>
<td>SD Tech Fund-supported technologies are commercialized and diffused in target market sectors in Canada and internationally</td>
<td>Percentage of SD Tech Fund-supported technologies commercialized (revenue derived from project technology)</td>
<td>Achieve a commercialization rate of 30% among SD Tech Fund-supported technologies</td>
</tr>
<tr>
<td>15</td>
<td>Long-term outcomes (7+ years)</td>
<td>SD Tech Fund-supported technologies are commercialized and diffused in target market sectors in Canada and internationally</td>
<td>Amount of follow-on funding obtained by SD Tech Fund-supported technologies following project completion</td>
<td>Maintain minimum average of $2 of follow-on financing for each $1 of SDTC funding for lifetime of the SD Tech Fund</td>
</tr>
<tr>
<td>16</td>
<td>Long-term outcomes (7+ years)</td>
<td>Environmental and economic benefits are realized from the adoption of SD Tech Fund-supported technologies</td>
<td>Annual growth rate of revenues generated by SD Tech Fund-supported technologies</td>
<td>Achieve a rate of 5% annual revenue growth generation among SD Tech Fund-supported technologies</td>
</tr>
<tr>
<td>17</td>
<td>Long-term outcomes (7+ years)</td>
<td>Environmental and economic benefits are realized from the adoption of SD Tech Fund-supported technologies</td>
<td>Number of jobs created by SD Tech Fund-supported technologies</td>
<td>1,500 jobs created by SD Tech Fund-supported technologies each year</td>
</tr>
<tr>
<td>18</td>
<td>Long-term outcomes (7+ years)</td>
<td>Environmental and economic benefits are realized from the adoption of SD Tech Fund-supported technologies</td>
<td>Annual incremental reductions in GHG emissions attributable to SD Tech Fund-supported technologies</td>
<td>Increase emissions reduction by 1 megatonne each year</td>
</tr>
<tr>
<td>19</td>
<td>Long-term outcomes (7+ years)</td>
<td>Environmental and economic benefits are realized from the adoption of SD Tech Fund-supported technologies</td>
<td>Percentage increase in estimated annual costs avoided. These may include costs avoided due to other environmental impacts of SD Tech Fund-supported technologies, including monetized benefits of cleaner air, cleaner water, cleaner soil, improved energy efficiency, etc.</td>
<td>Increase estimated annual monetized benefits (costs avoided) of all SD Tech Fund-supported technologies by 5% each year</td>
</tr>
</tbody>
</table>